

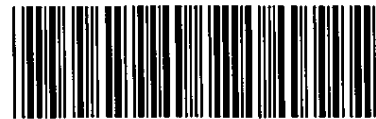
Company number 875534

Stanley Security Solutions - Europe Ltd

Directors' Report and Financial Statements

for the year ended 31 December 2008

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Stanley Security Solutions - Europe Ltd
for the year ended 31 December 2008

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Stanley Security Solutions - Europe Ltd
Directors and advisors

Directors

B Q Ginnever
J Tripp

Secretary

Clark Holt
Hardwick House Prospect Place
Swindon
SN1 3LJ

Registered office

Stanley House
Bramble Road
Swindon
Wiltshire
SN2 8ER

Auditors

Ernst & Young LLP
One Bridewell Street
Bristol
BS1 2AA

Bankers

Citibank NA
Canary Wharf
London
E14 5LB

Solicitors

Clark Holt
Hardwick House Prospect Place
Swindon
SN1 3LJ

Stanley Security Solutions - Europe Ltd

Directors' report

for the year ended 31 December 2008

The directors present their report and the audited financial statements for the year ended 31 December 2008.

Results and dividends

The loss for the year after taxation amounted to £883,000 (2007: £2,763,000). The directors do not recommend the payment of any dividends (2007: £nil) and the directors consider the financial position of the company at the year end to be satisfactory.

Principal activity and review of the business

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

On 30 September 2008 the company disposed of its investment in Alfia Limited to a non related party.

Principal risks and uncertainties

The company's principal financial instruments comprise cash, bank borrowings and loans between fellow group undertakings, the main purpose of which is to provide finance for its normal operations. The main risks arising from the company's financial instruments are interest rate risk and liquidity risk.

Interest rate and liquidity risk

The company's exposure to interest rate risk is low and the company does not contract into any financial instruments to manage the effect of movements in interest rates. The company's policy is to maintain sufficient cash and borrowing facilities as required to support the operating activities of the business.

Directors

The directors who served during the year were:

B Q Ginnever

J Tripp (Appointed 21 February 2008)

C Herzog (Resigned 21 February 2008)

Laying of report and accounts

The company has passed elective resolutions in accordance with section 252 of the Companies Act 1985 dispensing with the requirement to lay the report and accounts before the company in a general meeting.

Under provisions of section 253(2) of the Companies Act 1985 (as amended), a member has the right to require the reports and accounts to be laid before the company in a general meeting. The member must deposit a written notice of their intention to exercise such a right at the registered office of the company within 28 days of the date of this report.

Disclosure of information to auditors

Having made enquiries of fellow directors and of the company's auditors, each of the directors confirms that:

- To the best of each directors knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

Stanley Security Solutions - Europe Ltd
Directors' report
for the year ended 31 December 2008

Auditors

The company has passed an elective resolution in accordance with section 386 of the Companies Act 1985 dispensing with the requirement to appoint auditors annually and therefore Ernst & Young LLP will continue in office.

On behalf of the board


J Tripp
Director
27.10.09

Stanley Security Solutions - Europe Ltd
Statement of directors' responsibilities
for the year ended 31 December 2008

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss 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 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 1985. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Independent auditors' report to the members of Stanley Security Solutions - Europe Ltd

We have audited the company's financial statements for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP
Registered Auditor
Bristol

Ernst & Young LLP.

29 October 2009

Stanley Security Solutions - Europe Ltd
Profit and loss account
for the year ended 31 December 2008

	Notes	2008 £000	2007 £000
Administrative expenses		(531)	(2,408)
Operating loss		(531)	(2,408)
Interest receivable and similar income	5	102	191
Interest payable and similar charges	6	(834)	(1,330)
Net finance income in respect of defined benefit pension schemes	14	(16)	38
Loss on ordinary activities before taxation		(1,279)	(3,509)
Tax on loss on ordinary activities	7	396	746
Loss for the financial year	13	(883)	(2,763)

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

There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents.

