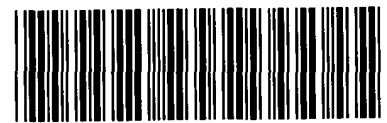


STANLEY SECURITY SOLUTIONS LIMITED

**STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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STANLEY SECURITY SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	R Adalja H Wheeler
Company secretary	S Costello
Registered number	00181585
Registered office	270 Bath Road Slough Berkshire United Kingdom SL1 4DX
Auditor	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX

STANLEY SECURITY SOLUTIONS LIMITED

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STANLEY SECURITY SOLUTIONS LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Business review

As with almost every market and business across the globe, the past year has created an array of unprecedented challenges for the UK security business. Full country lockdowns, heightened safety measures, and staff shortages, coupled with the insecurity of consumers and businesses alike contributed to the performance of Stanley Security Solutions Limited. In addition, the business is also navigating the challenges posed by the UK's exit from the European Union. The combination of these factors explains the 6% annual drop in turnover (compared to 2019).

While productivity gains were made, these did not amount to offset the deleveraging effects of lower volumes, resulting in a 19% drop on the company's gross margin. The company has undertaken many cost saving measures including discretionary spend freezes, restructuring and the utilization of government funds in terms of Furlough. The restructuring costs resulting from headcount reduction activity totaled £3,320,000 which has been recognised within the statement of comprehensive income as an exceptional administrative expense. Restructuring costs of £541,000, disclosed within the 2020 exceptional administrative expenses on the face of the Statement of Comprehensive Income, were communicated to individual employees in 2019 but were not settled until 2020.

On 29 March 2020 the company acquired the trade and assets, on a going concern basis, of its subsidiary Contract Fire Systems Limited. The company made this acquisition in an effort to drive efficiencies by leveraging economies of scale, increasing the level of data visibility, merging of information technology systems and the alignment of management.

On 8th December 2021 the company's ultimate parent company, Stanley Black & Decker, Inc, announced that it had accepted an offer to sell its Electronic Security and Healthcare businesses to Securitas AB. This transaction is expected to close in the first half of 2022, but timing is contingent upon receiving regulatory approvals and other customary closing conditions. At the time of approving these financial statements the transaction has not closed. If this transaction does close successfully, it is expected that Stanley Security Solutions Ltd would be included in a portfolio of Electronic Security and Healthcare businesses to be sold to Securitas AB thereby changing the company's ultimate parent company. The proposed sale of the company has no financial impact on the 31 December 2020 financial statements.

The company's key performance indicators during the year were:

	2020	2019	Variance	% change
	£000	£000		
Turnover	57,172	60,630	(3,458)	(6)
Gross profit	14,305	17,607	(3,302)	(19)
Headcount (Number)	494	471	23	5

STANLEY SECURITY SOLUTIONS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Principal risks and uncertainties

The principal risk and uncertainties facing the company are broadly grouped as competitive, liquidity and refinancing, market and interest rate risk and Brexit. The company's principal financial instruments comprise intercompany balances between fellow group undertakings, the main purpose of which is to provide finance for its normal operations. In addition, and in common with the vast majority of the world's economy, the company and the group to which it belongs could continue to be affected by the Covid-19 pandemic. The directors' consideration of the risks and uncertainties in this respect are also outlined below.

Competitive risk

The company operates in a competitive market that could result in losing sales to competitors. The company manages this risk by providing a value added service to its customers based upon quality, integrity and innovative product solutions and backed by competitive finance packages and long standing experience of the market.

Credit risk

The directors consider that the credit risk exposure is limited as the loans are with fellow group companies.

Liquidity and refinancing risk

The company's operations and loans are financed by short term debt. Management regularly reviews the funding position to ensure adequate facilities are in place.

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 their borrowing and loan portfolios within an acceptable timescale so as to minimise the impact of significant changes in interest rates.

Brexit

The directors have considered the impact of the withdrawal of the UK from the European Union, commonly known as "Brexit" and do not expect any significant impact on the activities of the company or its subsidiary undertakings.

Covid-19

While the impact on this individual business from Covid-19 could be considered to be limited the directors are mindful that the company is a part of a large multinational group where subsidiaries are subject to the continuing support of the ultimate holding company. With this in mind the directors have considered the ability of the ultimate parent company, and the group in its entirety, to navigate the current extremely difficult period. This consideration can be found in the Directors' Report.

STANLEY SECURITY SOLUTIONS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Directors' statement of compliance with duty to promote the success of the company

This statement by the Board of Directors describes how they have approached their responsibilities under S172(1) (a) to (f) of the Companies Act 2006 in the financial period ending 31 December 2020.

The directors promote the success of the company for the benefit of the sole shareholder and that of the shareholders of its ultimate parent (Stanley Black & Decker, Inc.) whilst taking into account, amongst other matters, the items headed up below.

Consequences of any decision in the long term

The Board of Directors monitor and review strategic objectives, against long term growth plans. Regular reviews are held across key business areas including; financial performance, risks and opportunities, Health & Safety, Human Resources and operations. The company's performance and progress are reviewed regularly at department and board meetings.

Interests of the company's employees

Employees are the company's main asset and their health and safety is the company's number 1 priority. This entails strict Health and Safety policies tailored with suitable and regular training programs.

The company also strives to build and nurture a culture where inclusiveness is a reflex, not an initiative – where there is a deep sense of pride, passion and belonging that transcends any role, business unit, language or country. And where all employees feel valued, heard and positioned to do their best work every day.

