

Registered number: 07059991

STANLEY BLACK & DECKER UK LIMITED

Annual Report and Financial Statements

For the Year Ended 2 January 2016



STANLEY BLACK & DECKER UK LIMITED

Company Information

DIRECTORS A. Sood
 S. Stubbs
 M. Smiley (appointed 4 April 2016)

SECRETARY Mitre Secretaries Limited

REGISTERED IN ENGLAND 07059991

REGISTERED OFFICE 210 Bath Road
 Slough
 Berkshire
 SL1 3YD
 United Kingdom

AUDITOR Ernst & Young
 Chartered Accountants
 City Quarter
 Lapps Quay
 Cork
 Ireland

STANLEY BLACK & DECKER UK LIMITED

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STANLEY BLACK & DECKER UK LIMITED

Strategic Report For the year ended 2 January 2016

BUSINESS REVIEW

The Directors consider the results for the year to be satisfactory and reflective of current economic conditions in the UK.

The company's key performance indicators during the year were as follows;

	2015	2014
	£m	£m
Turnover	216.8	199.3
Operating profit	9.0	11.7
Profit after tax	9.0	11.8

Turnover increased 9% on 2014 due to the much improved UK economic environment and as the company continued to increase its market share within the hand and power tools categories.

Selling and distribution costs decreased year over year despite the increased sales volumes due to tighter cost control. However, increasing administrative expenses resulted in the overall operating margin decreasing year on year.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the company are broadly grouped as competitive, liquidity and refinancing, market and interest rate risks.

Competitive risks

The market comprises of a large number of branded and nonbranded competitors. Management continually assesses Stanley Black & Decker's competitive position and takes appropriate action to ensure that the company considers its customer needs and the changing requirements in the marketplace.

Liquidity and refinancing risk

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

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

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


A. Sood
Director

Date: 23 September 2016

STANLEY BLACK & DECKER UK LIMITED

Directors' Report For the Year Ended 2 January 2016

The Directors present their report and the financial statements for the year ended 2 January 2016.

PRINCIPAL ACTIVITY

The principal activities of the company are the marketing and sale of power tools and small domestic appliances through third party distribution.

RESULTS

The profit for the year, after taxation, amounted to £9,003,000 (2014: £11,802,000).

DIVIDENDS

Dividends paid in the year amount to £15,000,000 (2014: £Nil).

DIRECTORS

The Directors who served during the year were:

A. Sood
S. Stubbs
M. Smiley (appointed 4 April 2016)

FUTURE DEVELOPMENTS

The Directors aim to maintain current management policies.

FINANCIAL INSTRUMENTS

Details of financial instruments are provided in the Strategic Report.

GOING CONCERN

The directors have reviewed the current year trading and available financing for a period of 12 months from approval of these financial statements and conclude that the company is able to meet all of its liabilities as they fall due. Accordingly, they have adopted the going concern basis in preparing the annual report and accounts.

EMPLOYEE INVOLVEMENT

The company places the greatest value on its employees and their involvement in aspects of the company's business. The company has continued its established practice of keeping employees fully informed on matters which affect them, including the performance of the company. This is achieved through a variety of regular formal and informal meetings, briefings and newsletters. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests. Further involvement is being encouraged through the continuing development of cross functional working groups.

DISABLED EMPLOYEES

The company's policy and practice is to encourage and assist the employment and continued training of disabled people and to retain employees who become disabled.

STANLEY BLACK & DECKER UK LIMITED

**Directors' Report
For the Year Ended 2 January 2016**

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.

DISCLOSURE OF INFORMATION TO AUDITOR

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

- so far as that Director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that 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 auditor is aware of that information.

POST BALANCE SHEET EVENTS


From May 2016 Stanley Works (Europe) GmbH ceased to supply product to the company. As a result of this change all products will be supplied by Black & Decker Limited B.V.B.A., a Belgian company, who now bears the inventory and warranty risk.

Other than the above, there have been no significant events affecting the company since year end.

AUDITORS

In accordance with s.485 of the Companies Act 2006, the appointment of Ernst & Young is treated as being continuous.