Statement of total recognised gains and losses

		2008 £000	2007 £000
Loss for the financial year		(883)	(2,763)
Gain/(loss) in respect of defined benefit pension schemes	14	63	(250)
Related deferred tax	14	(18)	70
Total recognised losses in the year		(838)	(2,943)

Stanley Security Solutions - Europe Ltd
Balance sheet
as at 31 December 2008

	Notes	2008 £000	2007 £000
Fixed assets			
Tangible assets	8	2,486	2,561
Investments	9	50,582	52,031
		<u>53,068</u>	<u>54,592</u>
Current assets			
Debtors due within one year	10	3,648	2,460
Cash at bank		1,990	1
		<u>5,638</u>	<u>2,461</u>
Creditors - amounts falling due within one year	11	<u>(28,274)</u>	<u>(25,504)</u>
Net current liability		<u>(22,636)</u>	<u>(23,043)</u>
Total assets less current liabilities		30,432	31,549
Net retirement benefits asset/(liability)	14	41	(238)
Total net asset		<u>30,473</u>	<u>31,311</u>
Capital and reserves			
Called up share capital	12	1,582	1,582
Share premium account	13	3,450	3,450
Revaluation reserve	13	609	620
Other reserve	13	27,617	27,617
Profit and loss account	13	(2,785)	(1,958)
Equity shareholders' funds		<u>30,473</u>	<u>31,311</u>

The financial statements were approved and authorised for issue by the board on 27.6.09


J Tripp
Director

Stanley Security Solutions - Europe Ltd

Notes to the financial statements

for the year ended 31 December 2008

1 Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

The Directors consider the going concern principle to be appropriate as the holding company has undertaken to provide continuing financial support for the foreseeable future.

Basis of preparation

During the year the company was a wholly owned subsidiary of The Stanley Works. The company is included in the consolidated financial statements of The Stanley Works which are publicly available (see note 15). Consequently, the company is exempt in accordance with section 228A of Companies Act 1985 from the requirement to prepare group accounts. These financial statements therefore contain information about the company only.

The company has also taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that during the year were part of the Stanley Group or investees of the Stanley Group.

Pensions

The employees of the company are eligible to join one of two group pension schemes: a money purchase scheme and a defined benefit scheme. The company's contributions to the money purchase scheme are charged against profits in the period in which they are payable.

The regular cost of providing retirement benefits to employees during the period and the full cost of providing amendments to benefits in respect of past service for the defined benefit scheme are charged to operating profit. A net charge is included within interest comprising a credit, representing the expected return on assets held by the defined benefit pension scheme, and a charge representing the expected increase during the period in the present value of the scheme liabilities, because the benefits are one period closer to settlement. Differences between actual and expected returns on assets are recognised in the statement of total realised gains and losses, together with differences arising from changes in actuarial assumptions. The difference between the market value of the assets of a scheme and the present value of the accrued pension liabilities is shown as an asset or a liability on the balance sheet, net of deferred tax where appropriate.

Tangible fixed assets

The company's freehold land and buildings were valued on the basis of open market value for existing use in 1982 and 1986. The company has followed the transitional provision of FRS15 'Tangible Fixed Assets' to retain the book value of revalued property but not to adopt a policy of revaluation for the future. These values are retained subject to the requirement to test assets for impairment in accordance with FRS11.

Depreciation is calculated so as to write down the cost of tangible fixed assets to their residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Freehold buildings	2%
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Investments

Investments in subsidiary undertakings are shown at cost less provision for any impairment in value.

Stanley Security Solutions - Europe Ltd
Notes to the financial statements
for the year ended 31 December 2008

1 Accounting policies (continued)

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 that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2 Accounting period

The financial period, referred to in the financial statements as 'the year', is taken to end on the nearest Saturday to 31 December.

