

COMPANY NO: SC014586

Dewalt Industrial Power Tool Company Limited
Report and financial statements for the year ended
31 December 2009



Dewalt Industrial Power Tool Company Limited

REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2009

TABLE OF CONTENTS	PAGE
DIRECTORS AND OTHER INFORMATION	1
DIRECTORS' REPORT	2 - 3
INDEPENDENT AUDITORS' REPORT	4 - 5
PROFIT AND LOSS ACCOUNT	6
BALANCE SHEET	7
NOTES TO THE FINANCIAL STATEMENTS	8 - 11

Dewalt Industrial Power Tool Company Limited

DIRECTORS AND OTHER INFORMATION

Directors

G. H. Johnston
M. J. Allan

Secretary

Mitre Secretaries Limited

Registered office

6 Queen's Road
Aberdeen
Aberdeenshire
AB15 4NU
Scotland
UK

Solicitors

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

Auditors

Ernst & Young
Chartered Accountants
City Quarter
Lapps Quay
Cork
Ireland

Registered in Scotland

SC014586

DIRECTORS' REPORT
for the year ended 31 December 2009

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

Results and dividends

The results for the year are set out in the profit and loss account on page 6. The loss for the year after taxation is £1,328,000 (2008: profit of £1,281,000). No dividends have been declared or paid in the current year.

Principal activity and review of the business

The principal activity of the company during the year was finance activities within the Black & Decker group of undertakings. There was no change in the company's activities during the year.

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

Treasury policy

The company finances its operations partly by equity but also with short-term borrowings and longer term borrowings from group undertakings. The company borrows principally in GBP at floating rates.

The main risks arising from the company's financial instruments are liquidity and interest rate risk. These risks, and the policies to manage them, are summarised below.

Interest rate risk

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

Liquidity and refinancing risk

The company's objective is to produce continuity of funding at a reasonable cost.

Directors

The current directors of Dewalt Industrial Power Tool Company Limited are listed on page 1.

Directors' interests

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

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.

Events since the balance sheet date

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

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

DIRECTORS' REPORT

for the year ended 31 December 2009

Events since the balance sheet date (continued)

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.

Future developments

The directors aim to maintain current management policies.

Statement of directors' responsibilities in respect of the financial statements

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 those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act, 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the 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



Director

Date: 10 September 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEWALT INDUSTRIAL POWER TOOL COMPANY LIMITED

We have audited the financial statements of Dewalt Industrial Power Tool Company Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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 (APB'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.

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 31 December 2009 and of its loss 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEWALT INDUSTRIAL POWER
TOOL COMPANY LIMITED (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**

28 SEPTEMBER 2010

Dewalt Industrial Power Tool Company Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2009

	<i>Notes</i>	2009 £'000	2008 £'000
Administrative expenses		-	-
Operating profit – continuing operations	2	-	-
Interest receivable and similar income	3	6,078	8,707
Interest payable and similar charges	4	(7,406)	(7,426)
(Loss)/profit on ordinary activities before taxation		(1,328)	1,281
Tax on (loss)/profit on ordinary activities	5	-	-
(Loss)/profit for the financial year	10	(1,328)	1,281

Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss attributable to shareholders of the company of £1,328,000 in the year ended 31 December 2009 (2008: profit of £1,281,000).

Dewalt Industrial Power Tool Company Limited

BALANCE SHEET

as at 31 December 2009

	Notes	2009 £'000	2008 £'000
Current assets			
Debtors	6		
- amounts falling due within one year		122,527	116,449
- amounts falling due after one year		75,502	75,502
		<u>198,029</u>	<u>191,951</u>
Creditors: amounts falling due within one year	7	(25,584)	(18,178)
Net current assets		<u>172,445</u>	<u>173,773</u>
Creditors: amounts falling due after more than one year	8	(171,827)	(171,827)
Net assets		<u>618</u>	<u>1,946</u>
Capital and reserves			
Share capital	9	47	47
Share premium account	10	2	2
Profit and loss account	10	569	1,897
Shareholders' funds		<u>618</u>	<u>1,946</u>

Approved by the Board on



Director

G.H.R. JOHNSTON

Date: 10 September 2010

Dewalt Industrial Power Tool Company Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2009

1. Accounting policies

1.1 Accounting convention

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

1.2 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 translated at the functional currency rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

1.3 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 asset 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.

1.4 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.

1.5 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 The Black & Decker Corporation.

Dewalt Industrial Power Tool Company Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2009

1. Accounting policies (continued)

1.6 Revenue recognition

Interest income

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

2. Operating profit

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

None of the directors received remuneration for their services during the year.

Auditors' remuneration is borne by a fellow group undertaking.

3. Interest receivable and similar income	2009 £'000	2008 £'000
Interest receivable from group undertakings	6,078	8,707

4. Interest payable and similar charges	2009 £'000	2008 £'000
Interest payable to group undertakings	7,406	7,426

5. Taxation

There is no tax charge for the year (2008: £Nil).

(a) Factors affecting current tax charge for the year

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

	2009 £'000	2008 £'000
(Loss)/profit on ordinary activities before tax	(1,328)	1,281
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom	(372)	365
Group relief surrendered /(claimed) for no consideration	372	(365)
Total current tax	-	-

(b) Deferred tax

There is no provided or unprovided deferred tax.

Dewalt Industrial Power Tool Company Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2009

5. Taxation (continued)

(c) Factors that may affect future tax charges

From financial year 2011, the UK corporation tax rate will reduce from 28% to 27%.

6. Debtors	2009 £'000	2008 £'000
Amount owed by group undertakings (loan and interest):		
- amounts falling due within one year	122,527	116,449
- amounts falling due after one year	75,502	75,502
	<u>198,029</u>	<u>191,951</u>

The amounts owed by other group undertakings include an equity note with an aggregate principal value of £75,502,000 (2008: £75,502,000). The note may be repaid in full or part on agreement by both parties without any penalty or by maturing on 7 August 2023. Interest is calculated at 4.35% per annum.

7. Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Amount owed to group undertakings	<u>25,584</u>	<u>18,178</u>

8. Creditors: amounts falling due after more than one year

	2009 £'000	2008 £'000
Amount owed to group undertakings	<u>171,827</u>	<u>171,827</u>

The amounts owed to other group undertakings include a promissory note with an aggregate principal value of £171,826,968 (2008: £171,826,968). The note is repayable at the earliest of either changes in the underlying shareholding and 8 October 2103. Interest is calculated at 4.31% per annum.

9. Share capital

	2009 £'000	2008 £'000
Authorised equity		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid equity		
Ordinary shares of £1 each	<u>47</u>	<u>47</u>

Dewalt Industrial Power Tool Company Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2009

10. Reconciliation of movements in shareholders' funds

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
At 1 January 2008	47	2	616	665
Profit for the year	-	-	1,281	1,281
At 31 December 2008	47	2	1,897	1,946
Loss for the year	-	-	(1,328)	(1,328)
At 31 December 2009	47	2	569	618

11. 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.

12. Ultimate holding company

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

The largest and smallest group in which the results of the company are consolidated is that of The Black & Decker Corporation.

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

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

13. Approval of financial statements

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