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



A. Sood
Director

Date: 23 September 2016

STANLEY BLACK & DECKER UK LIMITED

Directors' Responsibilities Statement For the year ended 2 January 2016

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 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 judgements 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; and
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STANLEY BLACK & DECKER UK LIMITED

We have audited the financial statements of Stanley Black & Decker UK Limited for the year ended 2 January 2016 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 27. 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), including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 2 January 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STANLEY BLACK & DECKER UK LIMITED (Continued)

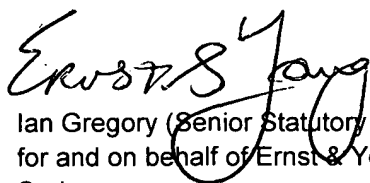
Opinion on other matter prescribed by the Companies Act 2006

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

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.



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

Date: 27 September 2016

STANLEY BLACK & DECKER UK LIMITED

**Income Statement
For the year ended 2 January 2016**

	Note	2015 £000	2014 £000
Turnover	3	216,806	199,296
Cost of sales		(171,747)	(151,907)
Gross profit		45,059	47,389
Selling and distribution costs		(27,608)	(30,219)
Administrative expenses		(8,432)	(5,497)
Operating profit	4	9,019	11,673
Interest receivable and similar income	8	133	282
Interest payable and similar charges	9	(149)	(153)
Profit on ordinary activities before tax		9,003	11,802
Tax on profit on ordinary activities	10	-	-
Profit for the year		9,003	11,802

**Statement of Comprehensive Income
For the year ended 2 January 2016**

	2015 £000	2014 £000
Profit for the year	9,003	11,802
Total comprehensive income for the year	9,003	11,802

STANLEY BLACK & DECKER UK LIMITED
Registered number: 07059991

Statement of Financial Position
As at 2 January 2016

		2 January 2016 £000	3 January 2015 £000
	Note		
Fixed assets			
Intangible assets	12	3,702	4,590
Tangible assets	13	7,623	4,326
Financial assets	14	2,626	-
		<u>13,951</u>	<u>8,916</u>
Current assets			
Stocks	15	18,395	18,307
Debtors: amounts falling due after more than one year	16	3,550	1,268
Debtors: amounts falling due within one year	16	109,948	118,724
Cash at bank and in hand	17	5,494	2,710
		<u>137,387</u>	<u>141,009</u>
Creditors: amounts falling due within one year	18	(130,095)	(125,330)
Net current assets		<u>7,292</u>	<u>15,679</u>
Total assets less current liabilities		<u>21,243</u>	<u>24,595</u>
Provisions for liabilities			
Provisions for liabilities	19	(1,001)	(982)
		<u>(1,001)</u>	<u>(982)</u>
Net assets		<u><u>20,242</u></u>	<u><u>23,613</u></u>
Capital and reserves			
Called up share capital	20	4,646	2,020
Profit and loss account	21	15,596	21,593
		<u>20,242</u>	<u>23,613</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


A. Sood
Director

Date: 23 September 2016

STANLEY BLACK & DECKER UK LIMITED

**Statement of Changes in Equity
As at 2 January 2016**

	Share capital £000	Retained earnings £000	Total equity £000
At 4 January 2015	2,020	21,593	23,613
Comprehensive income for the year			
Profit for the year	-	9,003	9,003
Total comprehensive income for the year	-	9,003	9,003
Dividends: Equity capital	-	(15,000)	(15,000)
Share capital issued during the year	2,626	-	2,626
At 2 January 2016	4,646	15,596	20,242

**Statement of Changes in Equity
As at 3 January 2015**

	Share capital £000	Retained earnings £000	Total equity £000
At 29 December 2013	2,020	9,691	11,711
Comprehensive income for the year			
Profit for the year	-	11,802	11,802
Share based payment charge for the year	-	100	100
Total comprehensive income for the period	-	11,902	11,902
At 3 January 2015	2,020	21,593	23,613

STANLEY BLACK & DECKER UK LIMITED

Notes to the Financial Statements For the Year Ended 2 January 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The company is a limited liability company incorporated in the United Kingdom. The registered office is 210 Bath Road, Slough, Berkshire SL1 3YD, United Kingdom. The financial statements are prepared in Pound Sterling which is the presentational currency of the company and rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 27.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

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 26.

1.2 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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- 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 2016 and these financial statements may be obtained from Stanley Black & Decker Inc., 1000 Stanley Drive, New Britain, CT 06053, United States.

STANLEY BLACK & DECKER UK LIMITED

Notes to the Financial Statements For the Year Ended 2 January 2016

1. ACCOUNTING POLICIES (continued)

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

Revenue 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 revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The company also has hire purchase revenue, which is recognised to the extent that consideration has been received in exchange for its performance.