Business relationships with suppliers, customers and others

We recognise the importance that stakeholders outside the business such as customers and suppliers add to our business and we work ethically together to ensure that our goals are met in a mutually beneficial fashion by negotiating contracts, agreeing payment terms in advance and maintaining an open dialogue with suppliers and customers.

The impact of company's operations on the community and the environment

As an affiliate of Stanley Black & Decker, Inc., the directors continue to promote the Organisation's Global Social Responsibility Goals to inspire makers and innovators to create a more sustainable world in alignment with the Stanley Black & Decker Group's purpose.

The company believes corporations have a broader role to play in society building on our historical, deep focus on environment, health and safety, sustainability and community engagement. This role relates to helping solve the world's challenges, such as climate change, income inequality and workforce development. In short, we're working to be a force for good.

Maintaining a reputation for high standards of business conduct

The company also supports bringing together the best of the best to create practical, meaningful products and services that make life easier—empowering people to do better, safer, more significant work. Innovation and excellence have powered Stanley Black & Decker, Inc.'s success, but equally knows there's more the organisation can do for the world and those who make it. Across our businesses, we're investing in breakthrough innovation and digital excellence, striving for outperformance and increasing our focus on social responsibility.

STANLEY SECURITY SOLUTIONS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

This report was approved by the board on 6 May 2022 and signed on its behalf. .

DocuSigned by:
Rishabh Adalja
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R Adalja
Director

STANLEY SECURITY SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Principal activity

The principal activity of the company continues to be the sales, service and distribution of a complete range of security, communications and time management solutions. The company is also engaged in the sale, service and distribution of TV signal distribution systems as well as the sale, service and distribution of a range of Healthcare products.

Results and dividends

The loss for the year, after taxation, amounted to £12,064,000 (2019: loss £667,000).

No dividends were declared or paid during the year (2019: £NIL).

Directors

The directors who served during the year were:

G Obafemi (appointed 8 December 2020, resigned 15 July 2021)

H Wheeler (appointed 1 March 2022)

R Adalja (appointed 1 April 2020)

A S Lord (resigned 1 April 2020)

S Merrifield (resigned 1 March 2022)

M Marriott (appointed 1 April 2020, resigned 8 December 2020)

Community and Environment

The company will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The company has complied with all applicable legislation and regulations.

Future developments

The directors will focus closely on the macro economic environment particularly with respect to Brexit. As part of the global Stanley Black & Decker, Inc.'s group, the company is constantly able to leverage expertise and improvement initiatives and works closely with other group companies. Stanley Security Solutions Limited focus continues to be providing sales, service and distribution of a complete range of security, communications, time management solutions and Healthcare products.

In 2021, Stanley Security Solutions Limited changed its registered office from Stanley House, Bramble Road, Swindon, Wiltshire, SN2 8ER to 270 Bath Road, Slough, Berkshire, SL1 4DX.

On 8th December 2021 the company's ultimate parent company, Stanley Black & Decker, Inc, announced that it had accepted an offer to sell its Electronic Security and Healthcare businesses to Securitas AB. This transaction is expected to close in the first half of 2022, but timing is contingent upon receiving regulatory approvals and other customary closing conditions. At the time of approving these financial statements the transaction has not closed. If this transaction does close successfully, it is expected that Stanley Security Solutions Ltd would be included in a portfolio of Electronic Security and Healthcare businesses to be sold to Securitas AB thereby changing the company's ultimate parent company. The proposed sale of the company has no financial impact on the 31 December 2020 financial statements.

STANLEY SECURITY SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Financial instruments

Details of financial instruments are provided in the Strategic Report.

Engagement with employees

The company continues to operate a policy of employee involvement in the operations of the company and of the Stanley Black & Decker, Inc. group of companies of which it is a member. Regular communications to inform all employees about news and developments in the company and the wider group are transmitted via the company intranet, email and the 'Workplace' collaborative platform (or, for those employees without access to company IT accounts, via their line managers and on notice-boards). These communications are supplemented by site meetings, when employees have the opportunity to hear and question management about company developments and plans.

When developments have a direct impact on employees' jobs or terms and conditions of service, full consultation is provided by the company, with the opportunity, where applicable, to receive independent advice.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the candidate's particular qualifications, aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the company's policy to provide continuing employment wherever practicable in the same or alternative positions and to provide reasonable adjustments and appropriate training to achieve this aim.

Engagement with suppliers, customers and others

The company is fully committed to pursuing the best environmental practice and conducting its activities in a way that fully recognises its responsibilities to the environment. Policies to benefit the community include the provision of sports and recreational activities for staff and their families, encouraging the use of local suppliers where possible and matched-funding for local charities.

STANLEY SECURITY SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

UK Streamlined Energy and Carbon Reporting

As an affiliate of Stanley Black & Decker, Inc, the Directors continue to promote the Organisation's commitment to environmental sustainability, particularly with regard to climate, waste and water.

The Organisation's 2030 targets of becoming better than carbon neutral (carbon positive), achieving zero waste to landfill and ensuring sustainable water use across our operations continues to reflect our long-standing commitment to make a lasting, positive change for our communities and the world.

