

BLACK & DECKER INTERNATIONAL

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 DECEMBER 2012

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BLACK & DECKER INTERNATIONAL

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BLACK & DECKER INTERNATIONAL

DIRECTORS AND OTHER INFORMATION

DIRECTORS

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

BANKERS

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

SECRETARY

Mitre Secretaries Ltd

AUDITORS

Ernst & Young
Chartered Accountants
City Quarter
Lapps Quay
Cork
Ireland

SOLICITORS

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

REGISTERED OFFICE

210 Bath Road
Slough
Berkshire
SL1 3YD
United Kingdom

REGISTERED IN ENGLAND

00209797

BLACK & DECKER INTERNATIONAL

DIRECTORS' REPORT FOR THE YEAR ENDED 29 DECEMBER 2012

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

RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 8. The loss for the year after tax is £35,538,000 (2011: loss of £22,365,000). No preference or ordinary dividends have been declared or paid during the year (2011: preference dividends £420,000, ordinary dividends £30,000,000).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company during the year was to act as an investment holding company. There was no change in the company's activities during the year.

As an investment holding company, the company owns directly and indirectly a number of Stanley Black & Decker holding and trading companies in the UK. The directors' review of the investments held at year end 2012 resulted in an impairment of £35,538,000 (2011: £52,366,000) which is reflected in the loss for the year.

In May 2012 the company introduced a cash concentration structure, whereby cash is physically swept at close of each business day to a nominated affiliate's bank account to allow cash to be pooled centrally. As a result, instead of being reported as cash, this balance is now reported within creditors due within one year in note 11.

The company made a payment of £24,356,000 to Black & Decker Finance for the use of their 2012 tax losses (2011: £23,844,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the company arise from competitive risks and the holding of financial instruments which can be subject to liquidity and interest rate risk. These are described in further detail below under treasury policy.

TREASURY POLICY

The company holds financial instruments in order to earn interest to finance the company. The company finances its operations by short-term borrowings and long-term borrowings from group undertakings. The company borrows in GBP at floating rates of interest.

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 the company's loan portfolio within an acceptable timescale so as to minimize the impact of any significant change in interest rates.

Liquidity and refinancing risk

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

The company's objective is to produce continuity of funding at a reasonable cost. To do this it seeks to arrange committed funding for a variety of maturities from a diversity of sources.

BLACK & DECKER INTERNATIONAL

DIRECTORS' REPORT FOR THE YEAR ENDED 29 DECEMBER 2012

GOING CONCERN

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

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

DIRECTORS

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

DIRECTORS' INTERESTS

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

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company benefits from a global indemnity policy which protects its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

FIXED ASSET INVESTMENTS

Fixed asset investments are dealt with in note 9 to the financial statements.

FUTURE DEVELOPMENTS

The directors aim to maintain current management policies.

EVENTS SINCE THE BALANCE SHEET DATE

On 5 December 2012 it was announced that the main corporation tax rate will be reduced by 2% to 21% with effect from 1 April 2014, and on 20 March 2013 it was announced that the main corporation tax rate would reduce to 20% with effect from 1 April 2015. These changes were enacted on 17 July 2013.

The directors are not aware of any other significant events since the balance sheet date which would have an effect on the financial statements or require disclosure therein.

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

BLACK & DECKER INTERNATIONAL

**DIRECTORS' REPORT
FOR THE YEAR ENDED 29 DECEMBER 2012**

AUDITORS

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

On behalf of the Board

A handwritten signature in black ink, appearing to be 'A. Sood', written over a horizontal line.