3 Directors emoluments

The directors are remunerated by other companies under the control of The Stanley Works (see note 15). The directors do not believe that it is practicable to apportion their remuneration to the company.

4 Operating loss	2008	2007
is stated after charging/(crediting):	£000	£000
Depreciation of owned tangible fixed assets	75	68
(Profit)/loss on impairment/disposal of fixed asset investment (note 9).	(259)	2,260
Exchange loss arising from foreign currency transactions	781	126

The company has no employees. Audit fees for the year were borne by the company's subsidiary undertaking Stanley Security Solutions Limited.

5 Interest receivable and similar income

	2008	2007
	£000	£000
Bank interest receivable	1	82
Interest receivable from group undertakings	101	109
	102	191

Stanley Security Solutions - Europe Ltd
Notes to the financial statements
for the year ended 31 December 2008

6 Interest payable and similar charges

	2008	2007
	£000	£000
Bank interest payable	-	5
Interest payable to group undertakings	834	1,325
	834	1,330

7 Tax on loss on ordinary activities

(a) Tax credit for the period

The tax credit is made up as follows:

Current tax:

	2008	2007
	£000	£000
Current tax on loss for the year	(509)	(688)
Adjustments in respect of prior periods	7	(188)
Total current tax (note 7b)	(502)	(876)

Deferred tax

	2008	2007
	£000	£000
Origination and reversal of timing differences	106	15
Actuarial loss on pension scheme	-	100
Changes in tax rates or laws	-	15
Total deferred tax	106	130

Tax on loss on ordinary activities

(396)	(746)
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(b) Tax reconciliation

The tax assessed on the loss on ordinary activities before taxation for the year is lower (2007: higher) than the standard rate of corporation tax in the UK of 28.5% (2007: 30%).

The differences are reconciled below:

	2008	2007
	£000	£000
Loss on ordinary activities before taxation	(1,279)	(3,509)
Loss on ordinary activities multiplied by the rate of corporation tax	(365)	(1,053)
Expenses not deductible for tax purposes	(52)	403
Other Timing differences	(92)	(38)
Adjustments in respect of prior periods	7	(188)
Total current tax (note 7a)	(502)	(876)
(c) Deferred tax asset	2008	2007
	£000	£000
Decelerated capital allowances	19	19
Other timing differences	46	62
Deferred tax asset (note 10)	65	81

Stanley Security Solutions - Europe Ltd
Notes to the financial statements
for the year ended 31 December 2008

8 Tangible fixed assets

	Freehold Land and buildings £000
Cost or valuation	
At 1 January 2008 and 31 December 2008	3,644
Depreciation	
At 1 January 2008	1,083
Charge for the year	75
At 31 December 2008	1,158
Net book value	
At 31 December 2008	2,486
At 31 December 2007	2,561

There were no capital commitments contracted for but not provided for at 31 December 2008 (2007: £nil).

9 Investments

	Shares in subsidiary undertakings £000	Loans in subsidiary undertakings £000	Total £000
Cost or valuation			
At 1 January 2008	53,117	1,500	54,617
Disposals	(3,709)	-	(3,709)
At 31 December 2008	49,408	1,500	50,908
Depreciation			
At 1 January 2008	2,586	-	2,586
Disposals	(2,260)	-	(2,260)
At 31 December 2008	326	-	326
Net book value			
At 31 December 2008	49,082	1,500	50,582
At 31 December 2007	50,531	1,500	52,031

On 30 September 2008 the company disposed of its investment in Alfia Limited to a non related party.

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

The company also hold certain trade investments which were fully provided for in prior periods.

