

STANLEY SECURITY SOLUTIONS - EUROPE LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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STANLEY SECURITY SOLUTIONS - EUROPE LTD

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STANLEY SECURITY SOLUTIONS - EUROPE LTD

DIRECTORS AND ADVISORS

DIRECTORS

B Ginnever
A Sood
J Cowley (appointed 1 September 2011)
M Cogzell (appointed 1 September 2011)
J Trapp (resigned 1 September 2011)
S Stubbs (appointed 1 June 2012)

COMPANY SECRETARY

F Hayhurst

REGISTERED OFFICE

Stanley House
Bramble Road
Swindon
Wiltshire
SN2 8ER
United Kingdom

AUDITORS

Ernst & Young LLP
The Paragon
Counterslip
Bristol
BS1 6BX
United Kingdom

BANKERS

Barclays Bank Plc
28 Regent Street
Wiltshire
SN1 1QB
United Kingdom

SOLICITORS

Baker & McKenzie
100 New Bridge Street
London
EC4V 6JA
United Kingdom

COMPANY NUMBER

00875534

STANLEY SECURITY SOLUTIONS - EUROPE LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and the audited financial statements for the year ended 31 December 2011

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £2,266,000 (2010 £143,000) The directors do not recommend the payment of any dividends (2010 £nil) and the directors consider the financial position of the company at the year end to be satisfactory

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company continues to be a holding company for the Stanley Security Solutions - Europe group of companies

PRINCIPAL RISKS AND UNCERTAINTIES

The company's principal financial instruments comprise cash and loans between fellow group undertakings, the main purpose of which is to provide finance for its normal operations The main risks arising from the company's financial instruments are interest rate risk and liquidity risk

INTEREST RATE AND LIQUIDITY RISK

The company's exposure to interest rate risk is low and the company does not contract into any financial instruments to manage the effect of movements in interest rates The company's policy is to maintain sufficient cash and borrowing facilities as required to support the operating activities of the business

GOING CONCERN

Due to the principal activity of this company being a holding company and the fact that there are no principal risks and uncertainties, the directors believe that the company will continue in operational existence for the foreseeable future Accordingly, the directors continue to adopt the going concern basis when preparing the annual financial statements

DIRECTORS

The directors who served during the year were

B Ginnever

A Sood

J Cowley (appointed 1 September 2011)

M Cogzell (appointed 1 September 2011)

J Tripp (resigned 1 September 2011)

S Stubbs (appointed 1 June 2012)

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

STANLEY SECURITY SOLUTIONS - EUROPE LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011**

AUDITORS

The company has passed an elective resolution in accordance with section 487 of the Companies Act 2006 dispensing with the requirement to appoint auditors annually and therefore Ernst & Young LLP will continue in office

On behalf of the board

A handwritten signature in black ink, appearing to be 'A Sood', with a long horizontal stroke extending to the right.

A Sood
Director

Date 27 September 2012

STANLEY SECURITY SOLUTIONS - EUROPE LTD

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2011

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 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF STANLEY SECURITY SOLUTIONS - EUROPE LTD

We have audited the financial statements of Stanley Security Solutions - Europe Ltd for the year ended 31 December 2011, which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 18. 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 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

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 Directors' Report and financial statements to identify material inconsistencies with the audited financial statements. 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 2011 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 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.

STANLEY SECURITY SOLUTIONS - EUROPE LTD

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF STANLEY SECURITY SOLUTIONS - EUROPE LTD

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



Briony Kempton (Senior Statutory Auditor)

for and on behalf of
Ernst & Young LLP

Statutory Auditor,
Bristol
28 September 2012

STANLEY SECURITY SOLUTIONS - EUROPE LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £000	2010 £000
Administrative income / (expense)		92	(147)
OPERATING PROFIT/(LOSS)	4	92	(147)
Exceptional item - profit on sale of investment	5	2,925	-
Interest receivable and similar income	6	9	123
Interest payable and similar charges	7	(756)	(756)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		2,270	(780)
Tax on profit/(loss) on ordinary activities	8	(4)	923
PROFIT FOR THE FINANCIAL YEAR	14	2,266	143

All of the company's results for the year were from continuing activities

There is no material difference between the profit / (loss) on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents

STANLEY SECURITY SOLUTIONS - EUROPE LTD

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 £000	2010 £000
PROFIT FOR THE FINANCIAL YEAR		2,266	143
Dividend received		-	1,796
TOTAL RECOGNISED GAINS IN THE YEAR		2,266	1,939

STANLEY SECURITY SOLUTIONS - EUROPE LTD
REGISTERED NUMBER: 00875534

BALANCE SHEET
AS AT 31 DECEMBER 2011

	Note	£000	2011 £000	£000	2010 £000
FIXED ASSETS					
Tangible assets	9		2,282		2,349
Investments	10		45,635		49,082
			<u>47,917</u>		<u>51,431</u>
CURRENT ASSETS					
Debtors due within one year	11	9,052		2,567	
Cash at bank		1,059		1,719	
		<u>10,111</u>		<u>4,286</u>	
CREDITORS , amounts falling due within one year	12	(23,607)		(23,562)	
NET CURRENT LIABILITIES			<u>(13,496)</u>		<u>(19,276)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>34,421</u>		<u>32,155</u>
CAPITAL AND RESERVES					
Called up share capital	13		1,582		1,582
Share premium account	14		3,450		3,450
Revaluation reserve	14		576		587
Other reserves	14		27,617		27,617
Profit and loss account	14		1,196		(1,081)
SHAREHOLDERS' FUNDS	15		<u>34,421</u>		<u>32,155</u>

The financial statements were approved and authorised for issue by the board on 27 September 2012



A Sood
Director

Date 27 September 2012

STANLEY SECURITY SOLUTIONS - EUROPE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1 ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards

1.2 Group accounts, cash flow statement and related party disclosures

During the year the company was a wholly owned subsidiary of Stanley Black and Decker, Inc. The company is included in the consolidated financial statements of Stanley Black and Decker, Inc. which are publicly available (see note 18). Consequently, the company is exempt in accordance with section 401 of Companies Act 2006 from the requirement to prepare group accounts. These financial statements therefore contain information about the company only.

The company has also taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that during the year were part of the Stanley Black and Decker, Inc. Group or investees of the Stanley Black and Decker, Inc. Group.

1.3 Pensions

The company participates in a defined benefit pension scheme, the Stanley Black & Decker UK Pension Plan. This is funded and the assets of the scheme held separately from those of the company in separate trustee administered funds. The company's contributions are affected by the surplus/deficit in the scheme. However, it is not possible to identify the company's share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Therefore, in accordance with FRS 17 multi-employer exemption, the scheme is accounted for as if it were a defined contribution scheme.

1.4 Tangible fixed assets and depreciation

The company's freehold land and buildings were valued on the basis of open market value for existing use in 1982 and 1986. The company has followed the transitional provision of FRS15 'Tangible Fixed Assets' to retain the book value of revalued property but not to adopt a policy of revaluation for the future. These values are retained subject to the requirement to test assets for impairment in accordance with FRS11.

Depreciation is calculated so as to write down the cost of tangible fixed assets to their residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Freehold buildings	2%
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1.5 Investments

Investments in subsidiary undertakings are shown at cost less provision for any impairment in value.

STANLEY SECURITY SOLUTIONS - EUROPE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES (continued)

1.6 Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

- deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

2. ACCOUNTING PERIOD

The financial period, referred to in the financial statements as 'the year', is taken to end on the nearest Saturday to 31 December

3. DIRECTORS EMOLUMENTS

The directors of the company are also directors of the holding company and fellow subsidiaries. All of the directors' remuneration was paid by other group companies. Although the directors did carry out qualifying services for the company, they do not believe that it is practical to apportion their remuneration between the company, the holding company and fellow subsidiary companies. The aggregate directors emoluments in respect of qualifying services for the year was £495,000 (2010: £492,000)

The directors are the only employees of the company

4. OPERATING PROFIT/(LOSS)

is stated after charging/(crediting)

	2011 £000	2010 £000
Depreciation of owned tangible fixed assets	67	69
Exchange (gain) / loss arising from foreign currency transactions	(112)	142
	<u> </u>	<u> </u>

The company has no employees. Audit fees for the year were borne by the company's subsidiary undertaking Stanley Security Solutions Limited

