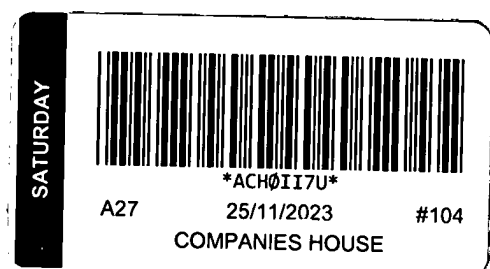


Registered number: 07059991

STANLEY BLACK & DECKER UK LIMITED

**STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**



STANLEY BLACK & DECKER UK LIMITED

COMPANY INFORMATION

Directors	S Dunlop M Smiley
Company Secretary	Mitre Secretaries Limited
Registered number	07059991
Registered office	270 Bath Road Slough Berkshire SL1 4DX
Auditor	Ernst & Young Chartered Accountants Harcourt Centre Harcourt Street Dublin 2 Ireland

STANLEY BLACK & DECKER UK LIMITED

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STANLEY BLACK & DECKER UK LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Business review

The company saw a 16.8% decline in turnover and an 18.2% decline in operating margin driven by lower consumer and DIY market demand. The prior year saw 53% organic growth resulting from a strong tool market with consumers refocusing on their home and garden during the Covid period.

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:

	2022	2021
	£000	£000
Turnover	429,681	516,598
Operating profit	12,103	14,795
Profit after tax	12,633	15,077

The company paid a dividend to Stanley Black & Decker Holdings Sàrl of £35,000,000 during the year (2021: £NIL).

Principal risks and uncertainties

The principal risks and uncertainties facing the company arise from competitive risk and the holding of financial instruments. The company's principal financial instruments comprise intercompany balances between fellow group undertakings which includes balances associated with a cashpool arrangement. The directors' consideration of the risks and uncertainties in this respect are outlined below:

Inflation risks

The company is subject to inflation increases impacting both its own costs and those of its customers which in turn could have a knock on impact on the company's revenue and operating profit. The company continues to assess its product pricing whilst balancing its competitive position and customer needs.

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.

Investment risks

A subsidiary's 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.

STANLEY BLACK & DECKER UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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 Section 172 (1)(a) to (f) of the Companies Act 2006 in the financial period ending 31 December 2022.

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.

A director must act in the way he/she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole whilst considering all stakeholders of the company.

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 of inclusiveness, where there is a deep sense of pride, passion and belonging that transcends any role, 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

The company recognises the importance that stakeholders outside the business such as customers and suppliers add to the company and works ethically together to ensure that the goals of the company are met in a mutually beneficial fashion by negotiating contracts, agreeing payment terms in advance and maintaining an open dialogue with suppliers and the company's 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, Inc.'s Group's purpose.

The company supports its ultimate parent's 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.

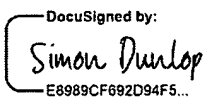
Maintaining a reputation for high standards of business conduct

The company also supports its ultimate parent, Stanley Black & Decker, Inc. to create practical, meaningful products and services that make life easier, empowering people to do better, safer, more significant work. The Stanley Black & Decker, Inc. group continues to invest in breakthrough innovation and digital excellence, striving for outperformance and increasing focus on social responsibility.

STANLEY BLACK & DECKER UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

This report was approved by the board on 22 November 2023 and signed on its behalf.

DocuSigned by:

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S Dunlop
Director

STANLEY BLACK & DECKER UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

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 £12,633,000 (2021: £15,077,000).

Dividends

Dividends totaling £35,000,000 were paid during the year (2021: £NIL).

Directors

The directors who served during the year were:

S Dunlop (appointed 1 March 2022)

M Smiley

E Brennan (resigned 1 March 2022)

Future developments

The directors aim to maintain current management policies and business activities.

Financial instruments

The company's principal financial instruments comprise intercompany balances and participation in a cashpool arrangement with fellow affiliates.

Employee involvement

The company continues to operate a policy of employee involvement in the operations of the company and of the Stanley Black & Decker, Inc.'s group of companies of which it is a member.

