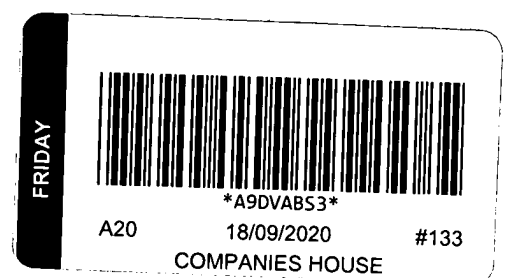


STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

**STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**



STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

COMPANY INFORMATION

Directors	R Adalja (appointed 1 April 2020) S Merrifield M Marriott
Company secretary	S Costello
Registered number	00875534
Registered office	Stanley House Bramble Road Swindon Wiltshire SN2 8ER
Auditor	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 3
Directors' Responsibilities Statement	4
Independent Auditors' Report	5 - 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 24

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Business review

The results for the year ended 31 December 2019 are in line with Directors' expectations. The company made operating profit of £188,000 (2018: £189,000) which mainly resulted from rental income received during the year. The results for the year are considered to be satisfactory as are future prospects.

Principal risks and uncertainties

The company's principal financial instruments comprise intercompany balances 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 described in detail below. In addition, and in common with the vast majority of the world's economy, the company and the group to which it belongs could be affected by the Covid-19 pandemic. The directors' consideration of the risks and uncertainties in this respect are also outlined below.

Credit risk

The directors consider that the credit risk exposure is limited as the loans are with fellow group companies.

Liquidity and refinancing risk

The company's objective is to produce continuity of funding at a reasonable cost. To do this it seeks to arrange committed funding where necessary from its immediate parent company or other group undertakings.

Market and interest rate risk

The company does not use hedging instruments to mitigate interest rate risk as the directors consider that they will be able to renegotiate borrowing and loan portfolios within an acceptable timescale so as to minimise the impact of significant changes in market interest rates.

Brexit

The directors have considered the impact of the proposed withdrawal of the UK from the European Union, commonly known as "Brexit" and do not expect any significant negative impact on the activities of the company or its subsidiary undertakings.

Covid-19

While the impact on this individual business from Covid-19 could be considered to be limited the directors are mindful that the company is a part of a large multinational group where subsidiaries are subject to the continuing support of the ultimate holding company. With this in mind the directors have considered the ability of the ultimate parent company, and the group in its entirety, to navigate the current extremely difficult period. This consideration can be found in the Directors' Report.

Financial key performance indicators

The company's key financial performance indicator is rental income of £265,000 (2018: £265,000) received from affiliate company Stanley Security Solutions Limited.

This report was approved by the board on 15 September 2020 and signed on its behalf.



R Adalja
Director

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Principal activity

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

Results and dividends

The profit for the year, after taxation, amounted to £104,000 (2018: £126,000).

The directors do not recommend the payment of any dividends (2018: £NIL).

Directors

The directors who served during the year were:

A S Lord (resigned 1 April 2020)

S Merrifield

M Marriott (resigned 31 May 2019, reappointed 1 April 2020)

J Unsworth (appointed 1 June 2019, resigned 19 November 2019)

Future developments

The directors aim is for the company to continue to be profit making in the future. During the year Stanley Security Solutions - Europe Limited has received rent on the building leased to Stanley Security Solutions Limited and will continue to do so going forward.

Financial instruments

Details of the company's financial instruments are provided in the Strategic Report.

Qualifying third party indemnity provisions

The company benefits from a global Indemnity policy which protects its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The ultimate parent undertaking has confirmed its intention to provide continued support for at least a year from the date of the signing of these financial statements.

The pandemic Covid-19 has given rise to considerable volatility in the world economy. However, Stanley Black & Decker believes that it is in a strong financial position and has sufficient flexibility to navigate the current difficulties. This conclusion is supported by the following factors relating to the ultimate holding company and group:

- maintains strong investment grade credit ratings,
- possesses substantial cash-on-hand and manages a robust and highly rated commercial paper programme,
- carries \$3 billion of revolving credit facilities backed by a well-capitalised, diversified bank group.

Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

Post balance sheet events

There have been no significant events affecting the company since the year end.

This report was approved by the board on 15 September 2020 and signed on its behalf.



R Adalja
Director

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

STANLEY SECURITY SOLUTIONS – EUROPE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF STANLEY SECURITY SOLUTIONS – EUROPE LIMITED

Opinion

We have audited the financial statements of Stanley Security Solutions - Europe Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

STANLEY SECURITY SOLUTIONS – EUROPE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF STANLEY SECURITY SOLUTIONS – EUROPE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

STANLEY SECURITY SOLUTIONS – EUROPE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF STANLEY SECURITY SOLUTIONS – EUROPE LIMITED

UHY Hacker Young

Stephen Grayson FCCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young Manchester LLP

16/9/20
.....

Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Turnover	4	265	265
Gross profit		265	265
Administrative expenses		(77)	(76)
Operating profit	5	188	189
Interest payable and similar expenses	9	(52)	(32)
Profit before tax		136	157
Tax on profit	10	(32)	(31)
Profit for the financial year		104	126

There was no other comprehensive income for 2019 (2018: £NIL).

The notes on pages 11 to 24 form part of these financial statements.

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED
REGISTERED NUMBER:00875534

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	11	1,761	1,829
Investments	12	45,104	45,104
		<u>46,865</u>	<u>46,933</u>
Current assets			
Debtors: amounts falling due within one year	13	4,582	4,533
		<u>4,582</u>	<u>4,533</u>
Creditors: amounts falling due within one year	14	(18,948)	(19,071)
		<u>(14,366)</u>	<u>(14,538)</u>
Net current liabilities			
		<u>(14,366)</u>	<u>(14,538)</u>
Total assets less current liabilities		<u>32,499</u>	<u>32,395</u>
Net assets		<u>32,499</u>	<u>32,395</u>
Capital and reserves			
Called up share capital	16	1,582	1,582
Share premium account	17	3,450	3,450
Other reserves	17	28,105	28,116
Profit and loss account	17	(638)	(753)
		<u>32,499</u>	<u>32,395</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 September 2020.



R Adalja
Director

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Share premium account	Other reserves	Profit & loss	Total equity
	£000	£000	£000	£000	£000
At 1 January 2019	1,582	3,450	28,116	(753)	32,395
Comprehensive income for the year					
Profit for the year	-	-	-	104	104
Transfer to profit and loss account	-	-	(11)	11	-
At 31 December 2019	1,582	3,450	28,105	(638)	32,499

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Share premium account	Other reserves	Profit & loss	Total equity
	£000	£000	£000	£000	£000
At 1 January 2018	1,582	3,450	28,127	(890)	32,269
Comprehensive income for the year					
Profit for the year	-	-	-	126	126
Transfer to profit and loss account	-	-	(11)	11	-
At 31 December 2018	1,582	3,450	28,116	(753)	32,395

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Stanley Security Solutions - Europe Limited is a private company limited by shares incorporated and domiciled in England and Wales. The registered office is Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared in pound sterling which is the functional and presentational currency of the company and is rounded to the nearest thousand.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

In line with section 33.1A of FRS 102, disclosures are not given of transactions with fellow wholly owned group companies.

In accordance with s401 of the Companies Act 2006, the company is exempt from the requirement to prepare and deliver group accounts. Financial information is presented about the company as an individual and not about its group. Details of the ultimate parent undertaking which draws up group accounts are disclosed in note 19.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The ultimate parent undertaking has confirmed its intention to provide continued support for at least a year from the date of the signing of these financial statements.

The pandemic Covid-19 has given rise to considerable volatility in the world economy. However, Stanley Black & Decker believes that it is in a strong financial position and has sufficient flexibility to navigate the current difficulties. This conclusion is supported by the following factors relating to the ultimate holding company and group:

- maintains strong investment grade credit ratings,
- possesses substantial cash-on-hand and manages a robust and highly rated commercial paper programme,
- carries \$3 billion of revolving credit facilities backed by a well-capitalised, diversified bank group.

Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Stanley Black & Decker, Inc. as at 28 December 2019 and these financial statements may be obtained from 1000 Stanley Drive, New Britain, Connecticut 06053, United States.

2.3 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is pound sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.4 Interest payable

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.5 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.6 Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from intercompany property rental on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold buildings	- 2%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Management performs an annual review to determine if the indicators of impairment exist. The impairment is calculated internally using a valuation technique based on the net assets model as there is a lack of comparable market data because of the nature of the investment.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Valuation of investments

The company carries its investments at cost less accumulated impairment. Management performs an annual review to determine if any indicators of impairment exist. Where an indicator of impairment is noted, management assess the value in use of the investments in subsidiaries by using a net assets model as the valuation technique as there is a lack of comparable market data due of the nature of the investments. For the discounted cashflow calculations, the key assumptions to which the valuation amounts are most sensitive are discount rates and the estimated cash generated from forecasted results.

Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised. Such calculations are sensitive to the likely timing and level of future taxable profits.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £000	2018 £000
Rental income	265	265
	<u>265</u>	<u>265</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charged:

	2019 £000	2018 £000
Depreciation of tangible fixed assets	68	68
Exchange differences	2	6
	<u>2</u>	<u>6</u>

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. Auditors' remuneration

	2019 £000	2018 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	<u>6</u>	<u>2</u>

7. Employees

The company does not employ any staff, the business and administration of the company being run by staff of another group undertaking.

8. Directors' remuneration

Directors' remuneration was paid by fellow group companies as the directors of the company are also directors of other group undertakings.

Although they carried out qualifying services for each company, the directors do not believe that it is practical to apportion their remuneration between companies.

Aggregate emoluments in respect of qualifying services for the year were £707,000 (2018: £447,000), including £185,000 (2018: £NIL) compensation for loss of office.

During the year retirement benefits were accruing to 3 directors (2018: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £298,000 (2018: £183,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2018: £26,000).

9. Interest payable and similar expenses

	2019 £000	2018 £000
Interest on loans from group undertakings	<u>52</u>	<u>32</u>
	<u>52</u>	<u>32</u>

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Taxation

There was no tax charge (2018: £NIL).

	2019 £000	2018 £000
Deferred tax		
Origination and reversal of timing differences	<u>32</u>	<u>31</u>
Total deferred tax	<u><u>32</u></u>	<u><u>31</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £000	2018 £000
Profit on ordinary activities before tax	<u>136</u>	<u>157</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	26	30
Effects of:		
Depreciation in excess of capital allowances	13	13
Adjustments to tax charge in respect of prior periods	15	4
Rate change	(10)	(4)
Group relief	7	1
Transfer pricing adjustments	<u>(19)</u>	<u>(13)</u>
Total tax charge for the year	<u><u>32</u></u>	<u><u>31</u></u>

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Taxation (continued)

Factors that may affect future tax charges

Deferred taxation

The company has recognised a deferred tax asset of £60,000 (2018: £92,000) in relation to non trade losses as it is probable that these will be utilised in future periods. The company has an unrecognised deferred tax asset as detailed below. It is not expected to be utilised in the foreseeable future. The deferred tax has been calculated at 19% corporation tax rate (2018: 17%).

Unrecognised deferred tax asset

	2019 £000	2018 £000
Capital losses	125	112
Management expenses	-	1
	<u>125</u>	<u>113</u>

11. Tangible fixed assets

	Freehold land and buildings £000
Cost or valuation	
At 1 January 2019	3,662
At 31 December 2019	<u>3,662</u>
Depreciation	
At 1 January 2019	1,833
Charge for the year on owned assets	68
At 31 December 2019	<u>1,901</u>
Net book value	
At 31 December 2019	<u>1,761</u>
At 31 December 2018	<u>1,829</u>

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

11. Tangible fixed assets (continued)

Included within freehold land and buildings is land at historic cost of £400,000 (2018: £400,000) which is not depreciated.

12. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2019	45,960
At 31 December 2019	45,960
Impairment	
At 1 January 2019	856
At 31 December 2019	856
Net book value	
At 31 December 2019	45,104
At 31 December 2018	45,104

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Stanley Healthcare Solutions France Sarl	45/47 Boulevard Paul Vaillant Couturier, 94200, Ivry Sur Seine, France	Communication Solutions	Ordinary €100	100%
Blick Telefusion Communications Limited	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%
Stanley Security Solutions Operations Limited	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary 10p and Preference 10p	100%
Blick Software Systems Limited	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%
Amano Blick International (Europe) Limited	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%
Blick Dormants Limited	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%
Blick Group Management Services Limited	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%
PAC International Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%
GDX Technologies Limited*	61/63 Back Sneddon Street, Paisley, Renfresshire, PA3 2DD	Dormant	Ordinary £1	100%
Audax Sound System Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%
Blick Engineering Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%
Blick International Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%
Cybershift Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%
Blick Maintenance Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Fixed asset investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Principal activity	Class of shares	Holding
Blick National Systems Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%
Blick Properties Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%
Blick Tannoy Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1 and Preference £1	100%
Blick Time Recorders Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%
Blick Time System Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%
British Time Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%
ITR International Time Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%
Programs At Work Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1 and Preference £1	100%
National Time Recorder Company Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1 and Preference £1	100%
Thomson & Kelly Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%
Trusound Installation Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%
Trusound Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%
Trusound Manufacturing Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%
Trusound Rentals Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Fixed asset investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Principal activity	Class of shares	Holding
Blick International Systems Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%
Sneddon Limited*	61/63 Back Sneddon Street, Paisley, Renfresshire, PA3 2DD	Dormant	Ordinary £1	100%
Blick Telefusion (Scotland) Limited*	61/63 Back Sneddon Street, Paisley, Renfresshire, PA3 2DD	Dormant	Ordinary £1	100%
Telefusion Communications Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary 5p and Preference £1	100%
Visionhire Cable Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1 and Deferred £1	100%
Wolsey Television (Scotland) Limited*	Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER	Dormant	Ordinary £1	100%

*Indirect subsidiary

13. Debtors

	2019 £000	2018 £000
Amounts owed by group undertakings	4,412	4,331
Other debtors	110	110
Deferred taxation	60	92
	4,582	4,533

14. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Amounts owed to group undertakings	18,948	19,071
	18,948	19,071

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Deferred taxation

	2019 £000	2018 £000
At beginning of year	92	123
Charged to the profit or loss	(32)	(31)
At end of year	60	92

The deferred tax asset is made up as follows:

	2019 £000	2018 £000
Accelerated capital allowances	3	3
Tax losses carried forward	57	89
	60	92

16. Share capital

	2019 £000	2018 £000
Allotted, called up and fully paid		
31,637,692 (2018: 31,637,692) Ordinary shares of £0.05 each	1,582	1,582

For all shares issued, subject to the articles, without prejudice to the rights attached to any existing shareholder, such rights or restrictions as may be determined by ordinary resolution.

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

17. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Revaluation reserve

This reserve is included in other reserves on the face of the balance sheet. It comprises the revalued amounts of land and buildings in excess of their historic cost.

Other reserves

Other reserves comprise an amount of £27,617,000 which was transferred under court order from the share premium account on 23 March 1994. The court order imposed certain restrictions on the ability of the company to make distributions out of this reserve.

This reserve also records the revaluation reserve.

Profit & loss account

The profit & loss account includes all current and prior period retained profit and losses.

18. Related party transactions

During the year the company entered into transactions with fellow group companies giving rise to balances outstanding to and from the company. Balances outstanding at 31 December are as follows;

	2019 £000	2018 £000
Amounts owed to parent undertakings	(13,706)	(5,301)
Amounts owed from subsidiary undertakings	4,412	4,331
Amounts owed to other group undertakings	(5,242)	(13,770)

19. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is SWK (UK) Limited, a company incorporated in the United Kingdom. The ultimate parent company is Stanley Black & Decker, Inc., a company incorporated in the United States.

The largest and smallest group in which the results of the company are consolidated is that of Stanley Black & Decker, Inc. Consolidated accounts are available from Stanley Black & Decker, Inc. at the address below:

Stanley Black & Decker, Inc.
1000 Stanley Drive
New Britain
CT 06053
United States