

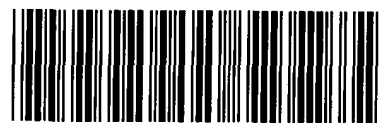
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STANLEY BLACK & DECKER UK LIMITED

STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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STANLEY BLACK & DECKER UK LIMITED

COMPANY INFORMATION

Directors	M Smiley E Brennan
Company Secretary	Mitre Secretaries Limited
Registered number	07059991
Registered office	270 Bath Road Slough Berkshire SL1 4DX
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 2020

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:

	2020 £000	2019 £000
Turnover	337,111	319,623
Operating profit	9,897	8,655
Profit after tax	9,516	9,028

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. The company's principal financial instruments comprise intercompany balances between fellow group undertakings, the main purpose of which is to provide finance for its normal operations. The directors' consideration of the risks and uncertainties in this respect are outlined below.

Competitive risks

The market comprises of a large number of branded and non-branded 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 market place.

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.

Investments

A subsidiary's long term inability to pay dividends, or decline in performance, may result in an impairment of the Company's investment in that subsidiary, which will have a direct impact on the Company's results in the year and net assets going forwards.

Covid-19

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

STANLEY BLACK & DECKER UK LIMITED

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

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

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

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

Consequences of any decision in the long term

During the year the company continued to perform its principal activities there being no long term decisions affecting its operations.

In making decisions to pay dividends the directors consider the last set of audited accounts along with management accounts up to the date of the dividend in order to ensure that that company has distributable reserves to make the distribution. The directors consider the company's cashflow position for a period of 12 months from the date of the dividend to ensure all liabilities of the company can be met. Only when these criteria are satisfied will the directors approve a dividend distribution.

Interests of the company's employees

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

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

There are also further details regarding employee interest in the sections "Employee Involvement" and "Disabled employees" in the Directors' Report.

Business relationships with suppliers, customers and others

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

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

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

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

Maintaining a reputation for high standards of business conduct

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

STANLEY BLACK & DECKER UK LIMITED

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

This report was approved by the board on 8 October 2021 and signed on its behalf.



E Brennan
Director

STANLEY BLACK & DECKER UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

Principal activity

The principal 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 £9,516,000 (2019 - £9,028,000).

Dividends

No dividend was paid during the year (2019: £15,000,000).

Directors

The directors who served during the year were:

M Smiley
E Brennan

Future developments

The directors aim to maintain current management policies.

Financial instruments

Details of financial instruments are provided in the Strategic Report.

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

STANLEY BLACK & DECKER UK LIMITED

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

UK Streamlined Energy and Carbon Reporting

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

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

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

More specifically, the Company sources all of its property related electricity from renewable sources.

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

	2020
Energy consumption used to calculate emissions: kWh	4,822,513
Emissions from combustion of gas tCO ₂ e (Scope 1)	681
Emissions from combustion of fuel (Scope 1)	328
Emissions from purchased electricity (Scope 2 location-based)	-
Total gross tCO ₂ e based on above	1,009
Intensity ratio: tCO ₂ e/employee	3

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.

STANLEY BLACK & DECKER UK LIMITED

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

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The ultimate parent undertaking has confirmed it will provide continued support for at least a year from the date of signing these financial statements as the company currently has net current liabilities. The period of the management's going concern assessment is from the date of signing the financial statements to 31 December 2022.

During 2020, the Covid-19 pandemic resulted in considerable volatility in the global economy and uncertainty in the markets in which Stanley Black & Decker, Inc. ("Group") operates. However, despite the adverse impacts from the pandemic, the Group closed out 2020 with year-over-year growth in revenue, gross margin and operating margin, as well as record free cash flow. Going into 2021 the Group continued to see growth across the same four performance measures for the first half of the year.

The Covid-19 pandemic continues to impact the global economy in 2021 and the long-term effect on the Group's business, results of operations, and liquidity remains uncertain. However, the Group continues to believe it is in a strong financial position as at the year-end and has significant flexibility to continue navigating this volatile period as the Group:

- maintains strong investment grade credit ratings,
- possesses substantial cash-on-hand and manages a robust and highly rated \$3 billion commercial paper programme, and
- carries \$3 billion of revolving credit facilities backed by a well-capitalised, diversified bank group.

The Group believes it is well-positioned to deliver sustained above-market organic growth, operating margin expansion, strong free cash flow generation and top-quartile shareholder returns over the long-term.

Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

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

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

The directors consider that the new trading arrangements will have no significant negative effect on the company or its subsidiaries and no amendment to the figures in the accounts is therefore required.

STANLEY BLACK & DECKER UK LIMITED

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

This report was approved by the board on 8 October 2021 and signed on its behalf.



E Brennan
Director

STANLEY BLACK & DECKER UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

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

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

Opinion

We have audited the financial statements of Stanley Black & Decker UK Limited for the year ended 31 December 2020 which comprise the Income statement, Statement of comprehensive income, Statement of financial position, Statement of changes in equity and the related notes 1 to 27, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period through to 31 December 2022.

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

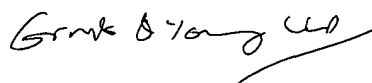
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102, and the Companies Act 2006) and compliance with the relevant direct and indirect tax regulation in the United Kingdom. In addition, the Company must comply with laws and regulations relating to its operations, including health and safety, anti-bribery and corruption regulations, environmental and General Data Protection Regulation ("GDPR").
- We understood how Stanley Black & Decker UK Limited is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated our understanding through review of Board Minutes, and we understood controls put in place by management to reduce the opportunities for fraudulent transactions as well as the culture of honesty and ethical behaviour.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by communications with management and knowledge of the business from previous audits. We reviewed all the material manual statutory adjustments required and considered the nature of these transactions. For those that we did not consider to be in the normal course of business and are not of a trivial value we obtained evidence to support the validity of such adjustments including third-party documentation where available. We reviewed manual journals to revenue and considered the nature of these transactions. For those that we did not consider to be in the normal course of business and are not of a trivial value we obtained evidence to support the validity of such adjustments. In addition, we performed three way revenue matching between revenue, debtors and cash. We also performed detailed month on month revenue analytical review for identification of any unusual movement. Finally, we have assessed management's calculation of each entities value in use which is part of investment impairment review. We have then tested the assessments involved in either the recoverable amount of assets or discounted cashflow models, through corroborating evidence and challenging assumptions used.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved review of all manual journals and detailed testing over the investment impairment. The results of our procedures did not identify any instances of non-compliance.

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

8 October 2021

STANLEY BLACK & DECKER UK LIMITED

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

	Note	2020 £000	2019 £000
Turnover	3	337,111	319,623
Cost of sales		(298,107)	(277,332)
Gross profit		39,004	42,291
Distribution costs		(24,205)	(29,028)
Administrative expenses		(5,861)	(4,608)
Other operating income	4	959	-
Operating profit	5	9,897	8,655
Interest receivable and similar income	9	36	172
Interest payable and similar expenses	10	(106)	(9)
Profit before tax		9,827	8,818
Tax on profit	11	(311)	210
Profit for the financial year		9,516	9,028

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

	2020 £000	2019 £000
Profit for the financial year	9,516	9,028
Total comprehensive income for the year	9,516	9,028

The notes on pages 16 to 36 form part of these financial statements.

STANLEY BLACK & DECKER UK LIMITED
REGISTERED NUMBER: 07059991

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	13	4,856	5,791
Tangible assets	14	26,873	30,298
Investments	15	2,626	2,626
		<u>34,355</u>	<u>38,715</u>
Current assets			
Stocks	16	83	166
Debtors: amounts falling due after more than one year	17	895	1,186
Debtors: amounts falling due within one year	17	178,241	123,600
Cash at bank and in hand	18	-	7,413
		<u>179,219</u>	<u>132,365</u>
Creditors: amounts falling due within one year	19	<u>(192,231)</u>	<u>(159,253)</u>
Net current liabilities		<u>(13,012)</u>	<u>(26,888)</u>
Total assets less current liabilities		<u>21,343</u>	<u>11,827</u>
Net assets		<u>21,343</u>	<u>11,827</u>
Capital and reserves			
Called up share capital	21	4,646	4,646
Profit and loss account	22	16,697	7,181
		<u>21,343</u>	<u>11,827</u>

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



E Brennan
Director

Date: 8 October 2021

STANLEY BLACK & DECKER UK LIMITED

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

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2020	4,646	7,181	11,827
Comprehensive income for the year			
Profit for the year	-	9,516	9,516
Total comprehensive income for the year	-	9,516	9,516
At 31 December 2020	4,646	16,697	21,343

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

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2019	4,646	13,153	17,799
Comprehensive income for the year			
Profit for the year	-	9,028	9,028
Total comprehensive income for the year	-	9,028	9,028
Dividends: Equity capital	-	(15,000)	(15,000)
At 31 December 2019	4,646	7,181	11,827

STANLEY BLACK & DECKER UK LIMITED

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

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 270 Bath Road, Slough, Berkshire SL1 4DX, 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 unless otherwise specified within these accounting policies 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 (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 27.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The ultimate parent undertaking has confirmed it will provide continued support for at least a year from the date of signing these financial statements as the company currently has net current liabilities. The period of the management's going concern assessment is from the date of signing the financial statements to 31 December 2022.