1.4 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

1.5 Investment income

Dividends from investments in group companies are credited to the Income Statement when declared.

1.6 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Pound Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement except when deferred in other comprehensive income as qualifying cash flow hedges.

STANLEY BLACK & DECKER UK LIMITED

Notes to the Financial Statements For the Year Ended 2 January 2016

1. ACCOUNTING POLICIES (continued)

1.7 Goodwill

The purchased goodwill acquired in relation to the sales and distribution trade is capitalised and amortised on a straight line basis over its estimated useful economic life of 10 years.

1.8 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.

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:

Long leasehold land & buildings	- 3 - 9 years
Machinery & equipment	- 2 - 22 years
Motor vehicles	- 3 years
Fixtures & fittings	- 10 - 13 years
Computer equipment	- 1 - 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 within 'other operating income' in the Income Statement.

1.9 Leases

Operating leases: lessee

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

Hire purchase agreements: lessor

Stock sold under hire purchase agreements is deemed to be sold at normal end user selling prices, the value of which is included in turnover at the inception of the agreement. Finance income received from hire purchase rentals is recognised over the contractual period of the agreement at a constant periodic rate of charge on the remaining balance of the obligation.

STANLEY BLACK & DECKER UK LIMITED

**Notes to the Financial Statements
For the Year Ended 2 January 2016**

1. ACCOUNTING POLICIES (continued)

1.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.11 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 first in, first out basis.

At each reporting 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 profit or loss.

1.12 Debtors

Amounts owed by group companies due within one year are measured at the undiscounted amount of the cash or other consideration expected to be received. All other debtors are measured at transaction price, less any impairment.

1.13 Cash and cash equivalents

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

1.14 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. All other creditors are measured at transaction price.

1.15 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.

STANLEY BLACK & DECKER UK LIMITED

Notes to the Financial Statements For the Year Ended 2 January 2016

1. ACCOUNTING POLICIES (continued)

1.16 Share based payments

Section 26 of FRS 102 requires the fair value of options and share awards which ultimately vest to be charged to the income statement over the vesting or performance period. Fair value is determined using an appropriate pricing model.

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. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions). If an award fails to vest, the charge to the income statement will be adjusted to reflect this. No expense is recognised for awards that do not ultimately vest.

At each year end 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 income statement, with a corresponding entry in equity.

A credit is made to reserves for the share options charge, representing the fact that the share options are over common stock of the ultimate parent company. Costs recharged to the company by its ultimate parent company in respect of options exercised are debited to the profit and loss reserve directly.

1.17 Pensions

The company operates a number of different pension schemes. Employees are either included within a defined contribution scheme or defined benefit pension scheme.

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

Group defined benefit pension plan

Certain employees of the company participate in The Stanley Black & Decker UK Pension Plan – Stanley Section, which is a group defined benefit plan that shares risks between entities under common control and which requires contributions to be made to separately administered funds. As there is no agreement of policy for charging the net defined benefit cost of the defined benefit plan to individual entities, the defined benefit cost is recognised in the individual financial statements of the group entity which is legally responsible for the plan, which is The Stanley Works Limited.

The company therefore only recognises a cost equal to its contribution payable for the period. These contributions are affected by the surplus/deficit in the plan. The latest available information relating to the plan and the implications to the company is detailed in note 23 in the financial statements.

STANLEY BLACK & DECKER UK LIMITED

Notes to the Financial Statements For the Year Ended 2 January 2016

1. ACCOUNTING POLICIES (continued)

1.18 Taxation

Tax is recognised in the Income Statement, except that a change 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

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 year end.

2. 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 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 judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Taxation

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

Goodwill

The company establishes a reliable estimate of the useful life of goodwill arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business and any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Provisions

The amount recognised as provisions are the best estimate of the consideration required to settle the present obligations at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligations.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligations are recognised at present value using a pre-tax discount rate.

STANLEY BLACK & DECKER UK LIMITED

**Notes to the Financial Statements
For the Year Ended 2 January 2016**

3. ANALYSIS OF TURNOVER

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, stated net of discounts and value added tax.

The company's principal area of activity is the supply of power tools and domestic appliances within the United Kingdom.