A Sood
Director
Date 5 December 2013

BLACK & DECKER INTERNATIONAL

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


The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

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

On behalf of the Board



A. Sood
Director

Date: 5 December 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACK & DECKER INTERNATIONAL

We have audited the financial statements of Black & Decker International for the year ended 29 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditors

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

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 29 December 2012 and of the loss of the company for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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



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working world

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACK & DECKER INTERNATIONAL

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

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

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

11 December 2013

BLACK & DECKER INTERNATIONAL

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

	Note	2012 £000	2011 £000
Administrative expenses		(156)	(605)
Amounts written off investments	9	(35,538)	(52,366)
OPERATING LOSS - CONTINUING OPERATIONS	2	(35,694)	(52,971)
Income from shares in group undertakings	4	-	30,000
Interest receivable and similar income	5	27,981	27,981
Interest payable and similar charges	6	(3,469)	(3,531)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(11,182)	1,479
Tax on (loss)/profit on ordinary activities	7	(24,356)	(23,844)
LOSS FOR THE FINANCIAL YEAR	13	(35,538)	(22,365)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES


There were no recognised gains and losses other than the loss attributable to shareholders of the company of £35,538,000 in the year ended 29 December 2012 (2011 loss of £22,365,000)

BLACK & DECKER INTERNATIONAL
REGISTERED NUMBER 00209797

BALANCE SHEET
AS AT 29 DECEMBER 2012

	Note	£000	2012 £000	£000	2011 £000
FIXED ASSETS					
Investments	9		569,504		605,042
CURRENT ASSETS					
Debtors amounts falling due after more than one year	10	393,352		393,352	
Debtors amounts falling due within one year	10	125,768		97,346	
Cash at bank		5		5	
		<u>519,125</u>		<u>490,703</u>	
CREDITORS , amounts falling due within one year	11	(366,829)		(338,407)	
NET CURRENT ASSETS			<u>152,296</u>		<u>152,296</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>721,800</u>		<u>757,338</u>
CAPITAL AND RESERVES					
Called up share capital	12		597,250		597,250
Share premium account	13		172,369		172,369
Profit and loss account	13		(47,819)		(12,281)
TOTAL SHAREHOLDERS' FUNDS	14		<u>721,800</u>		<u>757,338</u>

On behalf of the Board


A Sood
Director

Date 5 December 2013

BLACK & DECKER INTERNATIONAL

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

1. ACCOUNTING POLICIES

1.1 Accounting convention and basis of preparation

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

The company is exempt from the obligation to prepare and deliver group financial statements by virtue of section 401 of the Companies Act 2006. Financial information is presented about the company as an individual undertaking and not about its group. Details of the ultimate parent undertaking which draws up group financial statements are disclosed in note 17.

1.2 Investments

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

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

1.3 Foreign currencies

Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate.

All differences are taken to the profit and loss account. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

The financial statements of overseas branches are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account.

1.4 Cash flow statement

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

1.5 Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at net proceeds. After initial recognition, debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debts of the period. Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

BLACK & DECKER INTERNATIONAL

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

1 ACCOUNTING POLICIES (continued)

1.6 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at the date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable,
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

1.7 Revenue recognition

Interest income

Revenue is recognised as interest accrues using the effective interest method

Investment income

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

2. OPERATING LOSS

Operating loss is stated after charging

	2012 £000	2011 £000
Auditors' remuneration		
- audit	15	44
- non-audit - taxation service fees	83	326
Directors' emoluments (Note 3)	18	22

The 'non audit – taxation service fees' covers the costs of taxation services not only for the company but also for other companies in the Stanley Black & Decker UK group

BLACK & DECKER INTERNATIONAL

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

3. DIRECTORS' EMOLUMENTS

The emoluments of the highest paid director (excluding pension contributions and compensation for loss of office) are as follows

	2012 £000	2011 £000
Other emoluments (excluding pension contributions)	<u>18</u>	<u>22</u>

All other directors' emoluments for the company are both paid by and reported in Black & Decker Europe, another group company

4. INCOME FROM INVESTMENTS

	2012 £000	2011 £000
Income from investments	<u>-</u>	<u>30,000</u>

	2012 No. shares Ord shares	2011 No shares Ord shares
Black & Decker Europe	234,905,680	234,905,680
	£000	£000
Dividend receivable	<u>-</u>	<u>30,000</u>
Paid per share	<u>-</u>	<u>0 1277</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2012 £000	2011 £000
Interest receivable from group undertakings	<u>27,981</u>	<u>27,981</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £000	2011 £000
Interest payable to group undertakings	<u>3,469</u>	<u>3,531</u>

