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COMPANY NO: FC10558

Black & Decker Investment Company, LLC

Report and Financial Statements

Year ended 31 December 2009

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Black & Decker Investment Company, LLC

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Black & Decker Investment Company, LLC

Directors and other information

Directors

C B Powell-Smith (Chairman)
G H Johnston (President)
E Dolce (Vice-Chairman) (resigned 1 July 2010)
J Wyatt
M Allan
C S Ennis (appointed 1 July 2010)

Secretary

Mitre Secretaries Limited

Bankers

Bank of America
Bank of America NA
26 Elmfield Road
Bromley, Kent
BR1 1WA
UK

Registered office

Corporation Trust Center
1209 Orange Street
Wilmington
County of New Castle
Delaware 19801
USA

Main place of business

210 Bath Road
Slough
Berkshire
SL1 3YD
UK

Auditors

Ernst & Young
Chartered Accountants
City Quarter
Lapps Quay
Cork
Ireland

Solicitors

CMS Cameron McKenna LLP
Mitre House
160 Aldersgate Street
London
EC1A 4DD
UK

Registered in England

FC010558

Black & Decker Investment Company, LLC

Registration No FC10558

Director's report

The directors present their report and financial statements for the year ended 31 December 2009

Results and dividends

The results for the year are set out in the profit and loss account on page 6. There were no dividends declared or paid in the current year.

Principal activity and review of business developments

The principal activity of the company during the period to 31 December 2009 was the provision of finance to other group companies.

The company is incorporated in the United States of America and is registered in the United Kingdom as an overseas company under section 1044 of the Companies Act 2006.

Principal risks and uncertainties

The principal risks and uncertainties facing the company arise from the holding of financial instruments, which can be subject to liquidity risk, foreign currency risk and interest rate risk. These are described in further detail below under treasury policy.

Treasury policy

The company is an investment company which provides finance to its group undertakings. The company finances its operations by equity funding from its immediate parent.

The main risks arising from the company's financial instruments are liquidity and interest rate risk. These risks, and the policies to manage them, are summarized below. These policies are long standing policies which are under constant review.

Interest rate risk

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

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.

Directors

The current directors of Black & Decker Investment Company, LLC are listed on page 1.

Directors' interests

The directors have no beneficial interests in the shares of the company. No material contract or arrangement has been entered into by the company during the year in which any director has had an interest.

Directors' 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.

Future developments

The directors aim to maintain current management policies.

Black & Decker Investment Company, LLC

Registration No FC10558

Director's report

Events since the balance sheet date

On March 12, 2010 The Stanley Works completed its merger with The Black & Decker Corporation, which was the company's ultimate parent company. The ultimate parent company is now Stanley Black and Decker Inc.

On 1 April 2011, the UK corporation tax rate will reduce from 28% to 27%, and by a further 1% a year over the following 3 years. This rate change will both affect the amount of future cash tax payments to be made by the company and reduce the size of the company's deferred tax asset. The effect on the company of these proposed changes to the UK tax system will be fully reflected in the company's financial statements in future years, as appropriate, once the proposals have been substantively enacted.

The directors are not aware of any other significant events since the balance sheet date which would have an effect on the financial statements or require disclosure therein.

Statement of directors' responsibilities in respect of the accounts

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law as it applies to overseas companies 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that 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.

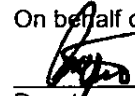
Disclosure of information to the auditors

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. Having made enquiries of fellow directors and the company's auditor, each director has taken all 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.

Auditors

In accordance with Delaware law, there is no obligation to appoint auditors annually and accordingly Ernst & Young shall be deemed reappointed as auditors.

On behalf of the Board



Director

Date 10 September 2010

Black & Decker Investment Company, LLC

Profit and loss account

For the year ended 31 December 2009

	Notes	2009 \$'000	2008 \$'000
Administrative (expense)/credit		(24)	87
Operating (loss)/profit – continuing operations	3	<u>(24)</u>	<u>87</u>
Interest receivable and similar income	4	903	1,467
Profit on ordinary activities before tax		<u>879</u>	<u>1,554</u>
Tax on profit on ordinary activities	5	-	-
Profit for the financial year	9	<u>879</u>	<u>1,554</u>

Statement of Total Recognised Gains and Losses

There are no recognised gains or losses in either year other than the profit attributable to shareholders of the company of \$879,000 for the year ended 31 December 2009 (2008 \$1,554,000)

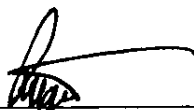
Black & Decker Investment Company, LLC

Balance sheet

As at 31 December 2009

	Notes	2009 \$'000	2008 \$'000
Current assets			
Debtors	6	49,339	48,435
Cash at bank and in hand		8	8
		<u>49,347</u>	<u>48,443</u>
Creditors' amounts falling due within one year	7	<u>(242)</u>	<u>(217)</u>
Net current assets		<u>49,105</u>	<u>48,226</u>
Net assets		<u>49,105</u>	<u>48,226</u>
Capital and reserves			
Called up share capital	8	128	128
Share premium account	9	24,000	24,000
Revaluation reserve	9	(11)	(11)
Profit and loss account	9	24,988	24,109
		<u>49,105</u>	<u>48,226</u>
Shareholders' funds		<u>49,105</u>	<u>48,226</u>

Approved by the Board on



Director

Date 10 September 2010

Black & Decker Investment Company, LLC

Notes to the financial statements

At 31 December 2009

1 The company

The company is incorporated in the United States of America. The corporation was converted to a Delaware Limited Liability Company on 1 December 2006 and is registered in the United Kingdom as an overseas company under section 1044 of the Companies Act, 2006.

