

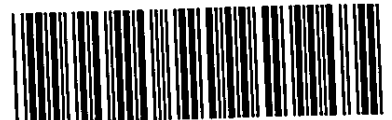
COMPANY NO' 1518375

BANDHART

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 DECEMBER 2012

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BANDHART

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BANDHART

DIRECTORS AND OTHER INFORMATION

DIRECTORS

C Douglas
A Sood
J Cowley
S Stubbs (appointed 1 June 2012)
M Cogzell (resigned 1 June 2012)
C Powell-Smith (resigned 31 October 2012)

SECRETARY

Mitre Secretaries Limited

BANKERS

Bank of America
Bank of America NA
26 Elmfield Road
Bromley
Kent
BR1 1WA
United Kingdom

REGISTERED OFFICE

210 Bath Road
Slough
Berkshire
SL1 3YD
United Kingdom

AUDITORS

Ernst & Young
Chartered Accountants
City Quarter
Lapps Quay
Cork
Ireland

SOLICITORS

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

REGISTERED IN ENGLAND

01518375

BANDHART

DIRECTORS' REPORT FOR THE YEAR ENDED 29 DECEMBER 2012

The directors present their report and the financial statements for the year ended 29 December 2012

RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 7. The profit for the year after taxation is £1,442,000 (2011 £8,302,000). The most significant movements in interest receivable and payable from 2011 to 2012 arose from changes in interest rates, representing the bulk of profit and loss transactions recorded by the company. There were no dividends declared or paid in 2012 (2011 £11,000,000).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity continued to be that of finance and investment activities within the Stanley Black & Decker group of undertakings. There was no change in the activity of the company during the year and the results for the year ended 29 December 2012 are in line with directors' expectations.

In May 2012 the company introduced a cash concentration structure, whereby cash is physically swept at close of each business day to a nominated affiliate's bank account to allow cash to be pooled centrally. As a result, instead of being reported as cash, this balance is now reported within 'debtors due within one year' in note 7.

The company made a payment of £4,177,000 to Black & Decker Finance for the use of their 2012 tax losses.

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, refinancing and interest rate risk. These are described in further detail below under treasury policy.

TREASURY POLICY

The company holds financial instruments in order to earn interest to finance the company. The company finances its operations from its existing equity base and loans from other group undertakings. The company loans and borrows principally in GBP at floating rates.

Interest rate risk

The directors consider that they will be able to renegotiate the company's loan portfolio within an acceptable timescale so as to minimise 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. The company uses its existing finances and intra-group loans payable to support this objective.

FUTURE DEVELOPMENTS

The directors aim to maintain current management policies.

GOING CONCERN

The company's principal activities, together with factors likely to affect its future development, are described above. The changing business condition for financial instruments globally and the profitability of investments held directly in the UK is where the company's greatest exposure rests.

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

BANDHART

DIRECTORS' REPORT FOR THE YEAR ENDED 29 DECEMBER 2012

DIRECTORS

The directors of the company throughout the year to 29 December 2012 and to the date of this report were those listed on page 1

DIRECTORS' INTERESTS

The directors have no beneficial interest in the shares of the undertaking or Emhart International Limited, the immediate holding company. The company has not entered into any contract or arrangement 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.

FIXED ASSET INVESTMENTS

Fixed assets investments are dealt with in note 6 to the accounts.

EVENTS SINCE THE BALANCE SHEET DATE

On 5 December 2012 it was announced that the main corporation tax rate will be reduced by 2% to 21% with effect from 1 April 2014, and on 20 March 2013 it was announced that the main corporation tax rate would reduce to 20% with effect from 1 April 2015. Neither of these changes were substantively enacted at the balance sheet date.

The Board of Directors unanimously resolved after due consideration on 14 May 2013 to pay an interim dividend to Emhart International Limited of £9,000,000. The dividend was paid in full on 17 May 2013.

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.

DISCLOSURE OF INFORMATION TO 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 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

The company has passed an elective resolution under section 386 of the Companies Act 1985 to dispense with the need to re-appoint auditors. This continues in force under the Companies Act 2006, and therefore the appointment of Ernst & Young is treated as being continuous.

On behalf of the Board



A. Sood
Director

Date 22 July 2013

BANDHART

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 29 DECEMBER 2012**

The directors are responsible for preparing 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 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 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 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.

On behalf of the Board


A Sood
Director

Date 22 July 2013



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BANDHART

We have audited the financial statements of Bandhart for the year ended 29 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 29 December 2012 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

Opinion on other matter prescribed by the Companies Act, 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BANDHART (CONTINUED)

Matters on which we are required to report by exception

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

A handwritten signature in black ink, appearing to read 'Ian Gregory'.

**Ian Gregory (Senior Statutory Auditor)
for and on behalf of Ernst & Young, Statutory Auditor
Cork**

29 July 2013

BANDHART

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 29 DECEMBER 2012**

	Note	2012 £000	2011 £000
Administrative expenses		(6)	(16)
OPERATING LOSS - CONTINUING OPERATIONS	2	(6)	(16)
Income from investment	3	-	420
Interest receivable and similar income	4	5,625	8,206
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,619	8,610
Tax on profit on ordinary activities	5	(4,177)	(308)
PROFIT FOR THE FINANCIAL YEAR	10	1,442	8,302

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

BANDHART
REGISTERED NUMBER: 01518375

BALANCE SHEET
AS AT 29 DECEMBER 2012

	Note	£000	2012 £000	£000	2011 £000
FIXED ASSETS					
Investments	6		3,500		3,500
CURRENT ASSETS					
Debtors	7	309,101		244,565	
Cash at bank and in hand		-		58,509	
		<u>309,101</u>		<u>303,074</u>	
CREDITORS , amounts falling due within one year	8	<u>(4,603)</u>		<u>(18)</u>	
NET CURRENT ASSETS			<u>304,498</u>		<u>303,056</u>
NET ASSETS			<u>307,998</u>		<u>306,556</u>
Capital and reserves					
Called up share capital	9		115,010		115,010
Share premium account	10		183,892		183,892
Profit and loss account	10		9,096		7,654
SHAREHOLDERS' FUNDS	11		<u>307,998</u>		<u>306,556</u>

On behalf of the Board



A Sood
 Director

Date 22 July 2013

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2012**

1 ACCOUNTING POLICIES

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

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 13.