Regular communications to inform all employees about news and developments in the company and the wider group are transmitted via the company intranet, email, and the 'Workplace' collaborative platform (or, for those employees without access to company IT accounts, via their line managers and on notice-boards). These communications are supplemented by site meetings, when employees have the opportunity to hear and question management about company developments and plans, as well as video conferences. Where there are Trade Unions, regular on site meetings are also held between senior management and Trade Union Representatives. Also employee feedback is obtained confidentially through formal, anonymous engagement surveys.

When developments have a direct impact on employees' jobs or terms and conditions of service, full consultation is provided by the company, with the opportunity, where applicable, to receive independent advice.

STANLEY BLACK & DECKER UK LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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 achieving a 42% reduction in absolute Scope 1 and 2 Green House Gas emissions from a 2022 baseline and achieving zero waste to landfill for global manufacturing and distribution sites 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. In particular, all directly purchased location based electricity is from renewable sources.

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

	2022	2021
Energy consumption used to calculate emissions: kWh	5,272,417	5,618,496
Emissions from combustion of gas tCO ₂ e (Scope 1)	648	679
Emissions from combustion of fuel tCO ₂ e (Scope 1)	350	266
Emissions from purchased electricity (Scope 2 location-based)	-	-
Total gross tCO ₂ e based on above	998	945
Intensity ratio: tCO ₂ e/employee	2.5	2.4

Location based energy supplies are taken from metered readings, or estimates where these are not available. Fuel for vehicles is summarised from third party data collected from filling stations. The conversion factors used are taken from Greenhouse gas reporting: conversion factors 2022 published by Department for Business, Energy & Industrial Strategy.

In the year we saw a decrease in energy consumption as a result of the company moving away from higher consumption gas heaters to lower consumption electric heaters within the company's distribution centre.

STANLEY BLACK & DECKER UK LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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.

Going concern

The company is a member of the Stanley Black & Decker, Inc., group (the group) and given the integrated nature of its activities within the group the ultimate parent company has agreed to provide continued support to the company until 31 December 2024 to meet its obligations as and when they fall due, to the extent that the company is unable to meet its liabilities.

Stanley Black & Decker, Inc. released its 2022 Annual Report (10-K) (an annual report required by the US Securities and Exchange Commission, that gives a comprehensive summary of a company's financial performance) on 23 February 2023 and a quarterly report for first and second quarter of the year 2023 (Form 10Q) on 4 May 2023 and 1 August 2023 respectively. The directors continue to believe that the group is in a strong financial position and has significant flexibility to continue for the foreseeable future as the group:

- maintains good investment grade credit ratings,
- possesses cash on hand and manages a robust and highly rated \$3.5 billion commercial paper programme, and
- carries \$4 billion of revolving credit facilities backed by a well-capitalised, diversified bank group.

Based on this information, and on enquiry, the directors believe that the ultimate parent company, Stanley Black & Decker, Inc., has the ability to provide the financial support for the foreseeable future. Taking into account the position of the ultimate parent company the directors are of the view, to the best of their current knowledge, that there are no events expected to have a material adverse impact on the company's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Disclosure of information to auditor

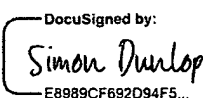
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- 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

There have been no post balance sheet events affecting the company since the year end.

This report was approved by the board on 22 November 2023 and signed on its behalf.

DocuSigned by:

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S Dunlop
Director

STANLEY BLACK & DECKER UK LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- in respect of the company financial statements, state whether applicable UK Accounting Standards, including FRS 102, 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.

Under applicable laws and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations.

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 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the 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 2022 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 of twelve months from the date of approval of the financial statements.

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 this gives rise to 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 7, 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.

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

Responsibilities of directors (continued)

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.

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.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those 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 and those charged with governance 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.
- 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.
- 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. Finally, we have assessed management's calculation of each subsidiary's value in use which is part of the 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.

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

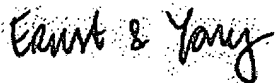
Auditor's responsibilities for the audit of the financial statements (continued)

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

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.

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.