Sustainability is a fundamental part of the Stanley Black & Decker, Inc's culture, as demonstrated through support of and alignment with the UN Sustainable Development Goals. We work actively toward cleaner water, minimizing waste generation and landfilling, and reducing our greenhouse gas emissions to lessen climate risk and find climate opportunity. More specifically, the Company sources all its property related electricity from renewable sources. More specifically, the Company sources all its property related electricity from renewable sources

The table shows the company's operational energy and carbon footprint, according to the (SECR) framework.

	2020
Energy consumption used to calculate emissions: kWh	1,469,256
Emissions from combustion of gas tCO ₂ e (Scope 1)	86
Emissions from combustion of fuel (Scope 1)	1,207
Emissions from purchased electricity (Scope 2 location-based)	9
Total gross CO ₂ e based on above	1,302
Intensity ratio: tCO ₂ e/£m	23

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 at the date of approving the Directors' Report.

STANLEY SECURITY SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Going Concern

Based on forecasts to 31 December 2023, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In the event that it is not possible for the company to meet its liabilities as they fall due, the ultimate parent company, Stanley Black & Decker, Inc., has agreed to provide continued support to the Company for the foreseeable future until at least 31 December 2023 and whilst the Company remains part of Stanley Black & Decker Inc., Group.

Stanley Black & Decker, Inc., released its 2021 Annual Report (10-K) on 22nd February 2022 and its first quarter results for 2022 on 28 April 2022, which demonstrated that the Group continued to show strong performance. The Directors continue to believe the Group is in a strong financial position and has significant flexibility to continue navigating this volatile period 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,
- carries \$7 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 to the Company for the foreseeable future until at least 31 December 2023 and whilst the Company remains part of Stanley Black & Decker, Inc., Group.

Taking into account the position of the ultimate parent company the directors are of the view, to the best of their current knowledge, that, while the Company remains part of the Stanley Black & Decker, Inc., Group, 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.

However, a material uncertainty arises as the sale of the Company, whilst not formally concluded and finalised, is expected to be completed in the first half of 2022, following approval of these financial statements. Further details of this sale transaction are provided in the Future Developments section of the Directors' Report. The expected change in ownership means the directors have limited certainty over the intended future operations, financing and positioning of the Company within the new owner group. This material uncertainty may cast significant doubt upon the Company's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not contain the adjustments that would result if the Company was unable to continue as a going concern.

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.

STANLEY SECURITY SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Post balance sheet events

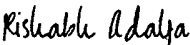
The EU-UK Trade and Cooperation agreement, governing the trading arrangements between UK and EU, was signed on 30 December 2020. It applied provisionally from 1 January 2021 when the Brexit transition period ended before coming into force on 1 May 2021.

The directors consider that the new trading arrangements will have no significant effect on the company or its subsidiaries.

On 8th December 2021 the company's ultimate parent company, Stanley Black & Decker, Inc, announced that it had accepted an offer to sell its Electronic Security and Healthcare businesses to Securitas AB. This transaction is expected to close in the first half of 2022, but timing is contingent upon receiving regulatory approvals and other customary closing conditions. At the time of approving these financial statements the transaction has not closed. If this transaction does close successfully, it is expected that Stanley Security Solutions Ltd would be included in a portfolio of Electronic Security and Healthcare businesses to be sold to Securitas AB thereby changing the company's ultimate parent company. The proposed sale of the company has no financial impact on the 31 December 2020 financial statements.

In February 2022, a number of countries (including the US, UK, and those within the EU) imposed new sanctions against certain entities and entities with links to Russia. Announcements of potential sanctions have been made following military operations initiated on 24 February 2022. The company and group does not have significant exposure related to the current events in Ukraine, including as a result of the sanctions imposed on Russia by various governments and the European Union.

This report was approved by the board on 6 May 2022 and signed on its behalf.

DocuSigned by:

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R Adalja
Director

STANLEY SECURITY SOLUTIONS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 LIMITED

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

Opinion

We have audited the financial statements of Stanley Security Solutions Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes¹ to 30, 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 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 company's affairs as at 31 December 2020 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.

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.

Material uncertainty relating to going concern

We draw attention to note 2.1 of these financial statements, which indicate that the sale of the Company, whilst it is not formally concluded and finalised, is expected to be completed imminently within the upcoming months following the approval of these financial statements. The expected change of ownership means the directors have limited certainty over the intended future financing and positioning of the Company within the new owner group.

As stated in note 2.1, these events or conditions indicate that material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in preparation of the financial statements is appropriate. Our opinion is not modified in respect of this matter.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this report, we do not express any form of assurance conclusion thereon.

STANLEY SECURITY SOLUTIONS LIMITED

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

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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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 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 or directors' report.

We have nothing to report in respect of the following matters in relation to which 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 set out on page 10, 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.

STANLEY SECURITY SOLUTIONS LIMITED

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and compliance with the relevant direct and indirect tax regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, General Data Protection Regulation ('GDPR') and UK employment law.
- We understood how the Company is complying with those frameworks by making enquiries of management and those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas. We understood any controls put in place by management to reduce the opportunities for fraudulent transactions.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur through internal team conversations and inquiry of management and those charged with governance. Through these procedures we determined there to be a risk of management override associated with revenue and a fraud risk around revenue recognition, and in particular the revenue recognition on open contracts at the year end. We selected a sample of open contracts at the year end to perform detailed testing, including understanding of the nature of the contract and the stage of completion, testing the costs to complete to verify that the margin is appropriate and verifying the clerical accuracy of the revenue calculation. In relation to management override we incorporated data analytics into our testing of manual journals and into our testing of revenue recognition. We tested specific transactions back to source documentation ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures included verifying that material transactions are recorded in compliance with FRS 102 and where appropriate Companies Act 2006. Compliance with other operational laws and regulations was covered through our inquiry with no indication of non-compliance identified.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

STANLEY SECURITY SOLUTIONS LIMITED

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

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.