	2016	2015
	£000	£000
United Kingdom	211,398	194,925
Rest of Europe	5,408	4,371
	216,806	199,296

4. OPERATING PROFIT

The operating profit is stated after charging:

	2015	2014
	£000	£000
Operating lease charges	1,418	1,768
Foreign exchange losses/(gains)	118	(232)
Depreciation of tangible fixed assets	384	522
Amortisation of intangible assets, including goodwill	888	888
Auditors remuneration (note 5)	98	75

5. AUDITOR'S REMUNERATION

	2015	2014
	£000	£000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	57	44
	57	44
Fees payable to the company's auditor and its associates in respect of:		
Taxation compliance services	41	31
	41	31

STANLEY BLACK & DECKER UK LIMITED

Notes to the Financial Statements
For the Year Ended 2 January 2016

6. EMPLOYEES

Staff costs were as follows:

	2015 £000	2014 £000
Wages and salaries	10,206	9,635
Social security costs	891	936
Pension costs	495	621
	<u>11,592</u>	<u>11,192</u>

Not included in wages and salaries above is a total credit for share-based payments of £Nil (2014: £100,000).

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

2015 No.	2014 No.
<u>327</u>	<u>274</u>

The average monthly employees in the company during the year consists of 267 sales and marketing employees (2014: 221) and 60 service and administration employees (2014: 53).

7. DIRECTORS' REMUNERATION

	2015 £000	2014 £000
Directors' remuneration	-	320
	<u>-</u>	<u>320</u>

Directors' remuneration was paid by fellow group companies as the Directors of the company are also Directors of other group undertakings.

Although they carried out qualifying services for each company, the Directors do not believe that it is practical to apportion their remuneration between companies. The aggregate Directors' emoluments in respect of qualifying services for the year were £317,000 (2014: £576,000).

STANLEY BLACK & DECKER UK LIMITED

**Notes to the Financial Statements
For the Year Ended 2 January 2016**

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015	2014
	£000	£000
Interest receivable from group companies	133	282
	<u>133</u>	<u>282</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£000	£000
Interest payable to group companies	149	153
	<u>149</u>	<u>153</u>

10. TAXATION

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

On 1 April 2015, the UK corporation tax rate reduced from 21% to 20%.

The tax assessed for the year is lower than (2014: lower than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%). The differences are explained below:

	2015	2014
	£000	£000
Profit on ordinary activities before tax	9,003	11,802
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014: 21.5%)	1,823	2,537
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	180	191
Expenses not deductible for tax purposes	56	41
Decrease in unrecognised deferred tax asset	275	13
Group relief claimed for nil consideration	(2,334)	(2,782)
TOTAL TAX CHARGE FOR THE YEAR	<u>-</u>	<u>-</u>

STANLEY BLACK & DECKER UK LIMITED

Notes to the Financial Statements
For the Year Ended 2 January 2016

10. TAXATION (continued)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

During the year changes to corporation tax rates were enacted which will have an impact on the future tax charge of the company. The corporation tax rate was reduced from 20% to 19% effective from 1 April 2017 and from 19% to 18% effective from 1 April 2020. Furthermore, on 16 March 2016 the Chancellor of the Exchequer announced that the UK main rate of corporation tax would reduce to 17% effective from 1 April 2020, replacing the 18% currently enacted.

DEFERRED TAX

The company has an unrecognised deferred tax asset of £882,000 (2014: £1,113,000). This has been calculated at the 18% (2014: 20%) corporation tax rate that was substantively enacted at year end. The company has not recalculated its deferred tax asset using the recently announced rate of 17% as the impact is not considered material to the accounts. This relates to the following:

	2015 £000	2014 £000
Deferred capital allowances	1,055	1,351
Other timing differences	(173)	(352)
Tax losses carried forward	-	114
	<u>882</u>	<u>1,113</u>

11. DIVIDENDS

	2 January 2016 £000	3 January 2015 £000
Declared and paid during the year:		
Dividends paid- £7.43 per share (2014: £Nil per share)	15,000	-
	<u>15,000</u>	<u>-</u>

STANLEY BLACK & DECKER UK LIMITED

Notes to the Financial Statements
For the Year Ended 2 January 2016

12. INTANGIBLE ASSETS

	Purchased Goodwill £000
Cost	
At 4 January 2015	8,883
At 2 January 2016	<u>8,883</u>
Amortisation	
At 4 January 2015	4,293
Charge for the year	888
At 2 January 2016	<u>5,181</u>
Net book value	
At 2 January 2016	<u>3,702</u>
At 3 January 2015	<u>4,590</u>

Goodwill relates to the acquisition of the sales and distribution business from Black & Decker, a fellow group company, on 12 March 2010 and is being amortised evenly over the Directors' estimate of its useful economic life of 10 years.

