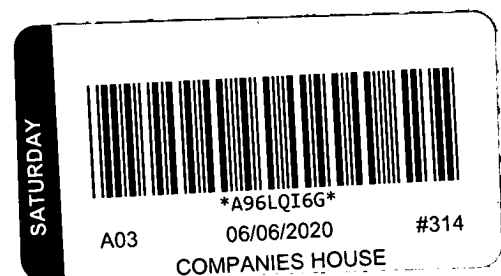


Registered number: 11714131

EMHART INTERNATIONAL HOLDING LTD

STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2019



EMHART INTERNATIONAL HOLDING LTD

COMPANY INFORMATION

Directors	S Costello (appointed 5 December 2018) M Smiley (appointed 5 December 2018) A Sood (appointed 5 December 2018)
Company secretary	Mitre Secretaries Limited
Registered number	11714131
Registered office	3 Europa Court, Sheffield Business Park, Sheffield S9 1XE
Auditor	UHY Hacker Young Manchester LLP 79 Oxford Street Manchester M1 6HT

EMHART INTERNATIONAL HOLDING LTD

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EMHART INTERNATIONAL HOLDING LTD

**STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2019**

Business review

The company was incorporated on the 5th December 2018 and on 21st December 2018 acquired 100% holding in Emhart International Limited.

The directors' review of the investment held at the end of the period resulted in no impairment.

The company's loss for the period of £240 relates to bank charges incurred .

Principal risks and uncertainties

The directors do not believe that there are any principal risks and uncertainties facing the business that require disclosure.

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 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.

This report was approved by the board on 22 May 2020 and signed on its behalf.



S Costello
Director

EMHART INTERNATIONAL HOLDING LTD

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

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

Principal activity

The company is an investment holding company.

Results and dividends

The loss for the period, after taxation, amounted to £240.

There were no dividends declared in the year.

Directors

The directors who served during the period were:

S Costello (appointed 5 December 2018)

M Smiley (appointed 5 December 2018)

A Sood (appointed 5 December 2018)

Future developments

The directors aim to maintain current management policies.

Financial instruments

The company is a member of a cash concentration arrangement with other companies within the Stanley Black & Decker UK group. Entities that are members of the Cash Concentration set-up have their account balances swept to a single Bank of America ("BOA") bank account held by an affiliate in the Stanley Black & Decker UK group each day. The Company reports its contribution to the pool or their borrowing from the pool as an affiliate balance with the cashpool header.

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.

EMHART INTERNATIONAL HOLDING LTD

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

Going concern

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

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,
- has the ability to generate additional cash proceeds of \$750 million in the second quarter upon the successful remarketing of its Series C Convertible Preferred Stock, pursuant to its 2017 Equity Units transaction.

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 period end.

This report was approved by the board on 22 May 2020 and signed on its behalf.



S Costello
Director

EMHART INTERNATIONAL HOLDING LTD

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD 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.

EMHART INTERNATIONAL HOLDING LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EMHART INTERNATIONAL HOLDING LTD

Opinion

We have audited the financial statements of Emhart International Holding Ltd (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 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.

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.

EMHART INTERNATIONAL HOLDING LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF EMHART INTERNATIONAL HOLDING LTD

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.

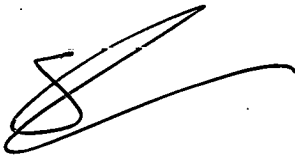
Use of our report

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.

EMHART INTERNATIONAL HOLDING LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF EMHART INTERNATIONAL HOLDING LTD



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

28/5/2020
.....

Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

EMHART INTERNATIONAL HOLDING LTD

INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2019

	Note	13 month period ended 31 December 2019 £
Administrative expenses		(240)
Operating loss		<u>(240)</u>
Loss for the financial Period		<u><u>(240)</u></u>

There were no recognised gains and losses for 2019 or 2018 other than those included in the income statement.

The notes on pages 11 to 16 form part of these financial statements.