STANLEY SECURITY SOLUTIONS - EUROPE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

5 EXCEPTIONAL ITEM - SALE OF INVESTMENT

On 7th November 2011, the company sold its shares in Stanley Security Solutions (Proprietary) Ltd and Blick Properties SA (Proprietary) Ltd for a sales price of £6,372,000 (£5,830,000 for Stanley Security Solutions (Proprietary) Ltd and £542,000 for Blick Properties SA (Proprietary) Ltd) The company incurred South African taxes of £21,000 as a result of this disposal

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2011 £000	2010 £000
Interest receivable from group undertakings	-	112
Bank interest receivable	9	11
	<u>9</u>	<u>123</u>

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £000	2010 £000
Interest payable to group undertakings	756	756
	<u>756</u>	<u>756</u>

8. TAXATION ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

(a) Tax credit for the period

The tax credit is made up as follows

	2011 £000	2010 £000
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
Group relief recoverable	-	(483)
Adjustments in respect of prior periods	1	(487)
Total current tax	<u>1</u>	<u>(970)</u>
Foreign tax	21	-
Total current tax	<u>22</u>	<u>(970)</u>
Deferred tax		
Origination and reversal of timing differences	(18)	47
Tax on profit/(loss) on ordinary activities	<u>4</u>	<u>(923)</u>

STANLEY SECURITY SOLUTIONS - EUROPE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

8. TAXATION ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES (continued)

(b) Tax reconciliation

The tax assessed on the profit / (loss) on ordinary activities before taxation for the year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 26.5% (2010 - 28%). The differences are reconciled below

	2011 £000	2010 £000
Profit/(loss) on ordinary activities before tax	2,270	(780)
Profit / (loss) on ordinary activities multiplied by rate of corporation tax	602	(218)
Effects of:		
Capital allowances in excess of depreciation	(2)	-
Utilisation of brought forward tax losses	(103)	-
Adjustments to tax charge in respect of prior periods	1	(487)
Other timing differences	-	(47)
Non-taxable income	(992)	(218)
Capital gains	103	-
Group relief surrendered for nil payment	392	-
Tax credit	21	-
Current tax charge/(credit) for the year (see note above)	22	(970)
(c) Deferred tax asset	2011 £000	2010 £000
Decelerated capital allowances	9	11
Other timing differences	20	-
Deferred tax asset (note 11)	29	11

The 2011 Budget announced a number of changes to the corporation tax rate. These included a reduction in the UK corporation tax rate from 27% to 26% effective from 1 April 2011 and a further reduction in the UK corporation tax rate to 25% effective from 1 April 2012.

The rate reduction to 26% was substantively enacted on 29 March 2011, the further reduction to 25% was substantively enacted on 5 July 2011. Deferred tax has therefore been provided at 25%.

Proposed changes to reduce the rate of UK corporation tax to 23% by 2014 were also included in the 2011 budget and subsequently changes to reduce the rate of UK corporation tax to 22% by 2014 were included in the 2012 budget but these changes had not been substantively enacted by the balance sheet date.

STANLEY SECURITY SOLUTIONS - EUROPE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings £000
Cost or valuation	
At 1 January 2011 and 31 December 2011	3,643
Depreciation	
At 1 January 2011	1,294
Charge for the year	67
At 31 December 2011	1,361
Net book value	
At 31 December 2011	2,282
At 31 December 2010	2,349

There were no capital commitments contracted for but not provided for at 31 December 2011 (2010 £nil)

10. INVESTMENTS

	Shares in subsidiary undertakings £000
Cost or valuation	
At 1 January 2011	49,408
Disposals	(3,447)
At 31 December 2011	45,961
Provision	
At 1 January 2011 and 31 December 2011	326
Net book value	
At 31 December 2011	45,635
At 31 December 2010	49,082

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

The company also holds certain trade investments which were fully provided for in prior periods

STANLEY SECURITY SOLUTIONS - EUROPE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

10. INVESTMENTS (continued)

The investments represent the net book value of ordinary shares in the following wholly owned subsidiaries

