

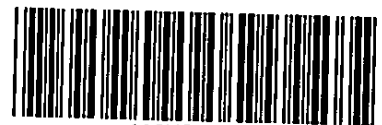
Registered number: 00875534

STANLEY SECURITY SOLUTIONS - EUROPE LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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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
M Cogzell
S Stubbs

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

COMPANY NUMBER

00875534

STANLEY SECURITY SOLUTIONS - EUROPE LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and the audited financial statements for the year ended 31 December 2012

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £697,000 (2010 profit of £2,266,000) The directors do not recommend the payment of any dividends (2011 £nil) and the directors consider the financial position of the company at the year end to be in line with expectations

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, the fact that there are no principal risks and uncertainties and after receiving a letter of support from the ultimate parent and controlling party, Stanley Black & Decker Inc, 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 and subsequent to the year end were

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

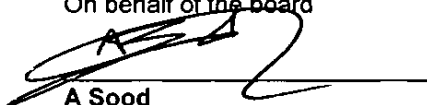
STANLEY SECURITY SOLUTIONS - EUROPE LTD

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

On behalf of the board


A Sood
Director

Date 26 September 2013

STANLEY SECURITY SOLUTIONS - EUROPE LTD

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2012

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.

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 2012, which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, 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 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 2012 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.

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
27 September 2013

STANLEY SECURITY SOLUTIONS - EUROPE LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 £000	2011 £000
Administrative income		<u>34</u>	<u>92</u>
OPERATING PROFIT	4	34	92
Exceptional item - profit on sale of investment	5	-	2,925
Interest receivable and similar income	6	39	9
Interest payable and similar charges	7	<u>(750)</u>	<u>(756)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(677)	2,270
Tax on (loss)/profit on ordinary activities	8	<u>(20)</u>	<u>(4)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	14	<u>(697)</u>	<u>2,266</u>

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

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

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and Loss Account

STANLEY SECURITY SOLUTIONS - EUROPE LTD
REGISTERED NUMBER 00875534

BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£000	2012 £000	£000	2011 £000
FIXED ASSETS					
Tangible assets	9		2,215		2,282
Investments	10		45,635		45,635
			<u>47,850</u>		<u>47,917</u>
CURRENT ASSETS					
Debtors due within one year	11	9,054		9,052	
Cash at bank		267		1,059	
		<u>9,321</u>		<u>10,111</u>	
CREDITORS amounts falling due within one year	12	(23,447)		(23,607)	
NET CURRENT LIABILITIES			<u>(14,126)</u>		<u>(13,496)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>33,724</u>		<u>34,421</u>
CAPITAL AND RESERVES					
Called up share capital	13		1,582		1,582
Share premium account	14		3,450		3,450
Revaluation reserve	14		565		576
Other reserves	14		27,617		27,617
Profit and loss account	14		510		1,196
SHAREHOLDERS' FUNDS	15		<u>33,724</u>		<u>34,421</u>

The financial statements were approved and authorised for issue by the board on 26 September 2013 and signed on its behalf by



A Sood
Director

Date 26 September 2013

STANLEY SECURITY SOLUTIONS - EUROPE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with law and applicable accounting standards in the United Kingdom (United Kingdom Generally Accepted Accounting Practice). The principal accounting policies which have been continually followed are set out below.

Due to the principal activity of this company being a holding company, the fact that there are no principal risks and uncertainties and after receiving a letter of support from the ultimate parent and controlling party, Stanley Black & Decker Inc, 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.

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 17). 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). 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 wholly owned and 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 are 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 2012

1. ACCOUNTING POLICIES (continued)

1.6 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 £911,000 (2011: £495,000).

The directors are the only employees of the company.

4. OPERATING PROFIT

is stated after charging/(crediting)

	2012 £000	2011 £000
Depreciation of owned tangible fixed assets	67	67
Exchange (gain) / loss arising from foreign currency transactions	(38)	(112)

The company has no employees. Audit fees for the year were borne by Stanley Security Solutions Limited, a wholly owned subsidiary within the Stanley Black & Decker Group.