EMHART INTERNATIONAL HOLDING LTD
REGISTERED NUMBER: 11714131

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £
Fixed assets		
Investments	8	444
		<u>444</u>
Creditors: amounts falling due within one year	9	(184)
Net current (liabilities)/assets		<u>(184)</u>
Total assets less current liabilities		<u>260</u>
Net assets		<u><u>260</u></u>
Capital and reserves		
Called up share capital	10	500
Profit and loss account	11	(240)
		<u>260</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 May 2020.



S Costello
Director

EMHART INTERNATIONAL HOLDING LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2019

	Called up share capital £	Profit and loss account £	Total equity £
Comprehensive expense for the period			
Loss for the period	-	(240)	(240)
Shares issued during the period	500	-	500
At 31 December 2019	500	(240)	260

EMHART INTERNATIONAL HOLDING LTD

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

1. General information

Emhart International Holding Limited is a private company limited by shares and incorporated and domiciled in the England and Wales. The company's registered office is 3 Europa Court, Sheffield Business Park, Sheffield, S9 1XE, United Kingdom.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared in Pound sterling which is the presentational and functional currency of the company and 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 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 11

Going concern

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

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,
- has the ability to generate additional cash proceeds of \$750 million in the second quarter upon the successful remarketing of its Series C Convertible Preferred Stock, pursuant to its 2017 Equity Units transaction.

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

EMHART INTERNATIONAL HOLDING LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 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 Stanley Black & Decker, Inc., 1000 Stanley Drive, New Britain, CT 06053, United States..

2.3 Taxation

Tax is recognised in the Income statement, 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.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.5 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.

EMHART INTERNATIONAL HOLDING LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 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 statement of financial position 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 investment

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.

4. Auditors' remuneration

Auditor's remuneration for audit services of £3,000 is borne by a fellow group undertaking.

5. Employees

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

6. Directors' remuneration

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

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

The aggregate UK directors' emoluments in respect of qualifying services for the period were £772,000.

During the period retirement benefits were accruing to 3 directors in respect of defined contribution pension schemes.

The highest paid director received remuneration of £427,000.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £17,000.

EMHART INTERNATIONAL HOLDING LTD

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

7. Taxation

There is no tax charge for the year.

Factors affecting tax charge for the period

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

	13 month period ended 31 December 2019 £
(Loss) on ordinary activities before tax	(240)
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(46)
Effects of:	
Group relief	(904)
Transfer pricing adjustments	950
Total tax charge for the period	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

EMHART INTERNATIONAL HOLDING LTD

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

8. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
Additions	444
At 31 December 2019	444

The directors undertake a review of investments held each year. The value in use of the investments in subsidiaries has been based on a net asset basis for holding companies and a discounted cash flow basis for trading entities using a discount rate of 10.2% and a flat growth rate. Cash flows have been based on projections for a five year period on which a terminal growth multiple of 9.78 is applied to the cash flows at the end of the five year period.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Emhart International Limited	3 Europa Court, Sheffield Airport Business Park, Sheffield, S9 1XE	Investment holding company	Ordinary	100%
Tucker Fasteners Limited*	3 Europa Court, Sheffield Airport Business Park, Sheffield, S9 1XE	Finance activities	Ordinary	100%

* Held indirectly

9. Creditors: Amounts falling due within one year

	2019 £
Amounts owed to other group companies	184
	184

EMHART INTERNATIONAL HOLDING LTD

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

10. Share capital

	2019 £
Allotted, called up and fully paid	
500 Ordinary shares shares of £1.00 each	<u><u>500</u></u>

The company issued 500 Ordinary shares of £1.00 each on the 5th December 2018.

11. Reserves

Profit and loss account

This reserve records any accumulated distributable profits less dividends paid since the inception of the company.

12. Ultimate parent undertaking and controlling

The company is a wholly owned subsidiary of The Black & Decker Corporation, a company incorporated in the United States. 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