Name of company	Country of Incorporation	Class of shares held	Number	Nature of business
Directly owned				
Blick Telefusion Communications Limited	England and Wales	Ordinary £1 shares	18,000,000	TV signal distribution and holding company for Stanley Security Solutions Limited
Stanley Security Solutions Operations Limited	England and Wales	Ordinary 10p shares Preferred ordinary 10p shares	1,491,616 1,000	Communication solutions
Blick France sarl	France	Ordinary €100 shares	10,000	Communication solutions
Blick South Africa (Pty) Limited	South Africa	Ordinary R1 shares	200	Time management and security solutions
Held by a subsidiary				
Stanley Security Solutions Limited	England and Wales	Ordinary £1 shares	1,000,000	Supply of security, communication and time management solutions
Stanley Security Solutions Ireland Limited	Republic of Ireland	Ordinary Euro 1 25 shares	1	Sale, service and distribution of security and time management equipment
Igsus International Limited	England and Wales	Ordinary £1 shares	100	Supply, rental and maintenance of electronic time systems
GDX Technologies Limited	England and Wales	Ordinary £1 shares	135,000	Design and manufacturer of electronic security door entry systems

At 31 December 2011, all of the above companies were 100% owned and controlled by Stanley Security Solutions - Europe Ltd. Not all subsidiary undertakings are disclosed above in accordance with section 409 of the Companies Act 2006. This is due to the number of wholly owned dormant companies.

11. DEBTORS DUE WITHIN ONE YEAR

	2011 £000	2010 £000
Amounts owed by group undertakings	9,023	2,556
Deferred tax	29	11
	<u>9,052</u>	<u>2,567</u>
Deferred tax asset		£000
At 1 January 2011		11
Origination and reversal of timing differences		18
At 31 December 2011		29

STANLEY SECURITY SOLUTIONS - EUROPE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

12. CREDITORS.

Amounts falling due within one year

	2011 £000	2010 £000
Amounts owed to group undertakings	23,549	23,505
Accruals	58	57
	<u>23,607</u>	<u>23,562</u>

13. SHARE CAPITAL

	2011 £000	2010 £000
Allotted, called up and fully paid		
31,637,692 Ordinary shares of £0.05 each	1,582	1,582
	<u>1,582</u>	<u>1,582</u>

14. RESERVES

	Share premium account £000	Revaluation reserve £000	Other reserves £000	Profit and loss account £000
At 1 January 2011	3,450	587	27,617	(1,081)
Profit for the year	-	-	-	2,266
Revaluation surplus realised	-	(11)	-	11
	<u>3,450</u>	<u>576</u>	<u>27,617</u>	<u>1,196</u>
At 31 December 2011	3,450	576	27,617	1,196

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £000	2010 £000
Opening shareholders' funds	32,155	30,216
Profit for the year	2,266	143
Other recognised gains and losses during the year	-	1,796
	<u>34,421</u>	<u>32,155</u>
Closing shareholders' funds	34,421	32,155

16. PENSION COMMITMENTS

In 2009, the Stanley UK group operated three defined benefit schemes, the Blick Group Pension and Life Assurance Scheme (the Blick Scheme), the Stanley Works Limited Pension and Life Insurance Plan (the Works Plan) and the Stanley Senior Managers' Pension and Life Insurance Plan (the Senior Managers' Plan). In 2009 the Blick Scheme was operated and disclosed within the Stanley Security Solutions group, a sub group of the Stanley UK group and to which this Company belongs. The remaining two schemes were operated and disclosed in the Stanley UK Holding group, also a sub group of the Stanley UK group.

On 1 October 2009, the Senior Managers' Plan (with DB and DC accrual), the Blick Scheme (with DB accrual only) and the Blick Money Purchase Pension Plan (with DC accrual only) were merged into the Works Plan. This combined scheme is now called the Stanley Black & Decker UK Pension Plan.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

16. PENSION COMMITMENTS (continued)

For the year ended 31 December 2009, the group's actuarial advisors were able to provide the year-end disclosure information for the three former stand-alone defined benefit arrangements for the purposes of disclosure. This was consistent with treatment in prior years. However, the Stanley Security Solutions group were unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. As a result, the company which had the greatest share of the existing schemes assets and liabilities adopted the FRS 17 disclosure requirements and the scheme was subsequently accounted for as a defined contribution scheme within the accounts of the other companies within the Stanley Security Solutions group in accordance with the provisions of FRS 17.

