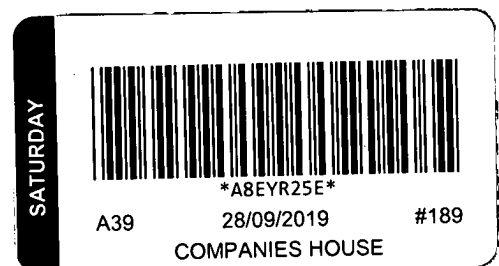


AVDEL HOLDING LIMITED

**STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**



AVDEL HOLDING LIMITED

COMPANY INFORMATION

Directors J J Feetenby (resigned 30 September 2018)
D J Hopper (resigned 31 May 2018)
A K Sood
K Kane (appointed 16 April 2019)

Secretary S J Costello

Registered in England 00312636

Registered office 3 Europa Court
Sheffield Business Park
Sheffield
S9 1XE

Auditors Beever & Struthers
St George's House
215 - 219 Chester Road
Manchester
M15 4JE

AVDEL HOLDING LIMITED

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AVDEL HOLDING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Business review

The principal activity of the company during the year continued to be that of a holding company. The company's principal subsidiary undertakings manufacture and market engineered fastening and assembly systems.

Principal risks and uncertainties

The company's principal risk is the deterioration in the underlying value of its direct and indirect subsidiary companies. Currently, the major subsidiary companies remain profitable with strong balance sheets.

Treasury policy

The company is an investment company which provides finance to its fellow group companies. The company finances its operations by short term borrowings.

Credit risk

The directors consider that the credit risk exposure is limited as the company has a good relationship with its bank and benefits from a larger relationship between the bank and the Stanley Black and Decker group.


Market and interest rate risk

The company does not use hedging instruments to hedge interest rate risk as the directors consider that they will be able to renegotiate borrowing.

Financial key performance indicators

The company's key financial performance indicator is interest payable of £25,000 (2017: £13,000).

This report was approved by the board on 26 September 2019 and signed on its behalf.


Kane
Director

AVDEL HOLDING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Results and dividends

The loss for the year, after taxation, amounted to £25,000 (2017 : loss £13,000).

No dividends have been declared or paid in either 2018 or 2017.

Directors

The directors who served during the year were:

J J Feetenby (resigned 30 September 2018)
D J Hopper (resigned 31 May 2018)
A K Sood

Future developments

The Directors aim to maintain current management policies.

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 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.

Going concern

After making relevant enquiries, the directors have a reasonable expectation that the company has adequate resources to continue on a going concern basis for the foreseeable future. For this reason, the company continues to adopt the going concern basis of accounting in preparing its financial statements.

Disclosure of information to auditors


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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the year end.

This report was approved by the board on 26 September 2019 and signed on its behalf.



K Kane
Director

AVDEL HOLDING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

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.

AVDEL HOLDING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AVDEL HOLDING LIMITED

Opinion

We have audited the financial statements of Avdel Holding Limited (the 'company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 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

AVDEL HOLDING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AVDEL HOLDING LIMITED (CONTINUED)

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the 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 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, 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.

AVDEL HOLDING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AVDEL HOLDING LIMITED (CONTINUED)

Auditors' 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 Auditors' 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.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.



Richard Williams BSc, FCA (Senior Statutory Auditor)

for and on behalf of
Beever & Struthers

St George's House
215 - 219 Chester Road
Manchester
M15 4JE

26 September 2019

AVDEL HOLDING LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £000
Interest payable and similar expenses	4	(25)	(13)
Loss before tax		<u>(25)</u>	<u>(13)</u>
Loss for the financial year		<u>(25)</u>	<u>(13)</u>


There was no other comprehensive income for 2018 (2017:£NIL).

AVDEL HOLDING LIMITED
REGISTERED NUMBER: 00312636

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Fixed assets			
Investments	6	59,666	59,666
		<u>59,666</u>	<u>59,666</u>
Creditors: amounts falling due within one year	7	(4,009)	(3,984)
Net current liabilities		<u>(4,009)</u>	<u>(3,984)</u>
Total assets less current liabilities		<u>55,657</u>	<u>55,682</u>
Net assets		<u>55,657</u>	<u>55,682</u>
Capital and reserves			
Called up share capital	8	36,873	36,873
Share premium account	9	10,818	10,818
Other reserves	9	7,598	7,598
Profit and loss account	9	368	393
		<u>55,657</u>	<u>55,682</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 September 2019.


K Kane
 Director

AVDEL HOLDING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Share premium account	Capital reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2018	36,873	10,818	7,598	393	55,682
Comprehensive expense for the year					
Loss for the year	-	-	-	(25)	(25)
At 31 December 2018	36,873	10,818	7,598	368	55,657

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Share premium account	Capital reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2017	36,873	10,818	7,598	406	55,695
Comprehensive expense for the year					
Loss for the year	-	-	-	(13)	(13)
At 31 December 2017	36,873	10,818	7,598	393	55,682

The notes on pages 10 to 16 form part of these financial statements.

AVDEL HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

The company is a private company limited by shares incorporated and domiciled in England and Wales. The registered office is 3 Europa Court, Sheffield Airport Business Park, Sheffield, S9 1XE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared in Pound sterling which is the functional currency and presentational currency of the company and is rounded to the nearest thousand.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

In 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 is disclosed in note 10.