DocuSigned by:
Ernst & Young LLP
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Elizabeth Gray (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol
Date May 6, 2022

STANLEY SECURITY SOLUTIONS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
Turnover	4	57,172	60,630
Cost of sales		(42,867)	(43,023)
Gross profit		14,305	17,607
Distribution costs		(8,407)	(8,611)
Administrative expenses		(13,040)	(8,771)
Exceptional administrative expenses	6	(6,630)	(713)
Other operating income	5	1,929	-
Operating loss	7	(11,843)	(488)
Income from investments	11	10,194	-
Amounts written off investments	17	(10,194)	-
Interest receivable and similar income	12	1	28
Interest payable and similar expenses	13	(37)	(81)
Loss before tax		(11,879)	(541)
Tax on loss	14	(185)	(126)
Loss for the financial year		(12,064)	(667)

There was no other comprehensive income for 2020 (2019: £NIL).

The notes on pages 18 to 44 form part of these financial statements.

STANLEY SECURITY SOLUTIONS LIMITED
REGISTERED NUMBER:00181585

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	15	9,654	2,943
Tangible assets	16	1,156	1,661
Investments	17	23,963	34,157
		<u>34,773</u>	<u>38,761</u>
Current assets			
Stocks	18	6,186	5,670
Debtors: amounts falling due after more than one year	19	17,530	18,462
Debtors: amounts falling due within one year	19	27,837	28,752
Cash at bank and in hand		17	221
		<u>51,570</u>	<u>53,105</u>
Creditors: amounts falling due within one year	20	(63,656)	(57,227)
Net current liabilities		<u>(12,086)</u>	<u>(4,122)</u>
Total assets less current liabilities		<u>22,687</u>	<u>34,639</u>
Provisions for liabilities			
Other provisions	22	(731)	(619)
		<u>(731)</u>	<u>(619)</u>
Net assets		<u><u>21,956</u></u>	<u><u>34,020</u></u>
Capital and reserves			
Called up share capital	23	1,000	1,000
Other reserves	24	1,588	1,588
Profit and loss account	24	19,368	31,432
		<u>21,956</u>	<u>34,020</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 May 2022.

DocuSigned by:

Rishabh Adalja

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R Adalja
Director

The notes on pages 18 to 44 form part of these financial statements.

STANLEY SECURITY SOLUTIONS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2020	1,000	1,588	31,432	34,020
Comprehensive expense for the year				
Loss for the year	-	-	(12,064)	(12,064)
At 31 December 2020	1,000	1,588	19,368	21,956

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2019	1,000	1,588	32,351	34,939
Comprehensive expense for the year				
Loss for the year	-	-	(667)	(667)
Share based income (note 25)	-	-	(252)	(252)
At 31 December 2019	1,000	1,588	31,432	34,020

STANLEY SECURITY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Stanley Security Solutions 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 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 financial statements are prepared in pound sterling which is the functional and presentational currency of the company and is rounded to the nearest thousand pounds (£'000).

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 29.

Going Concern

Based on forecasts to 31 December 2023, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In the event that it is not possible for the company to meet its liabilities as they fall due, the ultimate parent company, Stanley Black & Decker, Inc., has agreed to provide continued support to the Company for the foreseeable future until at least 31 December 2023 and whilst the Company remains part of Stanley Black & Decker Inc., Group.

Stanley Black & Decker, Inc., released its 2021 Annual Report (10-K) on 22nd February 2022 and its first quarter results for 2022 on 28 April 2022, which demonstrated that the Group continued to show strong performance. The Directors continue to believe the Group is in a strong financial position and has significant flexibility to continue navigating this volatile period 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,
- carries \$7 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 to the Company for the foreseeable future until at least 31 December 2023 and whilst the Company remains part of Stanley Black & Decker, Inc., Group.

STANLEY SECURITY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.1 Basis of preparation of financial statements (continued)

Taking into account the position of the ultimate parent company the directors are of the view, to the best of their current knowledge, that, while the Company remains part of the Stanley Black & Decker, Inc., Group, 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.

However, a material uncertainty arises as the sale of the Company, whilst not formally concluded and finalised, is expected to be completed in the first half of 2022, following approval of these financial statements. Further details of this sale transaction are provided in the Post balance sheet events note of the Notes to the Financial Statements. The expected change in ownership means the directors have limited certainty over the intended future operations, financing and positioning of the Company within the new owner group. This material uncertainty may cast significant doubt upon the Company's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not contain the adjustments that would result if the Company was unable to continue as a going concern.

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 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- 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 2 January 2021 and these financial statements may be obtained from 1000 Stanley Drive, New Britain, CT 06053, United States.

STANLEY SECURITY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Government grants

Grants received during the year are accounted for under the accruals model, as permitted by Section 24 of FRS 102.

Those grants received were of a revenue nature and are recognized in the Statement of Comprehensive Income in the same period as the related expenditure.

Any amounts receivable at the year end have been included in debtors as accrued income.