1.2 Investments

Investments are stated at cost less provision required for any permanent diminution in value. The carrying value of investments is reviewed for impairment annually.

In the opinion of the directors, the aggregate value of the company's investments is not less than the amounts at which they are stated in the balance sheet.

1.3 Revenue Recognition

Interest income

Revenue is recognised as interest accrues using the effective interest method.

Investment income

Dividends from investments in group undertakings are credited to profit and loss account when declared.

1.4 Cash flow statement

The company has taken advantage of the exemption conferred in FRS 1 Revised 'Cash flow statements' not to include a cash flow statement as part of the financial statements since the company is included within the consolidated group financial statements of Stanley Black & Decker Inc.

1.5 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2012**

1. ACCOUNTING POLICIES (continued)

1.6 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,
- 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

1.7 Foreign currencies

Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate. Gains and losses are offset against the foreign exchange gains and losses on the related financial assets and liabilities, or where the instrument is used to hedge a committed future transaction, are not recognised until the transaction occurs.

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.

BANDHART

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2012**

2. OPERATING LOSS

The operating loss is stated after charging

	2012	2011
	£000	£000
Auditors' remuneration - audit	3	4
Auditors' remuneration - non-audit services	1	10

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 (2011 £nil)

3. INCOME FROM INVESTMENT

	2012	2011
	£000	£000
Dividends received from investment in group undertaking	-	420

The dividends received represent the dividends due on the 12% cumulative preference shares held in Black & Decker International

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2012	2011
	£000	£000
Interest receivable on intercompany loan	5,625	8,092
Gain on currency translation	-	114
	5,625	8,206

5. TAXATION**(a) Tax on profit on ordinary activities**

	2012	2011
	£000	£000
Analysis of tax charge in the year		
Group loss relief purchased	4,177	-
	4,177	-
Foreign tax	-	308
Tax on ordinary profits	4,177	308

BANDHART

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2012**

5. TAXATION (continued)**(b) Factors affecting tax charge for the year**

On 1 April 2012, the UK corporation tax rate reduced from 26% to 24%

The tax assessed for the year is lower than the UK standard rate of corporation tax of 24.5% (2011 - 26.5%) The differences are explained below

	2012 £000	2011 £000
Profit on ordinary activities before tax	<u>5,619</u>	<u>8,610</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	1,377	2,282
Effects of		
Non-taxable income	-	(111)
Group relief claimed for no consideration	(353)	(1,863)
Group relief paid for in excess of standard rate of tax	3,153	-
Total current tax charge	<u>4,177</u>	<u>308</u>

(c) Deferred tax

There is no provided or unprovided deferred tax

(d) Factors that may affect future tax charges

Announcements were made during the year by the Chancellor of the Exchequer of proposed changes to corporation tax rates which will have an effect on the future tax charge of the company. Reductions in the corporation tax rate to 24% from 1 April 2012 and to 23% from 1 April 2013 were substantively enacted during the year.

Subsequent reductions in the corporation tax rate to 21% from 1 April 2014 and to 20% from 1 April 2015 have been announced but not substantively enacted.

6 INVESTMENTS

	Shares in group undertakings £000
Cost or valuation	
At 1 January 2012 and 29 December 2012	<u>3,500</u>
Net book value	
At 29 December 2012	<u>3,500</u>
At 31 December 2011	<u>3,500</u>

BANDHART

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2012**

6. INVESTMENTS (continued)

At 29 December 2012 investment interests comprised

Company name	Country of incorporation or registration	Nature of business	Nominal value per share	Class of share	Proportion of shares held
Black & Decker International	England	Holding company	£1	Preference shares	100%

The shares held in Black & Decker International are 12% cumulative preference shares

The directors believe that the market value of investments is not less than their cost

7. DEBTORS

	2012 £000	2011 £000
Amounts owed by group undertakings	309,101	244,565

8. CREDITORS

Amounts falling due within one year

	2012 £000	2011 £000
Amounts owed to group undertakings	4,599	11
Accruals	4	7
	4,603	18

9. CALLED-UP SHARE CAPITAL

	2012 £000	2011 £000
Authorised		
115,250,000 Ordinary shares of £1 each	115,250	115,250
Allotted, called up and fully paid		
115,010,000 Ordinary shares of £1 each	115,010	115,010

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2012**

10 MOVEMENT ON RESERVES

	Share premium account £000	Profit and loss account £000
At 1 January 2012	183,892	7,654
Profit for the year	-	1,442
At 29 December 2012	<u>183,892</u>	<u>9,096</u>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £000	2011 £000
Opening shareholders' funds	306,556	309,254
Profit for the year	1,442	8,302
Dividends	-	(11,000)
Closing shareholders' funds	<u>307,998</u>	<u>306,556</u>

12. 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 financial statements

13. ULTIMATE HOLDING COMPANY

The company is a wholly owned subsidiary of Emhart International 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

14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 22 July 2013