Feargal De Freine
for and on behalf of Ernst & Young Chartered Accountant, Statutory Auditor
Dublin, Ireland
22 November 2023

STANLEY BLACK & DECKER UK LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Turnover	4	429,681	516,598
Cost of sales		(379,670)	(469,135)
Gross profit		50,011	47,463
Distribution costs		(32,739)	(28,119)
Administrative expenses		(5,169)	(4,566)
Other operating income	5	-	17
Operating profit	6	12,103	14,795
Interest receivable and similar income	10	1,240	-
Profit before tax		13,343	14,795
Tax on profit	11	(710)	282
Profit for the financial year		12,633	15,077

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £000	2021 £000
Profit for the financial year	12,633	15,077
Total comprehensive income for the year	12,633	15,077

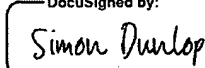
The notes on pages 15 to 34 form part of these financial statements.

STANLEY BLACK & DECKER UK LIMITED
REGISTERED NUMBER: 07059991

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	13	3,281	4,068
Tangible assets	14	24,649	24,405
Investments	15	8,455	8,455
		<u>36,385</u>	<u>36,928</u>
Current assets			
Stocks	16	208	151
Debtors: amounts falling due after more than one year	17	671	767
Debtors: amounts falling due within one year	17	226,674	235,949
		<u>227,553</u>	<u>236,867</u>
Creditors: amounts falling due within one year	19	(249,725)	(237,375)
Net current liabilities		<u>(22,172)</u>	<u>(508)</u>
Total assets less current liabilities		<u>14,213</u>	<u>36,420</u>
Provisions for liabilities			
Deferred tax	20	(160)	-
		<u>(160)</u>	<u>-</u>
Net assets		<u>14,053</u>	<u>36,420</u>
Capital and reserves			
Called up share capital	21	4,646	4,646
Profit and loss account	22	9,407	31,774
		<u>14,053</u>	<u>36,420</u>

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

DocuSigned by:

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S Dunlop
Director

Date: 22 November 2023

STANLEY BLACK & DECKER UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2022	4,646	31,774	36,420
Comprehensive income / (expense) for the year			
Profit for the year	-	12,633	12,633
Transactions with shareholders			
Dividends: Equity capital	-	(35,000)	(35,000)
At 31 December 2022	4,646	9,407	14,053

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2021	4,646	16,697	21,343
Comprehensive income for the year			
Profit for the year	-	15,077	15,077
At 31 December 2021	4,646	31,774	36,420

STANLEY BLACK & DECKER UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Stanley Black & Decker UK Limited is a private company limited by shares incorporated and domiciled in the United Kingdom. The registered office is 270 Bath Road, Slough, Berkshire SL1 4DX, United Kingdom.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The financial statements are prepared in Pound Sterling which is the presentational currency of the company and rounded to the nearest thousand (£'000).

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

The company is a member of the Stanley Black & Decker, Inc., group (the group) and given the integrated nature of its activities within the group the ultimate parent company has agreed to provide continued support to the company until 31 December 2024 to meet its obligations as and when they fall due, to the extent that the company is unable to meet its liabilities.

Stanley Black & Decker, Inc. released its 2022 Annual Report (10-K) (an annual report required by the US Securities and Exchange Commission, that gives a comprehensive summary of a company's financial performance) on 23 February 2023 and a quarterly report for first and second quarter of the year 2023 (Form 10Q) on 4 May 2023 and 1 August 2023 respectively. The directors continue to believe that the group is in a strong financial position and has significant flexibility to continue for the foreseeable future as the group:

- maintains good investment grade credit ratings,
- possesses cash-on-hand and manages a robust and highly rated \$3.5 billion commercial paper programme, and
- carries \$4 billion of revolving credit facilities backed by a well-capitalised, diversified bank group.

Based on this information, and on enquiry, the directors believe that the ultimate parent company, Stanley Black & Decker, Inc., has the ability to provide the financial support for the foreseeable future. Taking into account the position of the ultimate parent company the directors are of the view, to the best of their current knowledge, that there are no events expected to have a material adverse impact on the company's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

STANLEY BLACK & DECKER UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.2 Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 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 December 2022 and these financial statements may be obtained from Stanley Black & Decker, Inc., 1000 Stanley Drive, New Britain, CT 06053, United States.