STANLEY SECURITY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.5 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard at 01 January 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.6 Leased assets: the company as lessor

Where assets leased to a third party give rights approximating to ownership (finance lease), the lessor recognises as a receivable an amount equal to the net investment in the lease i.e. the *minimum lease payments receivable under the lease discounted at the interest rate implicit in the lease*. This receivable is reduced as the lessee makes capital payments over the term of the lease. The receivable is disclosed as "Amounts recoverable on long term contracts" and represents the present value of minimum lease payments receivable at the end of the reporting period.

A finance lease gives rise to two types of income: profit or loss equivalent to the profit or loss resulting from outright sale of the asset being leased, at normal selling prices, reflecting any applicable discounts, and finance income over the lease term.

2.7 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 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.8 Share based payments

Equity-settled transactions

Where share options are awarded to employees, the fair value of the options at the date of the grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a marketing vesting condition.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an appropriate pricing model. In valuing equity-settled transaction, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions).

At each Balance Sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions on the number of equity instruments that will ultimately vest.

The movement in cumulative expense since the previous Balance Sheet date is recognised in the Statement of Comprehensive Income, with a corresponding entry to equity.

2.9 Exceptional items

Exceptional items are non underlying items considered outside the normal operations of the business.

2.10 Interest income

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

STANLEY SECURITY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.11 Current and deferred 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 Statement of Financial Position 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.

STANLEY SECURITY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.12 Intangible assets****Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10	years
Intangible fixed assets	-	3	years

Research and development costs

Research expenditure is written off in the period in which it is incurred. Expenditure made in connection with the development of new products is generally expensed as incurred.

An exception is made when significant and specifically identified software development costs are incurred from which it is expected that future profitable revenue streams will arise. In these instances, such expenditure is capitalised and amortised over a period no longer than 5 years.

2.13 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.

Software assets are an integral part of the related hardware assets.

STANLEY SECURITY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation 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 property	- 40 years
Leasehold property	- over the remaining period of the lease
Plant, machinery, fixture and fittings	- 10% to 33%
Motor vehicles	- 3 years
Software	- 5 years

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.

2.14 Impairment of fixed assets and goodwill

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.

2.15 Valuation of Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Management performs an annual review to determine if the indicators of impairment exist. The recoverable amount is estimated based on the fair value less the costs to sell or a value in use calculation. Value in use is based on a discounted cashflow model.

2.16 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a standard cost method basis. Work in progress and finished goods include labour and attributable overheads.

At each statement of financial position date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

STANLEY SECURITY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.17 Debtors

Trade and other receivables and investments in loan notes are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

These basic financial assets, other than short term receivables, are subsequently carried at amortised cost using the effective interest method.

Short term trade and other receivables with no stated interest rate which are receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in administrative expenses.

2.18 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.19 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and other third parties, and loans to related parties.

2.20 Creditors

Basic financial liabilities including trade and other payables and interest bearing loans and borrowing, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the liability is measured at the present value of the future payments discounted at a market rate of interest.

Basic financial liabilities, other than short term payables, are subsequently carried at amortised cost, using the effective interest rate method. The effective interest rate amortisation is included in interest payable and similar expenses in the Statement of Comprehensive Income.

Short term trade and other payables with no stated interest rate which are payable within one year are recorded at transaction price.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

STANLEY SECURITY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgments considered to have had the most significant effect on amounts recognised in the financial statements are:

Taxation

Management estimation is required to determine the amount of deferred tax asset that can be recognised. Such calculations are sensitive to the likely timing and the level of future taxable profits.

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) value in use of the investments (note 17). For the discounted cashflow calculations the key assumptions to which the valuation amounts are most sensitive are discount rates and the estimated cash generated from forecasted results.

No impairment has been realised in the year. An increase in the discount rate of 0.1% has the impact of reducing the recoverable amount by £1,855,000 and a decrease in the discount rate of 0.1% has the impact of increasing the recoverable amount by £1,948,000.

Revenue and profit recognition

The estimation techniques used for revenue and profit recognition in respect of contracting require judgements to be made about the stage of completion of certain contracts and the recovery of work in progress and contract assets. Each contract is treated on its merits and subject to a regular review of the revenue and costs to complete that contract. Contract assets represent revenue recognised in excess of the total of payments on account and amounts invoiced.

4. Turnover

Turnover represents amounts receivable for goods and other related services provided in the normal course of business, exclusive of value added tax less returns, allowances, freight and discounts.

	2020	2019
	£000	£000
United Kingdom	49,901	52,334
Rest of Europe	5,068	5,609
Rest of the World	2,203	2,687
	57,172	60,630

STANLEY SECURITY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. Other operating income

	2020	2019
	£000	£000
Government grants receivable	1,929	-
	<u>1,929</u>	<u>-</u>

During the year the company benefited from the UK Governments "Coronavirus Job Retention Scheme" which allowed employers to claim a portion of the salary of qualifying staff up to certain thresholds.

6. Exceptional items

	2020	2019
	£000	£000
Restructuring	3,320	713
Impairment of goodwill	3,310	-
	<u>6,630</u>	<u>713</u>

To streamline the cost base the company undertook a further restructuring exercise to reduce company headcount and acquired the trade and assets of its subsidiary, Contract Fire Systems Limited.

This restructuring exercise is expected to be completed 2022. Restructuring costs of £541,000, disclosed within the 2020 Exceptional administrative expenses on the face of the Statement of Comprehensive Income, were communicated to individual employees in 2019 but were not settled until 2020.

