

Registered number: 07059991

STANLEY BLACK & DECKER UK LIMITED

STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the Year Ended 31 December 2016

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STANLEY BLACK & DECKER UK LIMITED

Company Information

Directors	A. Sood S. Stubbs (resigned 31 October 2016) M. Smiley (appointed 4 April 2016)
Secretary	Mitre Secretaries Limited
Registered in England	07059991
Registered office	210 Bath Road Slough Berkshire SL1 3YD
Auditor	Ernst & Young LLP Bridgewater Place Water Lane Leeds LS11 5QR

STANLEY BLACK & DECKER UK LIMITED

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STANLEY BLACK & DECKER UK LIMITED

Strategic Report For the year ended 31 December 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;

	2016 £000	2015 £000
Turnover	257,938	216,806
Operating profit	7,730	9,019
Profit after tax	7,661	9,003

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.

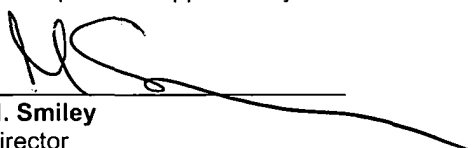
Liquidity and refinancing risk

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.


M. Smiley
Director

Date: 25 September 2017

STANLEY BLACK & DECKER UK LIMITED

Directors' Report For the Year Ended 31 December 2016

The Directors present their report and the financial statements for the year ended 31 December 2016.

Principal activity

The principal activities of the company are the marketing, sale and distribution of hand tools, power tools and related accessories through third party distribution.

Results

The profit for the year, after taxation, amounted to £7,661,000 (2016 - £9,003,000).

Dividends

Dividends paid in the year amount to £15,000,000 (2015: £15,000,000).

Directors

The Directors who served during the year were:

A. Sood
S. Stubbs (resigned 31 October 2016)
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 great 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 (continued)
For the Year Ended 31 December 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 the Director is aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

Post balance sheet events

On 23 August 2017 the company paid a dividend of £10,000,000 to its parent.

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



M. Smiley
Director

Date: 25 September 2017

STANLEY BLACK & DECKER UK LIMITED

Directors' Responsibilities Statement For the year ended 31 December 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 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.

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

We have audited the financial statements of Black & Decker for the year ended 31 December 2016 which comprise Income Statement, Statement of Comprehensive Income, Statement of Financial Position, 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 FRS 102 '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 Auditors

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 Strategic Report and Directors Report 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 31st December 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.

Opinion on other matter 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.

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

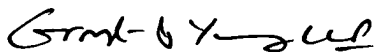
- ▶ the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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.



Eddie Diamond (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

26 September 2017

STANLEY BLACK & DECKER UK LIMITED

Income Statement
For the year ended 31 December 2016

	Note	2016 £000	2015 £000
Turnover	3	257,938	216,806
Cost of sales		(213,792)	(171,747)
Gross profit		44,146	45,059
Distribution costs		(26,299)	(27,608)
Administrative expenses		(9,525)	(8,432)
Operating profit	4	8,322	9,019
Interest receivable and similar income	8	80	133
Interest payable and similar expenses	9	(149)	(149)
Profit on ordinary activities before taxation		8,253	9,003
Taxation on profit on ordinary activities	10	930	-
Profit for the financial year		9,183	9,003

Statement of Comprehensive Income
For the year ended 31 December 2016


	2016 £000	2015 £000
Profit for the financial year	9,183	9,003
Total comprehensive income for the year	9,183	9,003