For 2010 onwards, the Stanley UK group operates just one defined benefit scheme, the Stanley Black and Decker UK Pension Plan. The Stanley UK group are unable to separately identify its share of the underlying assets and liabilities on a consistent and reasonable basis. As a result, The Stanley Works Ltd, a fellow associate within the Stanley UK group and the company with the greatest share of the existing schemes assets and liabilities, has adopted the FRS 17 disclosure requirements and the scheme is subsequently accounted for as a defined contribution scheme within these accounts in accordance with the provisions of FRS 17.

The charge to the profit and loss account for 2011 was £nil (2010: £nil).

Full particulars of the actuarial valuation of the scheme are contained in the financial statements of The Stanley Works Ltd.

FRS 17 disclosures

The valuation used for prior year FRS 17 'retirement benefits' disclosures were based on the actuarial assessment of the schemes as at 1 January 2007. The Scheme assets were stated at their market value at the respective balance sheet dates.

STANLEY SECURITY SOLUTIONS - EUROPE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

16. PENSION COMMITMENTS (continued)

	2011	2010	2009
	%	%	%
Main assumptions			
Inflation assumption	-	-	3.8
Rate of increase in salaries	-	-	5.3
Rate of increase in pensions in payment (post 5 April 1997 pensions)	-	-	3.8
Rate of increase in deferred pensions	-	-	3.8
Discount rate	-	-	5.8

The Company's share of the assets and liabilities of the schemes and the expected rate of return at 31 December are

	Long term rate of return %	2011 Value £000	Long term rate of return %	2010 Value £000	Long term rate of return %	2009 Value £000
Equities	0.00%	-	0.00	-	8.75%	3,200
Bonds- Government	0.00%	-	0.00	-	3.75%	4,200
Total market value of assets		-		-		7,400
Present value of scheme liabilities		-		-		(8,000)
						(600)
Related deferred tax asset / (liability)		-		-		168
Net pension (liability) / asset		-		-		(432)

The overall expected rate of return was derived by looking at the assets held at the balance sheet date and by considering the expected return for each asset class. The Plans did not hold any financial instruments relating to the company, or property occupied by it.

Analysis of movements in scheme liabilities during the year

	2011 £000	2010 £000
At 1 January	-	8,000
Transferred to The Stanley Works Ltd	-	(8,000)
Closing defined benefit obligation	-	-

STANLEY SECURITY SOLUTIONS - EUROPE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

16 PENSION COMMITMENTS (continued)

Analysis of movements in scheme assets during the year

	2011 £000	2010 £000
At 1 January	-	7,400
Transferred to The Stanley Works Ltd	-	(7,400)
	<u>-</u>	<u>-</u>

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses is £1,379,000 (2010 net loss of £1,379,000)

The total contributions to the defined benefit plan in the next year are expected to be £nil (2011 actual contributions £nil)

History of assets, liabilities, surplus/(deficit) and experience adjustments

	2011 £000	2010 £000	2009 £000	2008 £000	2007 £000
Defined benefit obligation	-	-	(8,000)	(7,782)	(8,278)
Scheme assets	-	-	7,400	7,839	7,948
	<u>-</u>	<u>-</u>	<u>(600)</u>	<u>57</u>	<u>(330)</u>
Experience adjustments on scheme liabilities	-	-	(818)	(843)	111
Experience adjustments on scheme assets	-	-	161	(780)	(139)

17. CROSS GUARANTEES

The company has entered into a Composite Accounting Agreement dated 20 September 2005. Each participating company has provided a guarantee to the Bank. Under the terms of the Agreement and the guarantees, the Bank is authorised to allow set-off for interest purposes and in certain circumstances to seize credit balances and apply them in reduction of liabilities including debit balances within the Composite Accounting System.

18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is SWK (UK) Limited, which is incorporated in the United Kingdom.

The ultimate holding company and the ultimate controlling party of the group of undertakings for which group financial statements are drawn up and of which the company is a member is Stanley Black & Decker, Inc., incorporated in the United States of America. Copies of the financial statements of Stanley Black & Decker, Inc. may be obtained from Stanley Black & Decker, Inc., 1000 Stanley Drive, New Britain, Connecticut 06053, USA.