

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022



STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

COMPANY INFORMATION

Directors S Costello (appointed 1 March 2022)
M Smiley (appointed 15 July 2022)
A Sood (appointed 15 July 2022)

Company secretary S Costello

Registered number 00875534

Registered office 270 Bath Road
Slough
Berkshire
SL1 4DX

Auditor UHY Hacker Young Manchester LLP
St James Building
79 Oxford Street
Manchester
M1 6HT

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

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STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Business review

The company made an operating profit of £1,366,000 (2021: £532,000) mainly driven by a profit of £1,430,000 resulting from the disposal of its subsidiary, Stanley Security Solutions Operations Limited, on 22 July 2022. This has been classified as Exceptional operating income in the Statement of comprehensive income. The company also closed the sale of its property during the year which saw an uplift of £400,000 in the prior year financial statements (also treated as Exceptional operating income in the Statement of comprehensive income). The company made a profit before tax of £1,410,000 (2021: £518,000) seeing interest income of £44,000 (2021: £14,000 interest expense) following the collection of a number of intercompany payables and changes in interest rates.

Prior to the disposal of its subsidiary, Stanley Security Solutions Operations Limited, the company acquired 100% direct ownership of PAC International Limited from Stanley Security Solutions Operations Ltd on 14 July 2022 in exchange for taking on a liability of £11,325,000 with PAC International Limited.

Principal risks and uncertainties

The principal risks and uncertainties facing the company arise from the holding of financial instruments and investments. The company's financial instruments consist of intercompany balances between fellow group undertakings and a participation in a cash concentration arrangement with fellow affiliates. The directors' consideration of the risks and uncertainties are outlined below.

Credit risk

The directors consider that the credit risk exposure is limited as the amounts owed 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 within an acceptable timescale so as to minimise the impact of significant changes in market interest rates.

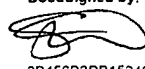
Investment risk

The Company holds direct and indirect investments in subsidiary undertakings, the value of these investments may be adversely affected by changes in the underlying business of these companies. The Directors perform an annual review to determine if any indicators of impairment exist.

Financial key performance indicators

The company has no key financial performance indicators.

This report was approved by the board on 1 August 2023 and signed on its behalf.

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S Costello
Director

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the company continues to be that of a holding company.

Results and dividends

The profit for the year, after taxation, amounted to £1,412,000 (2021: £520,000).

The directors do not recommend the payment of any dividends (2021: £NIL).

Directors

The directors who served during the year were:

R Adalja (resigned 15 July 2022)
S Merrifield (resigned 1 March 2022)
S Costello (appointed 1 March 2022)
M Smiley (appointed 15 July 2022)
A Sood (appointed 15 July 2022)

Future developments

The directors will maintain current management policies.

Financial instruments

The company's financial instruments consist of intercompany balances between fellow group undertakings and a participation in a cash concentration arrangement with fellow affiliates.

Going concern

The Company is a member of the Stanley Black & Decker, Inc., group (the group) and given the integrated nature of its activities within the group the ultimate parent company has agreed to provide continued support to the Company until 31 December 2024 to meet its obligations as and when they fall due, to the extent that the company is unable to meet its liabilities.

Stanley Black & Decker, Inc. released its 2022 Annual Report (10-K) (an annual report required by the US Securities and Exchange commission, that gives a comprehensive summary of a company's financial performance) on 23 February 2023. The Directors continue to believe the group is in a strong financial position and has significant flexibility to continue for the foreseeable future as the group:

- maintains strong investment grade credit ratings,
- possesses substantial cash on hand and manages a robust and highly rated \$3.5 billion commercial paper programme, and
- carries \$4.5 billion of revolving credit facilities backed by a well-capitalised, diversified bank group.

Based on this information, and on enquiry, the directors believe that the ultimate parent company, Stanley Black & Decker, Inc., has the ability to provide the financial support for the foreseeable future. Taking into account the position of the ultimate parent company the directors are of the view, to the best of their current knowledge, that there are no events expected to have a material adverse impact on the company's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

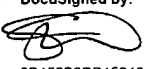
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- 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.

Post balance sheet events

There were no significant post balance sheet events.

This report was approved by the board on 1 August 2023 and signed on its behalf.

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S Costello
Director

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 AUDITORS' 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 2022 which comprise the Statement of comprehensive income, the statement of financial position, 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 2022 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events of conditions that, individually or collectively, may cast a significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant section of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

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.

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, 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.

Extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, we considered the following:

- the nature of the industry and sector, control environment and business performance,
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance,

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Our procedures to respond to risks identified included the following:

- agreeing the financial statement disclosures to underlying supporting documentation;
- auditing the risk of management override including the testing of journals and adjustments for appropriateness;
- reviews for significant transactions outside of the normal course of business;
- reviews of meeting minutes; and
- enquiries with management.