The following principal accounting policies have been applied:

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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Stanley Black & Decker, Inc. as at 29 December 2018 and these financial statements may be obtained from Stanley Black & Decker, Inc., 1000 Stanley Drive, New Britain, Connecticut 06053, USA.

2.3 Interest payable

Interest payable is recognised in the Statement of Comprehensive Income using the effective interest rate.

AVDEL HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.4 Taxation

Tax is recognised in the Statement of Comprehensive Income, 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 balance sheet 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 Balance Sheet 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 balance sheet date.

2.5 Valuation of investments

Investments in subsidiary undertakings are stated at cost less provisions for impairment.

2.6 Creditors

Amounts owed to group companies due within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid.

2.7 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to and from related parties.

AVDEL HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect amounts reported for assets and liabilities as at the balance sheet date and amounts reported for revenues and expenses during the year. However, the nature of estimate means that actual outcomes could differ from those estimates.

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 value in use of the investments in subsidiaries by using a net assets model as the valuation technique as there is a lack of comparable market data due of the nature of the investments.

Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon timing and level of future taxable profits together with an assessment of the effects of future tax planning strategies.

4. Interest payable and similar expenses

	2018 £000	2017 £000
Interest on loans from group undertakings	25	13
	<u>25</u>	<u>13</u>

AVDEL HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Taxation

	2018 £000	2017 £000
Total current tax	<u>-</u>	<u>-</u>
Factors affecting tax charge for the year		
The tax assessed for the year is higher than (2017 : higher than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:		
	2018 £000	2017 £000
Loss on ordinary activities before tax	<u>(25)</u>	<u>(13)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	(5)	(2)
Effects of:		
Group relief	<u>5</u>	<u>2</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

Deferred tax asset not recognised as at 31 December 2018 of £1,740,000 (2017 : £1,740,000) relates to tax losses not utilised as at the year end.

Factors effecting future tax charges

The Finance (No. 2) Act 2016 obtained Royal Assent on 15 September 2016 and stated that the corporation tax rate will be reduced to 17% effective from 1 April 2020.

AVDEL HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2018	59,666
At 31 December 2018	<u>59,666</u>
Net book value	
At 31 December 2018	<u>59,666</u>
At 31 December 2017	<u>59,666</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company, all of which had principal activities of the business of engineered fastenings and assembly systems:

Name	Class of shares	Holding	Principal activity
Avdel UK Limited	Ordinary & preference	100 %	Manufacture & marketing of engineered fastening assembly systems.
Avdel Deutschland G.m.b.H (Germany)*	Common	100 %	Marketing of engineered fastening assembly systems.
Avdel France S.A.S. (France)*	Common	100 %	Marketing of engineered fastening assembly systems.
Avdel Italia S.r.l. (Italy)*	Ordinary	100 %	Marketing of engineered fastening assembly systems.
Avdel Spain S.A. (Spain)*	Ordinary	100 %	Marketing of engineered fastening assembly systems.

* Country of incorporation

AVDEL HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Fixed asset investments (continued)

Name	Registered office
Avdel UK Limited	3 Europa Court, Sheffield Business Park, Sheffield, England, S9 1XE
Avdel Deutschland Limited	Rotenburger Str. 28 30659 Hannover Germany 9-23 Allée des Impressionnistes Immeuble Le Monet Paris Nord II
Avdel France S.A.S.	93420 Villepinte France
Avdel Italia S.r.l.	Viale Lombardia 51/53 20861 Brugherio (MB) Italy
Avdel Spain S.A.	Avda. de Madrid 35 Alcala de Henares Antigua Ctra M-300 Km, 29.700 28802 Madrid Spain

7. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Amounts owed to group undertakings	4,009	3,984
	<u>4,009</u>	<u>3,984</u>

8. Share capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
5,650,000 (2017 - 5,650,000) 10.25% cumulative preference shares of £1.00 each	5,650	5,650
312,231,358 (2017 - 312,231,358) Ordinary shares of £0.10 each	31,223	31,223
	<u>36,873</u>	<u>36,873</u>

The 10.25% preference shares entitle the shareholders to a fixed dividend of 10.25% on the paid up preference capital. Such dividends are paid in June and December. Upon winding up or other repayment of capital, the preference shareholders receive priority on return of capital and any dividend in arrears at that point. Preference shareholders are not entitled to vote at General Meetings of the company, unless dividends are in arrears for six months or more.

Payment of the preference dividends totalling £579,000 (2017 : £579,000) was waived by the preference shareholders. As at 31 December 2018, the cumulative preference dividend waived by the preference shareholders is £10,423,000 including the dividends waived in the year.

AVDEL HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. Reserves

Share premium account

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

Other reserves

Other reserves comprising capital reserve represent a capital contribution made by CVC and Standard Chartered during the year ended 31 December 2010 as a result of CVC and Standard Chartered's acquisition of the Avdel companies. This capital contribution was used as partial repayment of a loan by the company to a former fellow subsidiary.

Profit and loss account

This reserve records any accumulated distributable profits less dividends paid since the inception of the company.

10. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Black & Decker Holdings GmbH a company registered in Germany. The ultimate parent company is Stanley Black & Decker, Inc. a company incorporated in the United States.

The largest and smallest group in which the results of the company are consolidated is that of Stanley Black & Decker, Inc. Consolidated accounts are available from Stanley Black & Decker, Inc at the address below:

Stanley Black & Decker, Inc.
1000 Stanley Drive
New Britain
CT 06053
United States