STANLEY BLACK & DECKER UK LIMITED
Registered number: 07059991

Statement of Financial Position
As at 31 December 2016

	Note	2016 £000	2015 £000
Fixed assets			
Intangible assets	12	2,814	3,702
Tangible assets	13	8,835	7,623
Investments	14	2,626	2,626
		<u>14,275</u>	<u>13,951</u>
Current assets			
Stocks	15	82	18,395
Debtors: amounts falling due after more than one year	16	3,019	3,550
Debtors: amounts falling due within one year	16	145,458	109,948
Cash at bank and in hand	17	5,433	5,494
		<u>153,992</u>	<u>137,387</u>
Creditors: amounts falling due within one year	18	(153,842)	(130,095)
Net current assets		<u>150</u>	<u>7,292</u>
Total assets less current liabilities		<u>14,425</u>	<u>21,243</u>
Provisions for liabilities			
Other provisions	20	-	(1,001)
		<u>-</u>	<u>(1,001)</u>
Net assets		<u><u>14,425</u></u>	<u><u>20,242</u></u>
Capital and reserves			
Called up share capital	21	4,646	4,646
Profit and loss account	22	9,779	15,596
		<u><u>14,425</u></u>	<u><u>20,242</u></u>

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


M. Smiley
Director

Date: 25 September 2017

The notes on pages 10 to 30 form part of these financial statements.

STANLEY BLACK & DECKER UK LIMITED
Registered number: 07059991

Statement of Financial Position (continued)
As at 31 December 2016

Statement of Changes in Equity
For the Year Ended 31 December 2016

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 3 January 2016	4,646	15,596	20,242
Comprehensive income for the year			
Profit for the year	-	9,183	9,183
Total comprehensive income for the year	-	9,183	9,183
Dividends: Equity capital	-	(15,000)	(15,000)
At 31 December 2016	4,646	9,779	14,425

Statement of Changes in Equity
For the Year Ended 2 January 2016

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£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 period	-	9,003	9,003
Dividends: Equity capital	-	(15,000)	(15,000)
Shares issued during the period	2,626	-	2,626
At 2 January 2016	4,646	15,596	20,242

The notes on pages 10 to 30 form part of these financial statements.

STANLEY BLACK & DECKER UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 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 thousand.

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.

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.

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 27.

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 11.41(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 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 31 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 31 December 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; and
- 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 31 December 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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. It commences when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management and is calculated 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 in the Income Statement.

STANLEY BLACK & DECKER UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2016

1. Accounting policies (continued)

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.

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 31 December 2016

1. Accounting policies (continued)

1.16 Rebates

Rebates are recognised once the company has a reasonable expectation that a liability exists. Once recognised, rebates are recorded as a reduction to turnover. Rebates that have not been settled by the year end are either recorded as credit note provision netting against trade debtors for those rebates that will be settled by way of credit note or an accrual for those rebates that will be settled by way of a cash refund.

1.17 Pensions

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 agreed 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 24 in the financial statements.

STANLEY BLACK & DECKER UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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.

STANLEY BLACK & DECKER UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2016

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 31 December 2016

3. 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 marketing, sale and distribution of hand tools, power tools and related accessories through third party distribution.

	2016 £000	2015 £000
United Kingdom	240,343	211,398
Rest of Europe	17,595	5,408
	<u>257,938</u>	<u>216,806</u>

4. Operating profit

The operating profit is stated after charging:

	2016 £000	2015 £000
Operating lease charges	1,613	1,418
Foreign exchange losses/(gains)	111	118
Depreciation of tangible fixed assets	1,043	384
Stock recognised as an expense	209,701	168,396
Amortisation of intangible assets, including goodwill	888	888
Loss on disposal of tangible fixed assets	19	-
Auditors' remuneration	56	98
Defined contribution pension cost	539	495
	<u>214,360</u>	<u>181,607</u>

STANLEY BLACK & DECKER UK LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2016**

5. Auditor's remuneration

	2016 £000	2015 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	44	57
Fees payable to the company's auditor and its associates in respect of:		
Other services relating to taxation	12	41

6. Employees

Staff costs were as follows:

	2016 £000	2015 £000
Wages and salaries	11,572	10,206
Social security costs	1,055	891
Cost of defined contribution scheme	539	495
	13,166	11,592

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

2016 No.	2015 No.
361	327

The average monthly employees in the company during the year consists of 306 sales and marketing employees (2015: 267) and 55 service and administration employees (2015: 60).

STANLEY BLACK & DECKER UK LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2016**

7. Directors' remuneration

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 £469,000 (2015: 317,000).