There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

Zoë Duffy BFP FCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young Manchester LLP

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Chartered Accountants
Statutory Auditor
St James Building
79 Oxford Street
Manchester
M1 6HT

01-Aug-2023

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Turnover	4	-	132
Gross profit		-	132
Administrative expenses		(64)	-
Exceptional income	5	1,430	400
Operating profit		1,366	532
Interest receivable and similar income	9	44	-
Interest payable and similar expenses	10	-	(14)
Profit before tax		1,410	518
Tax on profit	11	2	2
Profit for the financial year		1,412	520
Total comprehensive income for the year		1,412	520

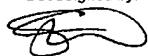
The notes on pages 11 to 24 form part of these financial statements.

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED
REGISTERED NUMBER:00875534

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	12	-	800
Investments	13	44,907	45,104
		<u>44,907</u>	<u>45,904</u>
Current assets			
Debtors: amounts falling due within one year	14	11,627	4,411
		<u>11,627</u>	<u>4,411</u>
Creditors: amounts falling due within one year	15	(23,323)	(18,516)
		<u>(23,323)</u>	<u>(18,516)</u>
Net current liabilities		<u>(11,696)</u>	<u>(14,105)</u>
Total assets less current liabilities		<u>33,211</u>	<u>31,799</u>
Net assets		<u><u>33,211</u></u>	<u><u>31,799</u></u>
Capital and reserves			
Called up share capital	17	1,582	1,582
Share premium account	18	3,450	3,450
Other reserves	18	27,616	27,616
Profit and loss account	18	563	(849)
		<u>33,211</u>	<u>31,799</u>
		<u><u>33,211</u></u>	<u><u>31,799</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 August 2023.

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S Costello
Director

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Other reserves	Profit & loss	Total equity
	£000	£000	£000	£000	£000
At 1 January 2022	1,582	3,450	27,616	(849)	31,799
Comprehensive income for the year					
Profit for the year	-	-	-	1,412	1,412
At 31 December 2022	1,582	3,450	27,616	563	33,211

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Other reserves	Profit & loss	Total equity
	£000	£000	£000	£000	£000
At 1 January 2021	1,582	3,450	27,616	(1,369)	31,279
Comprehensive income for the year					
Profit for the year	-	-	-	520	520
At 31 December 2021	1,582	3,450	27,616	(849)	31,799

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 270 Bath Road, Slough, Berkshire, SL1 4DX.

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

The Company is a member of the Stanley Black & Decker, Inc., group (the group) and given the integrated nature of its activities within the group the ultimate parent company has agreed to provide continued support to the Company until 31 December 2024 to meet its obligations as and when they fall due, to the extent that the company is unable to meet its liabilities.

Stanley Black & Decker, Inc. released its 2022 Annual Report (10-K) (an annual report required by the US Securities and Exchange commission, that gives a comprehensive summary of a company's financial performance) on 23 February 2023. The Directors continue to believe the group is in a strong financial position and has significant flexibility to continue for the foreseeable future as the group:

- maintains strong investment grade credit ratings,
- possesses substantial cash on hand and manages a robust and highly rated \$3.5 billion commercial paper programme, and
- carries \$4.5 billion of revolving credit facilities backed by a well-capitalised, diversified bank group.

Based on this information, and on enquiry, the directors believe that the ultimate parent company, Stanley Black & Decker, Inc., has the ability to provide the financial support for the foreseeable future. Taking into account the position of the ultimate parent company the directors are of the view, to the best of their current knowledge, that there are no events expected to have a material adverse impact on the company's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 31 December 2022 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5 Interest payable

Finance costs are charged to profit or loss 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 2022**

2. Accounting policies (continued)

2.6 Taxation

Tax is recognised in profit or loss 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 reporting 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.

2.7 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

2.8 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.

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.9 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 profit or loss.

2.10 Valuation of investments

The directors undertake a review of investments held each year. The recoverable amount is estimated based on the fair value less the costs to sell or value in use calculation. Value in use is based on a discounted cash flow model.

2.11 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.12 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.

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.13 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.

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

Judgements

In the process of applying the company's accounting policies management considered there to be no key sources of judgement in presenting these financial statements.

Estimates and assumptions

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 higher of (i) fair value less costs to sell, and (ii) the value in use of the investments (note 13).

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 profit.

4. Turnover

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

	2022	2021
	£000	£000
Rental income	-	132
	-	132

All turnover arose within the United Kingdom.

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Exceptional items

	2022	2021
	£000	£000
Exceptional income	1,430	400
	1,430	400

On 22 July 2022 the company sold one of its subsidiaries, Stanley Security Solutions Operations Limited, resulting in a gain on disposal of £1,430,000.

The exceptional income in 2021 relates to the company's property which was uplifted to reflect the agreed upon sales value.

6. Auditors' remuneration

	2022	2021
	£000	£000
Fees payable to the company's auditors for the audit of the company's financial statements	3	3

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 £509,000 (2021: £391,000).