Stanley Security Solutions - Europe Ltd
Notes to the financial statements
for the year ended 31 December 2008

9 Investments - continued

The investments represent the net book value of ordinary shares in the following wholly owned subsidiaries:

Name of company	Country of Incorporation	Class of share held	Number	Nature of business
Directly owned				
Blick Telefusion Communications Limited	England and Wales	Ordinary £1 shares	18,000,000	TV signal distribution and holding company for Stanley
Stanley Security Solutions Operations Limited	England and Wales	Ordinary 10p shares	1,491,616	Communication solutions
		Preferred ordinary 10p	1,000	
Blick France sarl	France	Ordinary €100 shares	10,000	Communication solutions
Blick South Africa (Pty) Limited	South Africa	Ordinary R1 shares	200	Time management and security solutions
Held by a subsidiary				
Stanley Security Solutions Limited	England and Wales	Ordinary £1 shares	1,000,000	Supply of security, communication and time management solutions.
Stanley Security Solutions Ireland Limited (formerly Blick Ireland Limited)	Republic of Ireland	Ordinary Euro 1.25 shares	1	Sale, service and distribution of security and time management
Isgus International Limited	England and Wales	Ordinary £1 shares	100	Supply, rental and maintenance of electronic time systems.
GDX Technologies Limited	England and Wales	Ordinary £1 shares	135,000	Design and manufacturer of electronic security door entry systems.

At 31 December 2008, all of the above companies were 100% owned and controlled by Stanley Security Solutions - Europe Ltd. Not all subsidiary undertakings are disclosed above in accordance with section 231 of the Companies Act 1985. This is due to the number of wholly owned dormant companies.

10 Debtors due within one year

	2008	2007
	£000	£000
Amounts owed by group undertakings	3,383	2,379
Loan notes	200	-
Deferred tax	65	81
	3,648	2,460
Deferred tax asset		£000
At 1 January 2008		81
Transferred from pension liability		92
Deferred tax credit in the statement of total recognised gains and losses		(18)
Charge to profit and loss account		(106)
Transferred to pension asset		16
At 31 December 2008		65

Stanley Security Solutions - Europe Ltd
Notes to the financial statements
for the year ended 31 December 2008

11 Creditors - amounts falling due within one year	2008	2007
	£000	£000
Corporation tax	220	220
Amounts owed to group undertakings	27,850	25,227
Other creditors	147	-
Accruals	57	57
	28,274	25,504

12 Share Capital	2008	2007	2008	2007
	Number	Number	£000	£000
Authorised				
Ordinary shares of 5p each	41,420,000	41,420,000	2,071	2,071
Allotted, called up and fully paid				
Ordinary shares of 5p each	31,637,692	31,637,692	1,582	1,582

13 Reconciliation of shareholders' funds and movement on reserves

	Share premium account	Revaluation reserve	Other reserves	Profit and loss account	Total
	£000	£000	£000	£000	£000
At 31 December 2007	3,450	620	27,617	(1,958)	29,729
Loss for the financial year	-	-	-	(883)	(883)
Gain on defined benefit pension	-	-	-	63	63
Related deferred tax	-	-	-	(18)	(18)
Revaluation surplus realised	-	(11)	-	11	-
At 31 December 2008	3,450	609	27,617	(2,785)	28,891

14 Pension commitments

The company is the principal employer for the Blick Group Pension and Life Assurance Scheme, which provides retirement benefits and life cover based on length of service and final salary. It is funded through the managed pension fund of an investment company, at contribution rates which take into account current salary and future commitments. The contributions are calculated under the advice of a professionally qualified actuary. The scheme is managed on a group basis, with contributions being determined at a group level rather than at a company level. Accordingly, it is not possible to determine the market value of the schemes assets and actuarial liabilities attributable to the employees of the subsidiary companies.

The Blick Group Pension and Life Assurance Scheme is contracted-out of the state second-tier of pension provision.

The scheme is non-contributory and so no member contributions have been paid during the accounting period.