2.3 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.

2.4 Interest income

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

STANLEY BLACK & DECKER UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.5 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.6 Leases

Operating leases: lessee

Rentals paid under operating leases are charged to the Income Statement 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 2022**

2. Accounting policies (continued)**2.7 Current and deferred taxation**

Tax is recognised in profit or loss 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 reporting 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 not 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.

2.8 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.

2.9 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 2022**

2. Accounting policies (continued)**2.9 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 term leasehold property	- 3 - 9 years
Plant & machinery	- 2 - 22 years
Motor vehicles	- 3 years
Fixtures & fittings	- 10 - 13 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 profit or loss.

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

2.10 Valuation of investments

Investments in subsidiaries, joint ventures and associates are initially recognised at cost, which is normally the transaction price. Subsequently, investments are carried at cost less provision for impairment.

At the end of each reporting period, the carrying amounts of the company's equity investments are reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised and the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in profit or loss account. For assets where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment losses been recognised for the asset in prior years. A reversal of impairment is recognised immediately in the profit or loss account.

2.11 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 the Income Statement.

STANLEY BLACK & DECKER UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.12 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.

Debtors are derecognised in circumstances where substantially all the risks and rewards of ownership of the assets have been transferred to a third party.

2.13 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.

2.14 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.

2.15 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.

STANLEY BLACK & DECKER UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.16 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, 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.

2.17 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 2022**

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

In the process of applying the company's accounting policies management considered there to be no key sources of judgment in preparing these financial statements.

Estimates and assumptions

The area where assumptions and estimates are significant to the financial statements is described below. The estimates and associated assumptions are based on historical experience and various other factors which are believed to be reasonable under the circumstances.

Deferred tax

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. The purchased goodwill has been amortised on a straight line basis over its estimated useful economic life of 10 years giving a current year charge of £787,000. A reduction in the useful economic life of 1 year would give an increased amortisation of £87,000.

4. 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.

	2022	2021
	£000	£000
United Kingdom	429,635	516,468
Rest of Europe	1	-
Rest of the world	45	130
	429,681	516,598

STANLEY BLACK & DECKER UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Other operating income

	2022	2021
	£000	£000
Government grants receivable	-	17
	<u>-</u>	<u>17</u>

During the prior 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 received a total of £NIL (2021: £17,000) during the year and this is included in the figure for other income in the Income Statement.

6. Operating profit

The operating profit is stated after charging:

	2022	2021
	£000	£000
Operating lease charges	1,655	1,663
Foreign exchange (gains) / losses	(117)	420
Depreciation of tangible fixed assets	4,167	3,174
Amortisation of intangible assets, including goodwill	787	787
Loss on disposal of tangible fixed assets	171	114
Defined contribution pension cost	1,078	1,014
	<u>1,078</u>	<u>1,014</u>

7. Auditor's remuneration

During the year, the company obtained the following services from the company's auditor and its associates:

	2022	2021
	£000	£000
Fees payable to the company's auditor and its associates for the audit of the company's financial statements	67	61
Fees payable to the company's auditor and its associates for other services relating to taxation	13	43
	<u>13</u>	<u>43</u>

STANLEY BLACK & DECKER UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Employees

Staff costs were as follows:

	2022	2021
	£000	£000
Wages and salaries	15,416	15,846
Social security costs	2,110	1,945
Cost of defined contribution scheme	1,078	1,014
	18,604	18,805

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

	2022	2021
	No.	No.
	399	398

The average monthly employees in the company during the year consists of 376 sales and marketing employees (2021: 374) and 23 service and administration employees (2021: 24).

9. 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 £662,000 (2021: £781,000).

During the year retirement benefits were accruing to 2 directors (2021: 2) in respect of defined contribution pension schemes. The highest paid director received remuneration of £363,000 (2021: £485,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,000 (2021: £4,000).