During 2020, the Covid-19 pandemic resulted in considerable volatility in the global economy and uncertainty in the markets in which Stanley Black & Decker, Inc. ("Group") operates. However, despite the adverse impacts from the pandemic, the Group closed out 2020 with year-over-year growth in revenue, gross margin and operating margin, as well as record free cash flow. Going into 2021 the Group continued to see growth across the same four performance measures for the first half of the year.

The Covid-19 pandemic continues to impact the global economy in 2021 and the long-term effect on the Group's business, results of operations, and liquidity remains uncertain. However, the Group continues to believe it is in a strong financial position as at the year end and has significant flexibility to continue navigating this volatile period as the Group:

- maintains strong investment grade credit ratings,
- possesses substantial cash-on-hand and manages a robust and highly rated \$3 billion commercial paper programme, and
- carries \$3 billion of revolving credit facilities backed by a well-capitalised, diversified bank group.

The Group believes it is well-positioned to deliver sustained above-market organic growth, operating margin expansion, strong free cash flow generation and top-quartile shareholder returns over the

STANLEY BLACK & DECKER UK LIMITED

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

1. Accounting policies (continued)

1.1 Basis of preparation of financial statements (continued)

long-term.

Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

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 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Stanley Black & Decker Inc. as at 2 January 2021 and these financial statements may be obtained from Stanley Black & Decker, Inc., 1000 Stanley Drive, New Britain, CT 06053, United States.

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.

STANLEY BLACK & DECKER UK LIMITED

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

1. Accounting policies (continued)

1.4 Government grants

Grants received during the year are accounted for under the accruals model, as permitted by Section 24 of FRS 102. Those grants received were of a revenue nature and are recognised in the Statement of Comprehensive Income in the same period as the related expenditure. Any amounts receivable at the year end have been included in debtors as accrued income.

1.5 Interest income

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

1.6 Interest payable

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.7 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.

1.8 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 and is based on the consideration expected to be received.

STANLEY BLACK & DECKER UK LIMITED

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

1. Accounting policies (continued)

1.9 Current and deferred taxation

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 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.

1.10 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.

1.11 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.

STANLEY BLACK & DECKER UK LIMITED

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

1. Accounting policies (continued)

1.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long leasehold 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.

1.12 Valuation of investments

The directors undertake a review of the investments held each year. The recoverable amount is estimated based on the fair value less the costs to sell or a value in use calculation. Valuation in use is based on a discounted cash flow model.

1.13 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.

1.14 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.

1.15 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.

1.16 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.

STANLEY BLACK & DECKER UK LIMITED

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

1. Accounting policies (continued)

1.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1.18 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. Customer rebates are calculated based on volumes purchased by individual customers and they are non-complex in nature.

1.19 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 23 in the financial statements.

1.20 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

STANLEY BLACK & DECKER UK LIMITED

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

2. Judgments 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. Such calculations are sensitive to the likely timing and level of future taxable profits.

Goodwill

The company establishes a reliable estimate of the useful life of goodwill arising on business combinations. This estimate is sensitive to 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.

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.

	2020 £000	2019 £000
United Kingdom	336,933	319,272
Rest of Europe	123	275
Rest of the world	55	76
	<u>337,111</u>	<u>319,623</u>

STANLEY BLACK & DECKER UK LIMITED

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

4. Other operating income

	2020	2019
	£000	£000
Government grants receivable	959	-
	959	-

During the year the company benefited from the UK Government's "Job Retention Scheme" which allowed employers to claim a proportion of the salary of qualifying staff up to certain thresholds. The company has received a total of £959,000 during the year and this is included in the figure for other income in the Income Statement.