	2008	2007	2006
	%	%	%
Main assumptions:			
Inflation assumption	3.0	3.4	3.0
Rate of increase in salaries	4.5	4.9	4.5
Rate of increase in pensions in payment (post 5 April 1997 pensions)	3.0	3.4	3.0
Rate of increase in deferred pensions	3.0	3.4	3.0
Discount rate	6.2	5.8	5.0

Stanley Security Solutions - Europe Ltd
Notes to the financial statements
for the year ended 31 December 2008

14 Pension commitments - continued

Post-retirement mortality for members has been assumed to be in accordance with the published tables PA92 projected to 2007 using the base level of improvements from the 92-series and long cohort improvement projections, applied from 2007. This implies a future life expectancy at age 65 (for a member aged 45 now) of around 23 years (males) and 26 years (females). For a member aged 65 now, this implies a future life expectancy of around 22 years (males) and 25 years (females).

The Company's share of the assets and liabilities of the schemes and the expected rate of return at 31 December are:

	2008		2007		2006	
	Long-term rate of return %	Value £000	Long-term rate of return %	Value £000	Long-term rate of return %	Value £000
Equities	8.75%	2,473	8.00%	2,881	7.70%	2,788
Bonds – Government	3.75%	5,366	4.55%	5,067	4.60%	4,565
Total market value of assets		7,839		7,948		7,353
Present value of scheme liabilities		(7,782)		(8,278)		(7,761)
		57		(330)		(408)
Related deferred tax asset		(16)		92		122
Net pension asset/(liability)		41		(238)		(286)

The overall expected rate of return has been derived by looking at the assets held at the balance sheet date and by considering the expected return for each asset class. The Plans do not hold any financial instruments relating to the Company, or property occupied by it.

	2008 £000	2007 £000
Analysis of movements in scheme assets during the year:		
At 1 January	7,948	7,353
Expected return on scheme assets	458	425
Contributions paid by company	412	508
Benefits paid	(199)	(199)
Loss recognised in Statement of Total Recognised Gains and Losses	(780)	(139)
At 31 December	7,839	7,948

	2008 £000	2007 £000
Analysis of movements in scheme liabilities during the year:		
At 1 January	8,278	7,761
Service cost	72	68
Interest costs	474	387
Past service costs	-	150
Benefits paid	(199)	(199)
Gain recognised in Statement of Total Recognised Gains and Losses	(843)	111
At 31 December	7,782	8,278

Stanley Security Solutions - Europe Ltd
Notes to the financial statements
for the year ended 31 December 2008

14 Pension commitments - continued

	2008	2007
	£000	£000
<i>Amounts (charged)/credited to operating loss</i>		
Current service cost	(72)	(68)
Past service cost	-	(150)
Total charged to operating loss	(72)	(218)
<i>Amounts (charged)/credited to other finance income</i>		
Interest cost	(474)	(387)
Expected return on assets	458	425
Net (charge)/credit to other finance income	(16)	38
Total profit and loss charge before taxation	(88)	(180)
	2008	2007
	£000	£000
<i>Analysis of amounts recognised in Statement of Total Recognised Gains and Losses</i>		
Loss on assets	780	139
Experience gain on liabilities	(843)	111
Total (gain)/loss recognised in Statement of Total Recognised Gains and Losses before adjustment for deferred taxation	(63)	250

History of assets, liabilities, surplus/(deficit) and experience adjustments

	2008	2007	2006	2005	2004
Scheme liabilities	(7,782)	(8,278)	(7,761)	(7,718)	(6,650)
Scheme assets	7,839	7,948	7,353	6,744	5,700
Surplus/(deficit)	57	(330)	(408)	(974)	(950)
Experience increase/(reduction) to assets	(780)	(139)	28	613	257
Experience increase/(reduction) to liabilities	(843)	111	(227)	735	291

15 Ultimate parent company and controlling party

The ultimate parent company and controlling party is The Stanley Works, which is also the smallest and largest group of which the company is a member and for which group financial statements are prepared. The Stanley Works is a company registered in United States of America and accounts are available upon request from The Stanley Works Investor Relations Department, 1000 Stanley Drive, New Britain, Connecticut, United States of America.