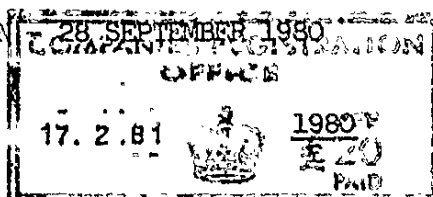


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BLACK & DECKER INVESTMENT COMPANY

STATEMENT OF FINANCIAL CONDITION



Note

ASSETS EMPLOYED

INVESTMENT IN GROUP COMPANIES	5	69,164,706
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CURRENT ASSETS

Amounts owing by fellow subsidiaries		18,300
Debtors		16,251
Bank Balances		5,726,837
		<u>5,761,388</u>

CURRENT LIABILITIES

Creditors		1,263,993
Amounts owing to fellow subsidiaries		59,853
Taxation	4	<u>155,000</u>
		<u>1,478,846</u>

NET CURRENT ASSETS

4,282,542
<u>£73,447,248</u>

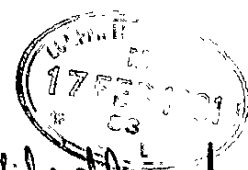
FUNDS EMPLOYED

STOCKHOLDERS EQUITY

Common Stock		20,000
Retained Earnings	7	18,427,248
		<u>18,447,248</u>

LONG TERM DEBT

6	55,000,000
	<u>£73,447,248</u>



*[Handwritten signatures]*  
*D. C.*  
*C. Platt*

Directors

I HEREBY CERTIFY that this is the Balance Sheet presented to the members of the Company for the period ended 28 September 1980.

Signed:

*[Handwritten signature]*

F N Woolley - Secretary

# BLACK & DECKER INVESTMENT COMPANY

## NOTES ON THE FINANCIAL STATEMENTS - SEPTEMBER 28 1980

### 1. THE COMPANY

The company was incorporated in the State of Delaware USA on July 14, 1980 and is registered in the United Kingdom as an overseas company under Part X of the Companies Act 1948.

Financial statements for the first accounting period are from the date of incorporation to September 28 1980.

The accounting records of the company are maintained in pounds sterling.

### 2. ACCOUNTING POLICY

#### a. Foreign Currencies

Common stock, capital surplus and investments in group companies are translated into sterling at exchange rates ruling at the date of the relevant transactions. All other assets and liabilities in foreign currencies are translated at rates of exchange which approximate market rates at the period end.

Foreign currency income and expenses are converted at rates of exchange ruling on the date of individual transactions.

#### b. Dividend Income

Dividend Income is credited to earnings when declared.

### 3. NON-RECURRING COSTS

Costs in connection with the setting up of the company and arranging of the long term debt facility £46,528

### 4. TAXATION

The charge based on the profit for the period comprises:

U.K. Corporation tax @ 52%	£1,388,000
LESS: Relief for overseas tax	<u>£1,233,000</u>
	<u>£ 155,000</u>

No credit has been taken for deferred taxes on short-term timing differences in view of the uncertainty concerning their recoverability.

### 5. INVESTMENT IN GROUP COMPANIES

Shares at cost - Black & Decker Holdings Inc.	69,122,689
Black & Decker (US) Inc.	<u>42,017</u>
	<u>£69,164,706</u>

....cont.

- b.
- a. The holding represents the purchase at par of all 1,645,120 12 per cent cumulative preference shares, par value U.S. \$100 each. issued by Black & Decker Holdings Inc., the immediate parent company.
  - b. The shares in Black & Decker (US) Inc., are 1,000 class B common stock, par value U.S. \$100 each and represents 100% of the shares in issue of that class. These shares carry no voting rights.

6. LONG TERM DEBT

The debt is repayable within seven years. The first instalment of £5,500,000 is due on January 23, 1985 the second instalment also of £5,500,000 is due on July 23, 1985; and the balance is repayable in four equal half-yearly instalments.

Interest rates levied during the period range from 15½ to 17¼%. Repayment of the debt is guaranteed by The Black & Decker Manufacturing Company.

7. COMMON STOCK AND CAPITAL SURPLUS

	Common Stock £	Capital Surplus £
Issue of 4760 (authorised 10,000) shares par value U.S. \$10 per share at subscription rate of U.S. \$9,200 per share	20,000	18,380,000

8. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is The Black and Decker Manufacturing Company, incorporated in the United States of America.

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BLACK & DECKER INVESTMENT COMPANY

FINANCIAL STATEMENTS

28TH SEPTEMBER 1980

BLACK & DECKER INVESTMENT COMPANYDIRECTORS' REPORT

## DIRECTORS:

JOHN E. BOLTON  
JOHN C. BROOMAN  
DOUGLAS A. BROWN  
ANTHONY J. MCCANN  
CHRISTOPHER B. POWELL-SMITH

## SECRETARY:

F. N. WOOLLEY

## REGISTERED OFFICE:

CANNON LANE, MAIDENHEAD, BERKSHIRE SL6 3PD

The Directors present their first report for the period 14th July 1980 to 28th September 1980

ACTIVITIES

The principal activity of the company is that of a finance company for Black & Decker Group Subsidiaries in the United Kingdom.

The company was incorporated in the State of Delaware USA on 14th July 1980 and is registered in the United Kingdom as an overseas company under Part X of the Companies Act 1948.

RESULTS

The results for the period are set out in the Profit and Loss account on page 3. No Dividends were declared in the period.

DIRECTORS AND THEIR INTERESTS

The Directors have no beneficial interests in the shares of the company. No contract or arrangement entered into by the company in which any director is interested has subsisted during the year.

SHARE CAPITAL

During the period the company issued 4760 Ordinary Shares at US \$9,200 per share in order to provide funds for the purchase of shares in Black & Decker Holdings Inc and Black & Decker (US) Inc.

AUDITORS

The Directors appointed Ernst & Whinney as first auditors of the Company. Ernst & Whinney have expressed their willingness to continue in office as auditors and in accordance with Section 14 of the Companies Act 1976 a resolution proposing their re-appointment will be submitted at the annual general meeting.

By order of the Board.



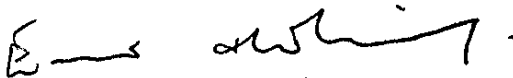
Secretary.

Ernst & Whinney Chartered Accountants

REPORT OF THE AUDITORS TO THE MEMBERS

We have examined the statement of financial condition of Black & Decker Investment Company, as of September 28, 1980, and the related statements of earnings and retained earnings for the period then ended. Our audit has been carried out in accordance with approved auditing standards.

In our opinion, the financial statements give a true and fair view of the financial position of Black & Decker Investment Company, at September 28, 1980, and the results of its operations for the period then ended.



Ernst & Whinney  
London  
21 October, 1980

## BLACK &amp; DECKER INVESTMENT COMPANY

STATEMENT OF EARNINGS  
FOR THE PERIOD ENDED 28 SEPTEMBER 1980

	<u>Note</u>	<u>1980</u> <u>£</u>
PROFIT BEFORE TAXATION		202,248
AFTER CHARGING:		
AUDITORS REMUNERATION		1,000
BANK AND OTHER SHORT TERM INTEREST	6	1,237,243
		<hr/>
TAXATION	4	<u>155 000</u>
PROFIT AFTER TAXATION		47,248
DIVIDENDS		-
		<hr/>
RETAINED PROFIT FOR THE YEAR		<u>£47,248</u>

I HEREBY CERTIFY that this is the Statement of Earnings presented to the members of the Company for the period ended 28 September 1980.

Signed: \_\_\_\_\_



F N Woolley - Secretary