2 Accounting policies

2.1 Accounting convention

These financial statements are prepared under the historical cost convention and in accordance with the company's accounting policies based on United Kingdom Generally Accepted Accounting Practice.

2.2 Foreign currencies

The functional currency of the company is deemed to be US dollars (\$) since it is an investment company acting on behalf of its ultimate controlling party, Black & Decker Corporation.

Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.3 Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at net proceeds. After initial recognition, debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debts of the period. Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

2.4 Cash flow statement

A cash flow statement has not been prepared as the company is exempt under Financial Reporting Standard No. 1 (Revised).

2.5 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events have occurred at the 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.
- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.

Black & Decker Investment Company, LLC

Notes to the financial statements

At 31 December 2009

2.5 Deferred taxation (continued)

- 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

2.6 Revenue recognition

Interest income

Revenue is recognised as interest accrues using the effective interest method

3	Operating loss/(profit)	2009 \$'000	2008 \$'000
	Operating loss/(profit) is stated after charging/(crediting)		
	Auditors' remuneration	-	-
	Foreign exchange translation loss/(gain)	24	(87)

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

The directors received no remuneration during the year (2008 \$ Nil)

Auditors' remuneration is borne by a fellow group undertaking

4	Interest receivable and similar income	2009 \$'000	2008 \$'000
	Interest receivable from group undertaking	903	1,467

Black & Decker Investment Company, LLC

Notes to the financial statements

At 31 December 2009

5 Taxation

There is no tax charge for the year (2008 \$Nil)

(a) Factors affecting the current tax charge for the year

The tax assessed for the year is lower than the UK standard rate of corporation tax of 28% (2008 28.5%). The differences are explained below

	2009 \$'000	2008 \$'000
Profit on ordinary activities before tax	879	1,554
Profit on ordinary activities multiplied by the UK standard rate of corporation tax of 28% (2008 28.5%)	246	443
<i>Effects of</i> Group relief claimed for nil consideration	(246)	(443)
Total current tax	-	-

(b) Deferred tax

The company has an unrecognised deferred tax asset of approximately US\$1,405,000 (2008 \$1,268,000) relating to connected party capital losses

6 Debtors

	2009 \$'000	2008 \$'000
Loan to group undertaking	44,490	44,490
Interest receivable from group undertakings	4,849	3,945
	49,339	48,435

The loan to group undertaking is with Black & Decker Inc for \$44,490,000 with an interest rate of 1.96% (2008 2.95%) per annum. The loan can be repaid by agreement of both sides at any time without penalty. The loan interest rate can be reset when necessary by the company without formal documentation.

Black & Decker Investment Company, LLC

Notes to the financial statements

At 31 December 2009

7	Creditors: amounts falling due within one year	2009	2008
		\$'000	\$'000
	Amounts owed to fellow subsidiary undertaking	242	217
		242	217
8	Share capital	2009	2008
		No.	No.
	Authorised share capital		
	Cumulative 15 25% preferred share membership of US\$160 each	5,000,000	5,000,000
	Common share membership of US\$10 each	15,000	15,000
		\$'000	\$'000
	Allotted, called up and fully paid share capital		
	12,801 Common share membership of US\$10 each	128	128
		128	128

The holders of the preference shares shall be entitled to dividends when and as declared by the board of directors at the rate twenty-two dollars and forty cents per preferred share each year. Dividends on the preferred shares shall be cumulative. The holders of the preference shares shall have no voting rights except to the extent required by the law of Delaware.

The company shall have the right to redeem at any time any or all of the issued and outstanding shares of preferred stock in the Company by paying to the holders of each share the paid-in value of the shares in dollars, together with the amount of any dividends as may be payable at the time of redemption to the holders of such shares.

In the event of and upon liquidation, dissolution or a distribution of all the assets of the Company, the holders of preferred shares shall be entitled to receive out of the net assets of the Company the paid-in value of the shares together with the amount of any dividends as may then be payable to the holders of such shares, or if the net assets of the company are insufficient for this purpose, the rateable portion of the paid-in value of the shares. After such payment to the holders of the preferred shares, the remaining assets and funds shall be distributed among the holders of the common stock.

In determining the voting powers, designations, preferences, rights and qualifications, limitations and restriction of each class of shares, the DGCL and the common law interpreting the DGCL shall apply as if such Preferred Shares were shares of preferred stock of a Delaware corporation and if such Common Shares were shares of common stock of a Delaware corporation.

Black & Decker Investment Company, LLC

Notes to the financial statements

At 31 December 2009

9 Reconciliation of movements in shareholders' funds and movements on reserves

	Share capital \$'000	Foreign exchange reserve \$'000	Share premium account \$'000	Profit and loss account \$'000	Total \$'000
At 1 January 2008	128	(11)	24,000	22,555	46,672
Profit attributable to members of the company	-	-	-	1,554	1,554
At 31 December 2008	128	(11)	24,000	24,109	48,226
Profit attributable to members of the company	-	-	-	879	879
At 31 December 2009	128	(11)	24,000	24,988	49,105

10 Related party transactions

The company has taken advantage of the exemptions in Financial Reporting Standard No. 8 not to disclose related party transactions with wholly owned group undertakings as the ultimate holding company publishes consolidated accounts

11 Ultimate holding company

The company is a wholly owned subsidiary of Bandhart Overseas, a company incorporated in the United Kingdom. On March 12, 2010 The Stanley Works completed its merger with The Black & Decker Corporation, which was the company's ultimate parent company. The ultimate parent company is now Stanley Black and 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 The Black & Decker Corporation.

Consolidated accounts are available from Stanley Black and Decker Inc. at the address below:

Stanley Black & Decker Inc
New Britain
Connecticut
United States of America

12. Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on 10 September 2010.