BLACK & DECKER INTERNATIONAL

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

7. TAXATION

(a) Current tax

	2012 £000	2011 £000
Group loss relief purchased	24,356	23,844
Tax on (loss)/profit on ordinary activities	24,356	23,844

(b) Factors affecting tax charge for the year

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

	2012 £000	2011 £000
(Loss)/profit on ordinary activities before tax	(11,182)	1,479
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	(2,740)	392
Effects of:		
Disallowed expenses	8,707	13,877
Non-taxable dividend income	-	(7,950)
Group relief paid for in excess of standard rate of tax	18,389	17,525
Total current tax charge	24,356	23,844

(c) Deferred tax

There are capital losses of £92,558 (2011 £92,558) that are available for offset against future capital gains. A deferred tax asset has not been recognised in respect of these losses as their recoverability is dependant on future capital gains.

(d) Factors that may affect future tax charges

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

Subsequent reductions in the corporation tax rate to 21% from 1 April 2014 and to 20% from 1 April 2015 were enacted on 17 July 2013.

BLACK & DECKER INTERNATIONAL

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

8 DIVIDENDS

	2012 £000	2011 £000
"A" Ordinary		
Dividends paid - £0 0 per share (2011 £0 051 per share)	-	30,000
12% Cumulative Preferred		
Dividends paid	-	420
	<u>-</u>	<u>30,420</u>
	<u>-</u>	<u>30,420</u>

9 FIXED ASSET INVESTMENTS

	£000
Cost	
At 1 January 2012 and 29 December 2012	<u>657,408</u>
Impairment	
At 1 January 2012	<u>52,366</u>
Charge for the year	<u>35,538</u>
At 29 December 2012	<u>87,904</u>
Net book value	
At 29 December 2012	<u>569,504</u>
At 31 December 2011	<u>605,042</u>

BLACK & DECKER INTERNATIONAL

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

9. FIXED ASSET INVESTMENTS (continued)

The directors undertake a review of the investments held each year and as a result provided for an impairment charge as noted above. The value in use of the investments in subsidiaries has been based on a net asset basis for holding companies and a discounted cash flow basis for trading entities using a discounted rate of 9.6% and a flat growth rate.

The investment held in Black & Decker Europe comprises of ordinary shares of type 'A' with a nominal value of 1 GBP per share. The investment in Black & Decker Pension Trustee Limited also comprises of ordinary shares with a nominal value of 1 GBP while Tucker Product Limited has been dormant since August 1969.

Details of principal subsidiary undertakings

Subsidiary undertaking	Country of incorporation	Nature of business	Proportion of shares held
Directly held			
Black & Decker Europe	England	Provision of administrative and marketing support to affiliates	100 %
Tucker Products Limited	England	Dormant company	100 %
Black & Decker Pension Trustee Limited	England	Pension management	100 %
Indirectly held			
Bandhart Overseas	England	Group holding company	100 %
Tucker Fasteners Limited	England	Manufacturer of industrial fastening systems	100 %
Aven Tools Limited	England	Investment company	100 %
Black & Decker	England	Intra-group service provider	100 %
Dewalt Industrial Power Tool Company Limited	England	Investment company	100 %

10. DEBTORS

	2012 £000	2011 £000
Due after more than one year		
Amounts owed by group undertakings	<u>393,352</u>	<u>393,352</u>
Due within one year		
Amounts owed by group undertakings	<u>125,768</u>	<u>97,346</u>

Amounts owed by group undertakings due after more than one year include ten convertible equity notes with an aggregate principal value of £137,117,000 (2011: £137,117,000). The notes are convertible on or before 15 December 2022 into an equivalent nominal value of ordinary £1 shares in the capital of Black & Decker at the option of Black & Decker International. The notes are redeemable at par on 15 December 2022. Interest is calculated at 9.25% per annum.

In 2006 a receivable US\$ loan note was issued to Black & Decker Inc. The loan was redenominated to GBP in June 2009 and is included with a value of £256,235,000 (2011: £256,235,000), a maturity date of 5 December 2016, and an interest rate of 6% per annum. This loan may be repaid at any time prior to the maturity date by the other party.