5. Operating profit

The operating profit is stated after charging:

	2020	2019
	£000	£000
Foreign exchange losses/(gains)	82	(66)
Depreciation of tangible fixed assets	3,654	3,044
Amortisation of intangible assets, including goodwill	935	1,676
Loss on disposal of tangible fixed assets	-	123
Defined contribution pension cost	857	837

6. Auditor's remuneration

	2020	2019
	£000	£000
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	51	48

Fees payable to the company's auditor and its associates in respect of:

Other services relating to taxation	20	19
	20	19

STANLEY BLACK & DECKER UK LIMITED

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

7. Employees

Staff costs were as follows:

	2020 £000	Re-stated 2019 £000
Wages and salaries	13,709	13,779
Social security costs	1,623	1,664
Cost of defined contribution scheme	857	837
	<u>16,189</u>	<u>16,280</u>

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

2020 No.	2019 No.
<u>382</u>	<u>404</u>

The average monthly employees in the company during the year consists of 328 sales and marketing employees (2019: 346) and 54 service and administration employees (2019: 58).

8. 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.

Aggregate emoluments in respect of qualifying services for the year were £582,000 (2019: £625,000).

During the year retirement benefits were accruing to 2 directors (2019: 2) in respect of defined contribution pension schemes. The highest paid director received remuneration of £354,000 (2019: £411,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,000 (2019: £16,000).

STANLEY BLACK & DECKER UK LIMITED

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

9. Interest receivable and similar income

	2020	2019
	£000	£000
Interest receivable from group companies	36	172
	36	172

10. Interest payable and similar expenses

	2020	2019
	£000	£000
Interest payable to group companies	106	9
	106	9

STANLEY BLACK & DECKER UK LIMITED

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

11. Taxation

	2020 £000	2019 £000
Corporation tax prior year adjustment	-	(406)
	-	(406)
Deferred tax		
Origination of timing differences	143	196
Prior year adjustment	168	-
Total deferred tax	311	196
Taxation on profit/(loss) on ordinary activities	311	(210)

STANLEY BLACK & DECKER UK LIMITED

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

11. Taxation (continued)**Factors affecting tax charge for the year**

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

	2020 £000	2019 £000
Profit on ordinary activities before tax	9,827	8,818
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	1,867	1,675
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	178	318
Expenses not deductible for tax purposes	316	357
Prior year adjustment	167	(316)
Group relief claimed for nil consideration	(2,185)	(2,232)
Rate change	(32)	(12)
Total tax charge for the year	311	(210)

Factors that may affect future tax charges

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

The UK Budget 2021 announcements of 3 March 2021 included measures to support economic recovery as a result of the ongoing Covid-19 pandemic. These include an increase to the UK's main corporation tax rate to 25% which is due to take effect from 1 April 2023. These changes were not substantially enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the year end. Given that Royal Assent was granted to the finance bill on 10 June 2021 the impact on the deferred tax balance has been considered for the purposes of disclosure only. It is not anticipated that these changes will have a material impact on the company's deferred tax balances.

Deferred tax

The company has recognised a deferred tax asset of £136,000 (2019: £447,000) which has been calculated at the 19% corporation tax rate that was substantively enacted at the balance sheet date. (2019: 17%).

STANLEY BLACK & DECKER UK LIMITED

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

12. Dividends

	2020 £000	2019 £000
Dividend paid £3.23 per share in 2019	-	15,000
	<u>-</u>	<u>15,000</u>

13. Intangible assets

	Goodwill £000
Cost	
At 1 January 2020	16,757
At 31 December 2020	<u>16,757</u>
Amortisation	
At 1 January 2020	10,966
Charge for the year	935
At 31 December 2020	<u>11,901</u>
Net book value	
At 31 December 2020	<u>4,856</u>
At 31 December 2019	<u>5,791</u>

Goodwill comprises two elements: acquisition of the sales and distribution business from Black & Decker, a fellow group company, on 12 March 2010 and the acquisition of the stock and assets of three entities: Newell Rubbermaid UK Limited, Newell Rubbermaid UK Services Limited, and Fine Writing Pens of London Limited on 9 March 2017.

Both elements are being amortised over the directors' estimate of its useful life of 10 years.