During the year retirement benefits were accruing to 3 Directors (2015: 2) in respect of defined contribution pension schemes. The highest paid Director received remuneration of £171,000 (2015: £153,000). The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £12,000 (2015: £11,000).

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016 £000	2015 £000
Interest receivable from group companies	80	133
	80	133

9. Interest payable and similar charges

	2016 £000	2015 £000
Loans from group undertakings	149	149
	149	149

STANLEY BLACK & DECKER UK LIMITED

Notes to the Financial Statements
For the Year Ended 31 December 2016

10. Taxation

	2016 £000	2015 £000
Deferred tax		
Origination and reversal of timing differences	(930)	-
Total deferred tax	<u>(930)</u>	<u>-</u>
Taxation on (loss)/profit on ordinary activities	<u>(930)</u>	<u>-</u>

STANLEY BLACK & DECKER UK LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2016**

10. Taxation (continued)**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £000	2015 £000
Profit on ordinary activities before tax	8,253	9,003
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	1,651	1,823
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	178	180
Expenses not deductible for tax purposes	34	56
Decrease in unrecognised deferred tax asset	-	275
Group relief claimed for nil consideration	(1,772)	(2,334)
Rate change	164	-
Brought forward deferred tax asset now recognised	(1,185)	-
Total tax charge for the year	(930)	-

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Finance (No.2) Act 2015 obtained Royal Assent on 18 November 2015 and enacted a reduction in the UK corporation tax rate from 20% to 19% effective from 1 April 2017 and a further reduction to 18% effective from 1 April 2020.

Furthermore the Finance Act 2016 obtained Royal Assent on 15 September 2016 and stated that the 18% given above will, in fact, be reduced to 17%.

DEFERRED TAX

The company has recognised a deferred tax asset of £930,000 (2015: nil) which has been calculated at 17% being the corporation tax rate that was substantively enacted at the year end date.

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**Notes to the Financial Statements
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11. Dividends

	2016 £000	2015 £000
Dividends paid £7.43 per share (2015: £7.43 per share)	15,000	15,000
	<u>15,000</u>	<u>15,000</u>

12. Intangible assets

	Goodwill £000
Cost	
At 3 January 2016	8,883
At 31 December 2016	<u>8,883</u>
Amortisation	
At 3 January 2016	5,181
Charge for the year	888
At 31 December 2016	<u>6,069</u>
Net book value	
At 31 December 2016	<u>2,814</u>
At 2 January 2016	<u>3,702</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	Assets under construction £000	Total £000
Cost or valuation							
At 3 January 2016	3,004	3,731	764	1,649	73	-	9,221
Additions	-	484	318	-	-	1,706	2,508
Transfers intra group	-	-	(7)	-	-	-	(7)
Disposals	-	(34)	(103)	(654)	-	-	(791)
Transfers between classes	-	(375)	349	-	26	-	-
At 31 December 2016	<u>3,004</u>	<u>3,806</u>	<u>1,321</u>	<u>995</u>	<u>99</u>	<u>1,706</u>	<u>10,931</u>
Depreciation							
At 3 January 2016	-	46	422	1,108	22	-	1,598
Charge for the year on owned assets	-	706	287	39	11	-	1,043
Disposals	-	-	(103)	(442)	-	-	(545)
At 31 December 2016	<u>-</u>	<u>752</u>	<u>606</u>	<u>705</u>	<u>33</u>	<u>-</u>	<u>2,096</u>
Net book value							
At 31 December 2016	<u>3,004</u>	<u>3,054</u>	<u>715</u>	<u>290</u>	<u>66</u>	<u>1,706</u>	<u>8,835</u>
At 2 January 2016	<u>3,004</u>	<u>3,685</u>	<u>342</u>	<u>541</u>	<u>51</u>	<u>-</u>	<u>7,623</u>

STANLEY BLACK & DECKER UK LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2016**

14. Fixed asset investments

	Shares in group undertakings £000
Cost or valuation	
At 3 January 2016	2,626
At 31 December 2016	<u>2,626</u>
Net book value	
At 31 December 2016	<u>2,626</u>
At 2 January 2016	<u>2,626</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:

Name	Class of shares	Holding	Principal activity
Stanley Healthcare Solutions Limited	Ordinary	100 %	Dormant
Stanley Black & Decker UK Holdings Limited	Ordinary	100 %	Dormant
Stanley Black & Decker Deutschland GmbH*	Common	100 %	Distribution of tools
Name	Registered office		
Stanley Healthcare Solutions Limited	3 Europa Court, Sheffield Business Park, Sheffield S9 1XE		
Stanley Black & Decker UK Holdings Limited	210 Bath Road, Slough, Berkshire SL1 3YD		
Stanley Black & Decker Deutschland GmbH*	Strasse 40, D65510, Idstein, Germany		

* Indicates indirect holding in subsidiary.

STANLEY BLACK & DECKER UK LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2016**

15. Stocks

	2016 £000	2015 £000
Finished goods and goods for resale	82	18,395
	<u>82</u>	<u>18,395</u>

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

16. Debtors

	2016 £000	2015 £000
Due after more than one year		
Other debtors	3,019	3,550
	<u>3,019</u>	<u>3,550</u>

Other debtors relate to hire purchase contracts which are all due between 1 and 5 years.

	2016 £000	2015 £000
Due within one year		
Trade debtors	30,492	12,921
Amounts owed by group undertakings	109,933	92,678
Other debtors	525	648
Hire purchase contracts	3,578	3,701
Deferred taxation	930	-
	<u>145,458</u>	<u>109,948</u>

STANLEY BLACK & DECKER UK LIMITED

**Notes to the Financial Statements
For the Year Ended 31 December 2016**

17. Cash and cash equivalents

	2016 £000	2015 £000
Cash at bank and in hand	5,433	5,494
	<u>5,433</u>	<u>5,494</u>

18. Creditors: Amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	1,898	2,781
Amounts owed to group undertakings	143,914	121,384
Other taxation and social security	1,658	1,522
Accruals and deferred income	6,372	4,408
	<u>153,842</u>	<u>130,095</u>

19. Deferred taxation

	2016 £000
Charged to profit or loss	930
	<u>930</u>

The deferred tax asset is made up as follows:

	2016 £000
Deferred capital allowances	739
Other timing differences	191
	<u>930</u>

STANLEY BLACK & DECKER UK LIMITED

Notes to the Financial Statements
For the Year Ended 31 December 2016

20. PROVISION FOR LIABILITIES

	Warranty provision £000
At 3 January 2016	1,001
Charged to profit or loss	67
Transferred	(1,068)
At 31 December 2016	-

21. Share capital

	2016 £000	2015 £000
Shares classified as equity		
Allotted, called up and fully paid		
4,645,972 Ordinary shares of £1 each	4,646	4,646

22. Reserves

Profit & loss account

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

STANLEY BLACK & DECKER UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2016

23. Pension commitments

Defined contribution pension scheme

The company operates a defined contribution plan for its employees.

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 £539,000 (2015: £495,000) of which £1,000 (2015: £234,000) 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 (2015: £Nil) of which £Nil (2015: £Nil) is included in accruals at year end.

The valuation of The Stanley Black & Decker UK group defined benefit scheme shows a deficit of £21,600,000 (2015: deficit of £9,500,000). 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.

STANLEY BLACK & DECKER UK LIMITED

**Notes to the Financial Statements
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24. Commitments under operating leases

At 31 December 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £000	2015 £000
Not later than 1 year	235	200
Later than 1 year and not later than 5 years	1,000	800
Later than 5 years	35	258
	<u>1,270</u>	<u>1,258</u>

In addition there are costs relating 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. Related party transactions

	2016 £000	2015 £000
Owed to other group companies	(143,914)	(121,384)
Owed by parent	32	18
Owed by subsidiaries	7	11
Owed by other group companies	<u>109,894</u>	<u>92,649</u>

26. Post balance sheet events

On 23 August 2017 the company paid a dividend of £10,000,000 to its parent.

STANLEY BLACK & DECKER UK LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2016

27. 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 the 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.