BLACK & DECKER INTERNATIONAL

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

11. CREDITORS:

Amounts falling due within one year

	2012 £000	2011 £000
Bank loans and overdrafts	-	99,213
Amounts owed to group undertakings	366,766	239,041
Accruals	63	153
	<u>366,829</u>	<u>338,407</u>

12 SHARE CAPITAL

	2012 £000	2011 £000
Authorised		
594,343,000 "A" Ordinary shares of £1 each	594,343	594,343
10,000,000 "B" Ordinary shares of £1 each	10,000	10,000
3,500,000 12% Cumulative Preferred shares of £1 each	3,500	3,500
	<u>607,843</u>	<u>607,843</u>
Allotted, called up and fully paid		
583,750,000 "A" Ordinary shares of £1 each	583,750	583,750
10,000,000 "B" Ordinary shares of £1 each	10,000	10,000
3,500,000 12% Cumulative Preferred shares of £1 each	3,500	3,500
	<u>597,250</u>	<u>597,250</u>

Ordinary shares class "A" and class "B" have equal rights in all aspects except for voting rights. Every holder of "A" shares has one vote on a show of hands when voting in person or by proxy while on a poll, each "A" share has one vote. However, every holder of "B" shares has two votes on a show of hands when voting in person or by proxy while on poll, each "B" share also has two votes.

Each holder of the preferred shares shall be entitled, in priority to the holders of any other class of share, to receive any of the assets of the company available for distribution amongst the members in a winding-up of the company or other return of capital by the company.

The amount in respect of each preferred share held, equal to the amount paid up thereon, together with all arrears and accruals of the fixed dividend payable thereon (whether earned or declared or not) calculated up to and including the date of the resolution for the winding-up of the company or (as the case may be) the date of the order of the Court for such winding-up or (in the case of any other return of capital by the company) the date on which the distribution, transfer, or other payment in respect of such return of capital is made but with no right to participate further in the profits or assets of the company. The holders of the Preferred Shares have the right to receive notice of all General Meetings of the company and have the right to attend and vote thereat.

Without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with such preferred, or other such special rights or restrictions, whether in regard to dividend, voting, return of capital, or otherwise, as the company may from time to time by special resolution determine and if so determined any preference share may be issued on the terms that it is, or at the option of the company is liable, to be redeemed on such terms and in such manner as the company before the issue of the shares may by special resolution determine.

BLACK & DECKER INTERNATIONAL

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

12 SHARE CAPITAL (continued)

The special rights conferred upon the holders of any shares or class of shares issued with preferred or other special rights shall not, unless otherwise expressly provided by the conditions of issue of the shares of that class, be deemed to be modified by the creation or issue of further shares (including shares carrying dividend at a higher rate or entitling the holders to be paid in winding-up a premium or a larger premium on the capital paid up thereon than the shares already issued or both) ranking *pari passu* therewith

13. RESERVES

	Share premium account £000	Profit and loss account £000
At 1 January 2012	172,369	(12,281)
Loss for the year	-	(35,538)
	<hr/>	<hr/>
At 29 December 2012	172,369	(47,819)
	<hr/>	<hr/>

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £000	2011 £000
Opening shareholders' funds	757,338	810,123
Loss for the year	(35,538)	(22,365)
Dividends paid (Note 8)	-	(30,420)
	<hr/>	<hr/>
Closing shareholders' funds	721,800	757,338
	<hr/>	<hr/>

15. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions in Financial Reporting Standard No 8 not to disclose related party transactions with wholly owned group undertakings as the ultimate holding undertaking publishes consolidated financial statements

16. CONTINGENT LIABILITIES*Bank guarantees*

Up to May 2012, under cash pooling arrangements the company had given unlimited cross guarantees in respect of bank borrowings of certain UK fellow undertakings

In May 2012 the company introduced a cash concentration structure, whereby cash is swept daily at close of business to a nominated affiliate's account. This affiliate acts as the header of the structure to allow cash to be pooled centrally. As a result, instead of being reported as cash, this balance is now reflected within payables due within one year.

BLACK & DECKER INTERNATIONAL

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

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a wholly owned subsidiary of Emhart International Limited, a company incorporated in the United Kingdom. The ultimate parent undertaking and controlling party 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

18. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board on 5 December 2013.