STANLEY BLACK & DECKER UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Interest receivable and similar income

	2022	2021
	£000	£000
Interest receivable from group companies	1,240	-
	<u>1,240</u>	<u>-</u>

11. Taxation

	2022	2021
	£000	£000
Corporation tax		
Current tax on profits for the year	-	93
Adjustments in respect of previous periods	39	-
Total current tax	<u>39</u>	<u>93</u>
Deferred tax		
Origination and reversal of timing differences	510	(113)
Changes to tax rates	161	(123)
Prior year adjustment	-	(139)
Total deferred tax	<u>671</u>	<u>(375)</u>
Taxation on profit on ordinary activities	<u>710</u>	<u>(282)</u>

STANLEY BLACK & DECKER UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022	2021
	£000	£000
Profit on ordinary activities before tax	13,343	14,795
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	2,535	2,811
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	150	150
Expenses not deductible for tax purposes	177	158
Prior year adjustment	39	(139)
Group relief claimed for nil consideration	(2,352)	(3,139)
Rate change	161	(123)
Total tax charge / (credit) for the year	710	(282)

Factors that may affect future tax charges

The Finance Act 2021 increased the main rate of UK corporation tax to 25% effective from 1 April 2023. Given this was substantively enacted on 25 May 2021 (i.e. before the Balance Sheet date), these changes have been reflected in the measurement of deferred tax balances at the year end. Where deferred tax balances are anticipated to unwind prior to 1 April 2023, these continue to be recognised at the current rate of UK corporation tax of 19%. Where deferred tax balances are anticipated to unwind after 1 April 2023, these have been recognised at 25%.

Deferred tax

The company has recognised a deferred tax liability of £160,000 (2021: asset £511,000) which has been calculated at the 25% (2021: 25%) corporation tax rate that was substantively enacted at the balance sheet date (note 20).

STANLEY BLACK & DECKER UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Dividends

	2022 £000	2021 £000
Dividend paid £7.53 per share on 21 December 2022	35,000	-
	<u>35,000</u>	<u>-</u>

13. Intangible assets

	Goodwill £000
Cost	
At 1 January 2022	16,757
At 31 December 2022	<u>16,757</u>
Amortisation	
At 1 January 2022	12,689
Charge for the year on owned assets	787
At 31 December 2022	<u>13,476</u>
Net book value	
At 31 December 2022	<u>3,281</u>
At 31 December 2021	<u>4,068</u>

Goodwill comprises two elements:

£8,883,000 relates to the acquisition of the sales and distribution business from Black & Decker, a fellow group company, on 12 March 2010. This has been amortised over the directors' estimate of its useful life of 10 years and has a net book value of nil at the year end.

£7,874,000 relates to 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. This is also being amortised over the directors' estimate of its useful life of 10 years and has a net book value of £3,281,000 at the year end.

STANLEY BLACK & DECKER UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Tangible fixed assets

	Freehold property £000	Long term leasehold property £000	Plant & machinery £000	Motor vehicles £000	Fixtures & fittings £000	Assets under construction £000	Total £000
Cost or valuation							
At 1 January 2022	20,345	10,287	7,261	46	34	896	38,869
Additions	-	-	3	-	-	4,872	4,875
Disposals	(117)	-	(209)	-	-	(333)	(659)
Transfers between classes	-	71	3,922	-	-	(3,993)	-
At 31 December 2022	<u>20,228</u>	<u>10,358</u>	<u>10,977</u>	<u>46</u>	<u>34</u>	<u>1,442</u>	<u>43,085</u>
Depreciation							
At 1 January 2022	3,613	6,407	4,368	46	30	-	14,464
Charge for the year on owned assets	902	2,297	964	-	4	-	4,167
Disposals	(20)	-	(175)	-	-	-	(195)
At 31 December 2022	<u>4,495</u>	<u>8,704</u>	<u>5,157</u>	<u>46</u>	<u>34</u>	<u>-</u>	<u>18,436</u>
Net book value							
At 31 December 2022	<u>15,733</u>	<u>1,654</u>	<u>5,820</u>	<u>-</u>	<u>-</u>	<u>1,442</u>	<u>24,649</u>
At 31 December 2021	<u>16,732</u>	<u>3,880</u>	<u>2,893</u>	<u>-</u>	<u>4</u>	<u>896</u>	<u>24,405</u>

STANLEY BLACK & DECKER UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2022	8,455
At 31 December 2022	8,455

Impairment

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.