STANLEY BLACK & DECKER UK LIMITED

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

14. Tangible fixed assets

	Freehold land and buildings £000	Long leasehold buildings £000	Plant, equipment & computer equipment £000	Motor vehicles £000	Fixtures & fittings £000
Cost					
At 1 January 2020	19,948	10,243	7,090	184	52
Additions	-	-	1	-	-
Disposals	-	-	-	(61)	-
Transfers between classes	379	44	144	-	-
At 31 December 2020	20,327	10,287	7,235	123	52
Depreciation					
At 1 January 2020	1,775	3,371	2,408	161	36
Charge for the year on owned assets	914	1,690	1,044	-	6
Disposals	-	-	-	(61)	-
At 31 December 2020	2,689	5,061	3,452	100	42
Net book value					
At 31 December 2020	17,638	5,226	3,783	23	10
At 31 December 2019	18,173	6,872	4,682	23	16

STANLEY BLACK & DECKER UK LIMITED

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

14. Tangible fixed assets (continued)

	Assets under construction £000	Total £000
Cost		
At 1 January 2020	532	38,049
Additions	279	280
Disposals	(51)	(112)
Transfers between classes	(567)	-
	<hr/> 193	<hr/> 38,217
Depreciation		
At 1 January 2020	-	7,751
Charge for the year on owned assets	-	3,654
Disposals	-	(61)
	<hr/> -	<hr/> 11,344
Net book value		
At 31 December 2020	<hr/> 193	<hr/> 26,873
At 31 December 2019	<hr/> 532	<hr/> 30,298

STANLEY BLACK & DECKER UK LIMITED

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

15. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2020	2,626
At 31 December 2020	2,626
Net book value	
At 31 December 2020	2,626
At 31 December 2019	2,626

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.

The directors undertake a review of the investments held each year. The recoverable amount is estimated based on the fair value less the costs to sell or a value in use calculation. Valuation in use is based on a discounted cash flow model.

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	3 Europa Court, Sheffield Business Park, Sheffield S9 1XE		
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 2020**

16. Stocks

	2020	2019
	£000	£000
Finished goods and goods for resale	83	166
	<u>83</u>	<u>166</u>

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

17. Debtors

	2020	2019
	£000	£000
Due after more than one year		
Other debtors	895	1,186
	<u>895</u>	<u>1,186</u>
Due within one year		
Trade debtors	21,143	21,422
Amounts owed by group undertakings	155,953	101,103
Other debtors	1,009	628
Deferred taxation	136	447
	<u>178,241</u>	<u>123,600</u>

STANLEY BLACK & DECKER UK LIMITED

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

18. Cash and cash equivalents

	2020	2019
	£000	£000
Cash at bank and in hand	-	7,413
	<u>-</u>	<u>7,413</u>

19. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Bank overdrafts	6	-
Trade creditors	146	1,665
Amounts owed to group undertakings	180,891	150,037
Other taxation and social security	2,935	238
Accruals and deferred income	8,253	7,313
	<u>192,231</u>	<u>159,253</u>

20. Deferred taxation

	2020
	£000
At beginning of year	447
Charged to profit or loss	(311)
	<u>136</u>

The deferred tax asset is made up as follows:

	2020	2019
	£000	£000
Deferred capital allowances	64	288
Other timing differences	72	159
	<u>136</u>	<u>447</u>

STANLEY BLACK & DECKER UK LIMITED

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

21. Share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
4,645,972 (2019: 4,645,972) Ordinary shares of £1.00 each	<u>4,646</u>	<u>4,646</u>

22. Reserves

Profit & loss account

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

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 for the group at year end are recognised respectively as assets or liabilities within prepayments or accruals. The defined contribution pension charge for the year amounts to: £857,000 (2019: £837,000) of which £325,000 (2019: £389,000) 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 (2019: £Nil) of which £Nil (2019: £Nil) is included in accruals at year end.

The valuation of The Stanley Black & Decker UK group defined benefit scheme shows a deficit of £5,900,000 (2019: deficit of £10,200,000). 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.

STANLEY BLACK & DECKER UK LIMITED

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

23. Pension commitments (continued)

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.

24. Commitments under operating leases

At 31 December 2020, the company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Not later than 1 year	600	600
Later than 1 year and not later than 5 years	600	600
Later than 5 years	1,200	1,800
	<u>2,400</u>	<u>3,000</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

	2020 £000	2019 £000
Owed to other group companies	(180,891)	(150,037)
Owed by subsidiaries	122,232	-
Owed by other group companies	<u>33,721</u>	<u>101,103</u>

26. Post balance sheet events

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

The directors consider that the new trading arrangements will have no significant negative effect on the company or its subsidiaries and no amendment to the figures in the accounts is therefore required.

STANLEY BLACK & DECKER UK LIMITED

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

27. Controlling party

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.