Exceptional items include both the redundancy payments made to staff during the restructuring and the subsequent impairment of goodwill which arose from the Contract Fire Systems Limited trade and asset acquisition.

STANLEY SECURITY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Operating loss

The operating loss is stated after charging/(crediting):

	2020	2019
	£000	£000
Research & development charged as an expense	85	523
Exchange loss	45	184
Other operating lease rentals - Land and buildings	642	469
- Motor vehicles	1,056	1,089
Value of stock expensed through COS	8,077	18,838
Depreciation of tangible fixed assets	1,017	383
Amortisation of intangible assets	1,433	284
Defined contribution pension cost	654	823
Loss/(profit) on disposal of fixed assets	91	(9)
Impairment of goodwill	3,310	-
	<u>3,310</u>	<u>-</u>

8. Auditors' remuneration

	2020	2019
	£000	£000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	74	72
	<u>74</u>	<u>72</u>
Fees payable to the company's auditor and its associates in respect of:		
Other services relating to taxation	14	16
	<u>14</u>	<u>16</u>

STANLEY SECURITY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Employees

Staff costs were as follows:

	2020	2019
	£000	£000
Wages and salaries	19,439	17,838
Social security costs	2,532	1,964
Cost of defined contribution scheme	654	823
	<u>22,625</u>	<u>20,625</u>

The figures above relate to the gross amounts paid in respect of employees during the year and have not been reduced by any Government grant income (furlough payments) which have been recognised in the Statement of Comprehensive Income as Other income (see note 5).

The average monthly number of employees, including the directors, during the year was as follows:

	2020	2019
	No.	No.
Selling	118	106
Marketing	14	16
Administration	9	6
HR	7	7
IT	2	-
Finance	14	11
Manufacturing	323	319
Engineering & Technical	7	6
	<u>494</u>	<u>471</u>

STANLEY SECURITY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Directors' remuneration

Directors' remuneration was paid by the company in the year.

Although they carried out qualifying services for other companies, 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 £778,000 (2019: £703,000), including £236,000 (2019: £215,000) compensation for loss of office.

The aggregate value of the company's contributions paid to a defined contribution pension scheme in respect of directors' qualifying services were £59,000 (2019 : £52,000).

1 director exercised share options during the year (2019: 1).

During the year retirement benefits were accruing to 5 directors (2019: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £227,000 (2019: £294,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £24,000 (2019: £NIL).

11. Income from investments

	2020	2019
	£000	£000
Dividends received from Subsidiary	10,194	-
	10,194	-

During the year Stanley Security Solutions Limited received a dividend from its subsidiary undertaking Contract Fire Systems Limited who transferred its trade and assets to Stanley Security Solutions Limited on 29th March 2020.

12. Interest receivable

	2020	2019
	£000	£000
Other interest receivable	1	28
	1	28

STANLEY SECURITY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Interest payable and similar expenses

	2020	2019
	£000	£000
Bank interest payable	37	81
	<u>37</u>	<u>81</u>
	<u><u>37</u></u>	<u><u>81</u></u>

14. Taxation

	2020	2019
	£000	£000
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	185	126
Total deferred tax	<u>185</u>	<u>126</u>
	<u><u>185</u></u>	<u><u>126</u></u>
Taxation on loss on ordinary activities	<u>185</u>	126
	<u><u>185</u></u>	<u><u>126</u></u>

STANLEY SECURITY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019 : 19%). The differences are explained below:

	2020	2019
	£000	£000
Loss on ordinary activities before tax	(11,879)	(541)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(2,257)	(103)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	629	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	251	13
Adjustments to tax charge in respect of prior periods	124	15
Other timing differences leading to an decrease in taxation	(53)	(12)
Changes in tax rates	-	(181)
Other differences leading to an increase (decrease) in the tax charge	(12)	-
Group relief for nil consideration	1,503	394
Total tax charge for the year	185	126

Factors that may affect future tax charges

In March 2020 the UK Government utilised the Provision Collection of Taxes Act 1968 to maintain the corporation tax rate at 19% (previously 17%) which was substantially enacted on 17 March 2020.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023 and which was incorporated into The Finance Act 2021.. These changes were not substantively enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the period end. It is not anticipated that these changes will have a material impact on the company's deferred tax balances.

STANLEY SECURITY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Intangible assets

	Product development £000	Goodwill £000	Total £000
Cost			
At 1 January 2020	3,846	1,665	5,511
Additions	679	10,934	11,613
Disposals	-	(159)	(159)
At 31 December 2020	<u>4,525</u>	<u>12,440</u>	<u>16,965</u>
Amortisation			
At 1 January 2020	2,499	69	2,568
Charge for the year on owned assets	150	1,283	1,433
Impairment charge	-	3,310	3,310
At 31 December 2020	<u>2,649</u>	<u>4,662</u>	<u>7,311</u>
Net book value			
At 31 December 2020	<u>1,876</u>	<u>7,778</u>	<u>9,654</u>
At 31 December 2019	<u>1,347</u>	<u>1,596</u>	<u>2,943</u>

STANLEY SECURITY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Intangible assets (continued)

During the year the directors undertook a review of the carrying value of intangible assets. As a result of this review goodwill was impaired by £3,310,000.

Analysis of goodwill addition

On the 29 March 2020 the company acquired the trade and assets of its subsidiary, Contract Fire Systems Limited for consideration of £10,194,000. Additions to Goodwill represent the difference between consideration paid and net identifiable assets and liabilities.