During the year retirement benefits were accruing to 2 directors (2021: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £147,000 (2021: £150,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2021: £15,000).

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Interest receivable

	2022 £000	2021 £000
Interest receivable from group companies	44	-
	44	-

10. Interest payable and similar expenses

	2022 £000	2021 £000
Interest receivable from group undertakings	-	14
	-	14

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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11. Taxation

	2022	2021
	£000	£000
Deferred tax		
Origination and reversal of timing differences	<u>(2)</u>	<u>(2)</u>
Total deferred tax	<u><u>(2)</u></u>	<u><u>(2)</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022	2021
	£000	£000
Profit/(loss) on ordinary activities before tax	<u><u>1,410</u></u>	<u><u>518</u></u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 : 19%)	<u>268</u>	<u>98</u>
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	(76)
Adjustments to tax charge in respect of prior periods	(2)	(3)
Group relief	(267)	(20)
Transfer pricing adjustments	<u>(1)</u>	<u>(1)</u>
Total tax charge/(credit) for the year	<u><u>(2)</u></u>	<u><u>(2)</u></u>

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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11. Taxation (continued)**Factors that may affect future tax charges**

The Finance Act 2021 increased the main rate of UK corporation tax to 25% effective from 1 April 2023. This was substantively enacted on 25 May 2021.

Deferred taxation

The company has recognised a deferred tax asset of £6,000 (2021: £4,000) in relation to accelerated capital allowances as it is probable that these will be utilised in future periods. The company has an unrecognised deferred tax asset of £165,000 (2021: £125,000) relating to capital loss, which is not expected to be utilised in the foreseeable future. The deferred tax has been calculated at 25% corporation tax rate (2021: 19%).

12. Tangible fixed assets

	Freehold land and buildings £000
At 1 January 2022	3,662
Disposals	(3,662)
At 31 December 2022	-
At 1 January 2022	2,862
Impairment charge	(2,862)
At 31 December 2022	-
Net book value	
At 31 December 2022	-
At 31 December 2021	800

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2022	45,960
Additions	11,325
Disposals	(11,522)
At 31 December 2022	<u>45,763</u>
Impairment	
At 1 January 2022	<u>856</u>
At 31 December 2022	<u>856</u>
Net book value	
At 31 December 2022	<u><u>44,907</u></u>
At 31 December 2021	<u><u>45,104</u></u>

The directors undertake a review of the investments held each year. The value in use of the investments in subsidiaries has been based on a discounted cash flow model.

STANLEY SECURITY SOLUTIONS - EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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13. 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	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
Blick Software Systems Limited	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
Amano Blick International (Europe) Limited	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
Blick Dormants Limited	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
Blick Group Management Services Limited	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
PAC International Limited	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
Audax Sound System Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
Blick Engineering Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
Blick International Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
Cybershift Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
Blick Maintenance Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
Blick National Systems Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
Blick Properties Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
Blick Tannoy Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1 and Preference £1	100%
Blick Time Recorders Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
Blick Time System Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
British Time Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
ITR International Time Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
Programs At Work Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1 and Preference £1	100%

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Fixed asset investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Principal activity	Class of shares	Holding
National Time Recorder Company Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1 and Preference £1	100%
Thomson & Kelly Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
Trusound Installation Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
Trusound Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
Trusound Manufacturing Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
Trusound Rentals Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
Blick International Systems Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%
Sneddon Limited*	C/O Cms Cameron Mckenna Nabarro Olswang LLP, 6 Queens Road, Aberdeen, Scotland, Scotland, AB15 4ZT	Dormant	Ordinary £1	100%
Blick Telefusion (Scotland) Limited*	C/O Cms Cameron Mckenna Nabarro Olswang LLP, 6 Queens Road, Aberdeen, Scotland, Scotland, AB15 4ZT	Dormant	Ordinary £1	100%
Telefusion Communications Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary 5p and Preference £1	100%
Wolsley Television (Scotland) Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1 and Deferred £1	100%
Visionhire Cable Limited*	270 Bath Road, Slough, Berkshire, SL1 4DX	Dormant	Ordinary £1	100%

*Indirect subsidiary

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Debtors

	2022	2021
	£000	£000
Amounts owed by group undertakings	11,511	4,297
Other debtors	110	110
Deferred taxation	6	4
	<u>11,627</u>	<u>4,411</u>

15. Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Amounts owed to group undertakings	23,323	18,516
	<u>23,323</u>	<u>18,516</u>

16. Deferred taxation

	2022	2021
	£000	£000
At beginning of year	4	2
Charged to the profit or loss	2	2
At end of year	<u>6</u>	<u>4</u>

The deferred tax asset is made up as follows:

	2022	2021
	£000	£000
Accelerated capital allowances	6	4
	<u>6</u>	<u>4</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Share capital

	2022	2021
	£000	£000
Allotted, called up and fully paid		
31,637,692 (2021: 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.

18. Reserves

Share premium account

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

Other reserves

Other reserves comprise an amount of £27,616,000 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.

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