STANLEY BLACK & DECKER UK LIMITED

**Notes to the Financial Statements
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13. TANGIBLE FIXED ASSETS

	Freehold land £000	Long leasehold buildings £000	Plant, equipment & computer equipment £000	Motor vehicles £000	Fixtures & fittings £000	Total £000
Cost						
At 4 January 2015	3,004	56	669	1,711	103	5,543
Additions	-	3,645	104	(62)	-	3,687
Transfers intra group	-	-	(2)	-	-	(2)
Disposals	-	-	(7)	-	-	(7)
Transfers between classes	-	30	-	-	(30)	-
At 2 January 2016	3,004	3,731	764	1,649	73	9,221
Depreciation						
At 4 January 2015	-	37	282	883	15	1,217
Charge for the year	-	9	143	225	7	384
Disposals	-	-	(3)	-	-	(3)
At 2 January 2016	-	46	422	1,108	22	1,598
Net book value						
At 2 January 2016	3,004	3,685	342	541	51	7,623
At 3 January 2015	3,004	19	387	828	88	4,326

STANLEY BLACK & DECKER UK LIMITED

**Notes to the Financial Statements
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14. FINANCIAL ASSETS

	Investments in subsidiary companies £000
Cost	
Additions	2,626
At 2 January 2016	<u>2,626</u>
Net book value	
At 2 January 2016	<u>2,626</u>
At 3 January 2015	<u>-</u>

On 26 March 2015 the company acquired Stanley Black & Decker UK Holdings Limited for consideration of £2,625,971 satisfied by the issue of 2,625,971 ordinary shares of £1 each.

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

* Indicates indirect holding in subsidiary.

Name	Country of incorporation	Class of shares	Holding	Principal activity
Stanley Healthcare Solutions Limited	England	Ordinary	100 %	Dormant
Stanley Black & Decker UK Holdings Limited	England	Ordinary	100 %	Dormant
Stanley Black & Decker Deutschland GmbH*	Germany	Common	100 %	Distribution of tools

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15. STOCKS

	2 January 2016 £000	3 January 2015 £000
Finished goods	18,395	18,307
	18,395	18,307

The difference between the purchase price of stocks and their replacement cost is not material.

16. DEBTORS

	2 January 2016 £000	3 January 2015 £000
Due after more than one year		
Hire purchase contracts	3,550	1,268
	3,550	1,268

	2 January 2016 £000	3 January 2015 £000
Due within one year		
Trade debtors	12,921	10,156
Amounts owed by group companies	92,678	106,370
Other debtors and prepayments	648	646
Hire purchase contracts	3,701	1,552
	109,948	118,724

Hire purchase contracts

The total hire purchase payments received during the year was £3,980,000 (2014: £3,187,000).

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For the Year Ended 2 January 2016**

17. CASH AND CASH EQUIVALENTS

	2 January 2016 £000	3 January 2015 £000
Cash at bank and in hand	5,494	2,710
	<u>5,494</u>	<u>2,710</u>

18. CREDITORS: Amounts falling due within one year

	2 January 2016 £000	3 January 2015 £000
Trade creditors	2,781	1,611
Amounts owed to group companies	121,384	116,393
Taxation and social security	1,522	2,108
Accruals and deferred income	4,408	5,218
	<u>130,095</u>	<u>125,330</u>
	2 January 2016 £000	3 January 2015 £000
Other taxation and social security		
PAYE/NI	985	626
VAT	537	1,482
	<u>1,522</u>	<u>2,108</u>

STANLEY BLACK & DECKER UK LIMITED

Notes to the Financial Statements
For the Year Ended 2 January 2016

19. PROVISION FOR LIABILITIES

	Warranty provision £000
At 4 January 2015	982
Additional provision	2,200
Utilised in year	(2,181)
At 2 January 2016	1,001

The expected timing of any resultant transfer of economic benefit is not known, given the uncertain timing of warranty work to be performed.