Analysis of the net assets acquired at date of acquisition:

	Fair Value to company £'000
Tangible assets	363
Stock	380
Debtors	2,184
Cash at bank and in hand	9
Creditors: amounts falling due within one year	(3,644)
Creditors > one year	<u>(32)</u>
Net Liabilities	(740)
Goodwill arising on acquisition	<u>10,934</u>
Purchase consideration transferred	<u>10,194</u>

STANLEY SECURITY SOLUTIONS LIMITED

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16. Tangible fixed assets

	Freehold property £000	Leasehold Property £000	Plant, machinery, fixture and fittings and software £000	Motor vehicles £000	Assets in the course of construction £000	Total £000
Cost						
At 1 January 2020	517	1,126	8,777	21	367	10,808
Additions	-	48	128	-	90	266
Transfers intra group	-	2	100	1	260	363
Disposals	-	(146)	(2,179)	-	(27)	(2,352)
Transfers between classes	-	-	611	10	(621)	-
At 31 December 2020	<u>517</u>	<u>1,030</u>	<u>7,437</u>	<u>32</u>	<u>69</u>	<u>9,085</u>
Depreciation						
At 1 January 2020	224	919	7,993	11	-	9,147
Charge for the year on owned assets	231	86	693	7	-	1,017
Disposals	-	(108)	(2,127)	-	-	(2,235)
At 31 December 2020	<u>455</u>	<u>897</u>	<u>6,559</u>	<u>18</u>	<u>-</u>	<u>7,929</u>
Net book value						
At 31 December 2020	<u>62</u>	<u>133</u>	<u>878</u>	<u>14</u>	<u>69</u>	<u>1,156</u>
At 31 December 2019	<u>293</u>	<u>207</u>	<u>784</u>	<u>10</u>	<u>367</u>	<u>1,661</u>

STANLEY SECURITY SOLUTIONS LIMITED

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

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2020	<u>38,498</u>
At 31 December 2020	<u>38,498</u>
Impairment	
At 1 January 2020	4,341
Charge for the period	10,194
At 31 December 2020	<u>14,535</u>
Net book value	
At 31 December 2020	<u>23,963</u>
At 31 December 2019	<u>34,157</u>

On 29 March 2020 the company acquired the trade and assets, on a going concern basis, of its subsidiary Contract Fire Systems Limited.

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) value in use of the investments. For the discounted cashflow calculations the key assumptions to which the valuation amounts are most sensitive are discount rates and the estimated cash generated from forecasted results. As a result of this review the carrying value of the investment held in Contract Fire Systems Limited of £10,194,000 was fully impaired.

STANLEY SECURITY SOLUTIONS LIMITED

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

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Stanley Security Solutions (NI) Limited	Unit 6 Locksley Business Park, 39 Montgomery Road, Belfast, BT6 9UP	Sale, Service and distribution of security equipment	£1 Ordinary Share	100%
Southern Monitoring Services Limited	212-218 London Road, Waterlooville Hampshire PO7 7AJ	Sale, Service and distribution of security and surveillance equipment	£1 Ordinary Share	100%
Christie Intruder Alarms Limited	Security House, 212-218 London Road, Waterlooville Hampshire PO7 7AJ	Installation and maintenance of electronic security and fire detection equipment.	£1 Ordinary Share	100%
Contract Fire Systems Limited	270 Bath Road, Slough, Berkshire, United Kingdom, SL1 4DX	Installation and maintenance of bespoke fire detection, suppression and security solutions.	£1 Ordinary Share	100%
Stanley Security Solutions Ireland Limited	Duff & Phelps (Ireland) Limited Molyneux House Brie Street Dublin 8	Dormant	€1.25 Ordinary Share	100%
Isgus International Limited	270 Bath Road, Slough, Berkshire, United Kingdom, SL1 4DX	Dormant	£1 Ordinary Share	100%
Verifier Capital Limited	270 Bath Road, Slough, Berkshire, United Kingdom, SL1 4DX	Dormant	£1 Ordinary Share	100%
Alwyn Time Recorders Limited	270 Bath Road, Slough, Berkshire, United Kingdom, SL1 4DX	Dormant	£1 Ordinary Share	100%
Blick Rentals Limited	270 Bath Road, Slough, Berkshire, United Kingdom, SL1 4DX	Dormant	£1 Ordinary Share	100%
Raysil Security Systems Limited	270 Bath Road, Slough, Berkshire, United Kingdom, SL1 4DX	Dormant	£1 Ordinary Share	100%
Smiths Security Services Limited	270 Bath Road Slough Berkshire SL1 4DX	Dormant	£1 Ordinary Share	100%
SRP Security Systems Limited	270 Bath Road, Slough, Berkshire, United Kingdom, SL1 4DX	Dormant	£1 Ordinary Share	100%

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18. Stocks

	2020	2019
	£000	£000
Raw materials and consumables	2,283	2,217
Work in progress (goods to be sold)	1,974	1,570
Finished goods and goods for resale	1,929	1,883
	<u>6,186</u>	<u>5,670</u>

In the director's opinion, there was no significant difference between the replacement cost and the amount at which the stock is held in the financial statements.