STANLEY SECURITY SOLUTIONS - EUROPE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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

	2012 £000	2011 £000
Bank interest receivable	39	9

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £000	2011 £000
Interest payable to group undertakings	750	756

8 TAXATION ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES

(a) Tax charge for the period

The tax charge is made up as follows

	2012 £000	2011 £000
Analysis of tax credit / charge in the year		
Current tax (see note below)		
Adjustments in respect of prior periods	-	1
Total current tax	-	1
Foreign tax	-	21
Total current tax	-	22
Deferred tax		
Origination and reversal of timing differences	20	(18)
Tax on (loss)/profit on ordinary activities	20	4

STANLEY SECURITY SOLUTIONS - EUROPE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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

(b) Tax reconciliation

The tax assessed on the (loss) / profit on ordinary activities before taxation for the year is higher than (2011 - lower than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)
The differences are reconciled below

	2012	2011
	£000	£000
(Loss) / profit on ordinary activities before tax	(677)	2,270
(Loss) / profit on ordinary activities multiplied by rate of corporation tax	(166)	602
Effects of		
Expenses not deductible for tax purposes	16	-
Capital allowances in excess of depreciation	-	(2)
Utilisation of brought forward tax losses	-	(103)
Adjustments to tax charge in respect of prior periods	-	1
Non-taxable income	-	(992)
Capital gains	-	103
Group relief surrendered for nil payment	368	392
Tax credit	-	21
Transfer pricing adjustments	(218)	-
Current tax charge for the year (see note above)	-	22
(c) Deferred tax asset	2012	2011
	£000	£000
Decelerated capital allowances	8	9
Other timing differences	-	20
Deferred tax asset (note 11)	8	29

(d) Factors that may affect future tax charges

Announcements were made during the year by the Chancellor of the Exchequer of proposed changes to corporation tax rates which will have an effect on the future tax charge of the company. Reductions in the corporation tax rate to 24% from 1 April 2012 and to 23% from 1 April 2013 were substantively enacted during the year.

Subsequent reductions in the corporation tax rate to 21% from 1 April 2014 and to 20% from 1 April 2015 have been announced but not substantively enacted.

STANLEY SECURITY SOLUTIONS - EUROPE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings £000
Cost or valuation	
At 1 January 2012 and 31 December 2012	<u>3,643</u>
Depreciation	
At 1 January 2012	1,361
Charge for the year	67
At 31 December 2012	<u>1,428</u>
Net book value	
At 31 December 2012	<u>2,215</u>
At 31 December 2011	<u>2,282</u>

There were no capital commitments contracted for but not provided for at 31 December 2012 (2011 £nil)

10. INVESTMENTS

	Shares in subsidiary undertakings £000
Cost or valuation	
At 1 January 2012 and 31 December 2012	<u>45,961</u>
Impairment	
At 1 January 2012 and 31 December 2012	<u>326</u>
Net book value	
At 31 December 2012	<u>45,635</u>
At 31 December 2011	<u>45,635</u>

Having performed a review of the carrying amount of the investments at 31 December 2012 the Directors concluded that there are no indications of further impairment

A list of the significant investments in subsidiaries at 31 December 2012, including name and country of incorporation, is given below. All subsidiaries are 100% owned.

STANLEY SECURITY SOLUTIONS - EUROPE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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 Healthcare Solutions France SARL (formerly Blick France SARL)	France	Ordinary €100 shares	10,000	Communication solutions

At 31 December 2012, 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

	2012 £000	2011 £000
Amounts owed by group undertakings	9,046	9,023
Deferred tax	8	29
	<u>9,054</u>	<u>9,052</u>
Deferred tax asset	2012 £000	2011 £000
At 1 January	28	11
Origination and reversal of timing differences	(20)	18
At 31 December	8	29

12. CREDITORS Amounts falling due within one year

	2012 £000	2011 £000
Amounts owed to group undertakings	23,389	23,549
Accruals	58	58
	<u>23,447</u>	<u>23,607</u>

STANLEY SECURITY SOLUTIONS - EUROPE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

13. SHARE CAPITAL

	2012 £000	2011 £000
Allotted, called up and fully paid		
31,637,692 Ordinary shares of £0.05 each	<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 2012	3,450	576	27,617	1,196
Loss for the year	-	-	-	(697)
Revaluation surplus realised	-	(11)	-	11
At 31 December 2012	<u>3,450</u>	<u>565</u>	<u>27,617</u>	<u>510</u>

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £000	2011 £000
Opening shareholders' funds	34,421	32,155
(Loss)/profit for the year	<u>(697)</u>	<u>2,266</u>
Closing shareholders' funds	<u>33,724</u>	<u>34,421</u>

16. PENSION COMMITMENTS

The Stanley Black and Decker UK group operates one defined benefit scheme, the Stanley Black and Decker UK Pension Plan. The Stanley Black and Decker UK group is 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 2012 was £nil (2011: £nil).

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

STANLEY SECURITY SOLUTIONS - EUROPE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is SWK (UK) Limited, which is incorporated in the England and Wales

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 Stanley Black & Decker Inc is the parent undertaking of the largest and smallest group of which the company is a member and for which group financial statements are drawn up 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