20. SHARE CAPITAL

	2 January 2016 £000	3 January 2015 £000
Allotted, called up and fully paid		
4,645,972 (2014: 2,020,001) Ordinary shares of £1 each	4,646	2,020

On 26 March 2015, 2,625,971 ordinary shares of £1 each were issued in exchange for the issued share capital of Stanley Black & Decker UK Holdings Limited (note 14).

21. RESERVES

Profit & loss account

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

22. SHARE BASED PAYMENTS

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

Stock Option Plan: 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 grant.

Restricted stock: Stock options are granted at fair market value at the date of grant and have a 2.5 year / 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 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 assumptions that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

STANLEY BLACK & DECKER UK LIMITED

Notes to the Financial Statements For the Year Ended 2 January 2016

23. PENSION COMMITMENTS

The company operates a number of different pension schemes. Employees are either included within a defined contribution scheme or defined benefit pension scheme.

Defined contribution pension scheme

Pension costs for the company's defined contribution scheme are recognised within operating profit at an amount equal to the contributions payable to the scheme for the year. Any prepaid or outstanding contributions at year end are recognised respectively as assets or liabilities within prepayments or accruals. The defined contribution pension charge for the year amounts to £495,000 (2014: £511,000) of which £234,000 (2014: £166,000) is included in accruals at year end.

Defined benefit pension schemes

The company participates in The Stanley Black & Decker UK Pension Plan.

The employees transferred from Stanley UK Sales Limited into Stanley Black & Decker UK Limited from 1 April 2012 and are either included within The Stanley Black & Decker UK Pension Plan or the company's defined contribution pension scheme.

It is not possible to identify the company's share of assets and liabilities in the scheme on a consistent and reasonable basis. Therefore, in accordance with Section 28.38 of FRS 102 paragraph (group plans) the scheme is accounted for as if it were a defined contribution scheme. The defined benefit pension charge for the year amounts to £Nil (2014: £110,000) of which £Nil (2014: £Nil) is included in accruals at year end.

The valuation of The Stanley Black & Decker UK group defined benefit scheme shows a deficit of £9,500,000 (2014: deficit of £9,200,000). Full disclosure in relation to the pension scheme can be found in the accounts of the most significant participant - The Stanley Works Limited.

For the purposes of these financial statements, these figures are illustrative only and do not impact the results or Statement of Financial Position of the company. It should also be noted that these figures include a substantial proportion of pension assets and liabilities relating to other group companies which also participate in the scheme. It has not been possible to identify the share of the surplus/deficit which relates solely to Stanley Black & Decker UK Limited.

The measurement basis required by Section 28 of FRS 102 is likely to give rise to significant fluctuations in the reported amounts of the defined benefit scheme's assets and liabilities from year to year, and do not necessarily give rise to a change in the contributions payable into the scheme which are recommended by the independent actuaries based on the expected long term rate of return on the scheme assets.

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Notes to the Financial Statements For the Year Ended 2 January 2016

24. COMMITMENTS UNDER OPERATING LEASES

At 2 January 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2 January 2016 £000	3 January 2015 £000
Not later than 1 year	200	44
Later than 1 year and not later than 5 years	800	800
Later than 5 years	258	458
Total	1,258	1,302

In addition there are costs related to certain operating lease expenses that are recharged from fellow group companies. The legal title of the majority of these leases are held by Black & Decker and The Stanley Works Limited and the associated commitments for these leases have been disclosed in the notes to the financial statements of these group companies.

25. POST BALANCE SHEET EVENTS

From May 2016 Stanley Works (Europe) GmbH ceased to supply product to the company. As a result of this change all products will be supplied by Black & Decker Limited B.V.B.A., a Belgian company, who now bears the inventory and warranty risk.

Other than the above, there have been no significant events affecting the company since year end.

26. CONTROLLING PARTY

Up to April 2016 the company was a wholly owned subsidiary of Black & Decker Limited Sarl, a company incorporated in Luxembourg. From 1 April 2016 the company is a wholly owned subsidiary of Stanley Black & Decker Holdings Sarl, a company incorporated in Luxembourg. 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

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27. FIRST TIME ADOPTION OF FRS 102

The company's date of transition to FRS 102 was 29 December 2013.

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss. However, customer rebates of £15,779,000 (2014: £14,298,000) have been reclassified from accruals and deferred income to trade debtors in accordance with FRS 102.11.38A. Comparatives have also been restated for this reclassification.