19. Debtors

	2020	2019
	£000	£000
Due after more than one year		
Amounts owed by group undertakings	2,208	2,208
Amounts recoverable on long term contracts	14,117	14,852
Deferred tax asset (note 21)	1,205	1,402
	<u>17,530</u>	<u>18,462</u>

	2020	2019
	£000	£000
Due within one year		
Trade debtors	8,590	8,980
Contract assets	2,681	941
Amounts owed by group undertakings	9,527	11,770
Other debtors	-	109
Prepayments and accrued income	676	488
Amounts recoverable on long term contracts	6,363	6,464
	<u>27,837</u>	<u>28,752</u>

STANLEY SECURITY SOLUTIONS LIMITED

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20. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	5,183	5,516
Amounts owed to group undertakings	50,752	46,939
Other taxation and social security	2,483	1,192
Other creditors	775	497
Accruals and deferred income	4,463	3,083
	<u>63,656</u>	<u>57,227</u>

21. Deferred taxation

	2020
	£000
At beginning of year	1,402
Charged to the Statement of Comprehensive Income	(197)
At end of year	<u>1,205</u>

The deferred tax asset is made up as follows:

	2020	2019
	£000	£000
Accelerated capital allowances	1,205	1,402
	<u>1,205</u>	<u>1,402</u>

STANLEY SECURITY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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22. Provisions

	Warranty costs £000	Dilapidation £000	Total £000
At 1 January 2020	60	559	619
Charged to profit or loss	1	118	119
Utilised in year	-	(7)	(7)
At 31 December 2020	61	670	731

Warranty costs

The warranty provision is held for potential rectification costs. The provision represents the best estimate of the company's costs and is expected to be incurred within the next 12 months. No asset has been recognised in respect of any potential reimbursement of costs.

Dilapidations

A dilapidation provision is held for leasehold properties which require remediation work to be performed to return the property to its original state. The directors have made their best estimation of the provision at the statement of financial position date, and expect the provision to be fully utilised by 2028.

23. Share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
1,000,000 (2019 - 1,000,000) Ordinary shares shares of £1.00 each	1,000	1,000

24. Reserves**Other reserves**

In March 1994 by order of the High Court the share premium account was transferred into a special reserve account. The court order imposed certain restrictions on the ability of the company to make distributions out of the special reserve until the conditions of the court are fulfilled. These restrictions do not impact on the company's ability to pay dividends out of the current or future profit.

Profit & loss account

The profit and loss account includes all current and prior period retained profits and losses.

STANLEY SECURITY SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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25. Share based payments*Equity-settled transactions*

The company participates in the Stanley Black & Decker Inc. stock option plan for its employees as part of its employee remuneration package for senior employees.

Stock options are granted at fair market value at the date of grant and have a 10 year term. Generally, stock option grants vest rateably over four years from the date of the grant.

Restricted stock are stock options granted at fair market value at the date of grant and have a 2.5/ 3 year term depending on the option criteria. The stock will be issued on achievement of pre-set performance of key company performance indicators over the target 2.5/3 year plan.

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of options is indicative of future trends, which may not necessarily be the actual outcome.

26. Pension commitment

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £654,000 (2019: £823,000), of which £15,000 (2019: £174,000) is included in accruals at year end.

27. Commitments under operating leases

At 31 December 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020	2019
	£000	£000
Land and buildings		
Within one year	441	592
Two to five years	904	1,572
Over five years	295	406
	1,640	2,570
	2020	2019
	£000	£000
Motor vehicles		
Within one year	1,078	676
Two to five years	1,141	1,079
	2,219	1,755

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28. Related party transactions

During the year the company entered into transactions with fellow group companies giving rise to balances outstanding to and from the company. Balances outstanding at 31 December are as follows:

	2020	2019
	£000	£000
Amounts owed by parent company	-	1,031
Amounts owed by subsidiary undertakings	2,213	2,257
Amounts owed by other group undertakings	9,522	10,690
Amounts owed to subsidiary undertakings	(2,142)	(2,231)
Amounts owed to other group undertakings	(48,610)	(44,709)
	<u><u> </u></u>	<u><u> </u></u>

29. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Niscayah Holdings Limited, a company incorporated in the United Kingdom. The ultimate parent company is Stanley Black & Decker, Inc. a company incorporated in the United States. Stanley Black & Decker, Inc.

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

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30. Post balance sheet events

The EU-UK Trade and Cooperation agreement, governing the trading arrangements between UK and EU, was signed on 30 December 2020. It applied provisionally from 1 January 2021 when the Brexit transition period ended before coming into force on 1 May 2021.

The directors consider that the new trading arrangements will have no significant effect on the company or its subsidiaries.

On 8th December 2021 the company's ultimate parent company, Stanley Black & Decker, Inc, announced that it had accepted an offer to sell its Electronic Security and Healthcare businesses to Securitas AB. This transaction is expected to close in the first half of 2022, but timing is contingent upon receiving regulatory approvals and other customary closing conditions. At the time of approving these financial statements the transaction has not closed. If this transaction does close successfully, it is expected that Stanley Security Solutions Ltd would be included in a portfolio of Electronic Security and Healthcare businesses to be sold to Securitas AB thereby changing the company's ultimate parent company. The proposed sale of the company has no financial impact on the 31 December 2020 financial statements.

In February 2022, a number of countries (including the US, UK, and those within the EU) imposed new sanctions against certain entities and entities with links to Russia. Announcements of potential sanctions have been made following military operations initiated on 24 February 2022. The company and group does not have significant exposure related to the current events in Ukraine, including as a result of the sanctions imposed on Russia by various governments and the European Union.