No impairment has been charged in the year (2021: £NIL).

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Stanley Healthcare Solutions Limited	C/O Stanley Black & Decker Hellaby Lane, Hellaby, Rotherham, South Yorkshire, United Kingdom, S66 8HN	Dormant	Ordinary	100%
Stanley Black & Decker UK Holdings Limited	C/O Stanley Black & Decker Hellaby Lane, Hellaby, Rotherham, South Yorkshire, United Kingdom, S66 8HN	Dormant	Ordinary	100%
Stanley Black & Decker Deutschland GmbH*	Strasse 40, D65510, Idstein, Germany	Distribution of tools	Common	100%
Advanced Turf Technology Limited	C/O Stanley Black & Decker Hellaby Lane, Hellaby, Rotherham, South Yorkshire, United Kingdom, S66 8HN	Provides turf maintenance equipment	Ordinary	100%

* Indirectly held.

STANLEY BLACK & DECKER UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. Stocks

	2022	2021
	£000	£000
Finished goods and goods for resale	208	151
	<u>208</u>	<u>151</u>

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

17. Debtors

	2022	2021
	£000	£000
Due after more than one year		
Other debtors	671	767
	<u>671</u>	<u>767</u>
	2022	2021
	£000	£000
Due within one year		
Trade debtors	26,106	26,150
Amounts owed by group undertakings	199,903	206,181
Other debtors	665	3,107
Deferred taxation (note 20)	-	511
	<u>226,674</u>	<u>235,949</u>

18. Cash and cash equivalents

Bank account balances are recorded as follows in the Statement of Financial Position:

	2022	2021
	£000	£000
Creditors – amounts falling due within one year – bank overdrafts (note 19)	(24)	(5)
Net cash position	<u>(24)</u>	<u>(5)</u>

STANLEY BLACK & DECKER UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Bank overdrafts (note 18)	24	5
Trade creditors	19,532	25,212
Amounts owed to group undertakings	207,874	189,944
Corporation tax	80	-
Other taxation and social security	5,644	2,176
Other creditors	9,548	6,683
Accruals and deferred income	7,023	13,355
	<u>249,725</u>	<u>237,375</u>

Other creditors includes an amount of £9,548,000 (2021: £6,683,000) relating to amounts payable under a "debt factoring" arrangement where the risks and rewards over the balances have been retained by the company.

20. Deferred taxation

	2022	2021
	£000	£000
At beginning of year	511	136
Charged to profit or loss (note 11)	(671)	375
	<u>(160)</u>	<u>511</u>

The deferred taxation balance is made up as follows:

	2022	2021
	£000	£000
(Accelerated) / deferred capital allowances	(335)	323
Other timing differences	175	188
	<u>(160)</u>	<u>511</u>

STANLEY BLACK & DECKER UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Share capital

	2022	2021
	£000	£000
Allotted, called up and fully paid		
4,645,972 (2021: 4,645,972) Ordinary shares of £1.00 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.

23. Contingent liabilities

At the year end there were bank guarantees outstanding in respect of the company's duty deferment account of £220,000 (2021: £220,000).

STANLEY BLACK & DECKER UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

24. 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 £1,078,000 (2021: £1,014,000) of which £NIL (2021: £270,000) is included in accruals at year end.

Defined benefit pension schemes

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

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

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 (2021: £NIL) of which £NIL (2021: £NIL) is included in accruals at year end.

The valuation of The Stanley Black & Decker UK group defined benefit scheme shows a surplus of £12,600,000 (2021: Surplus of £11,200,000). Full disclosure in relation to the pension scheme can be found in the accounts of the most significant participant - The Stanley Works Limited.

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

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

STANLEY BLACK & DECKER UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

25. Commitments under operating leases

At 31 December 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022	2021
	£000	£000
Land and buildings		
Not later than 1 year	600	600
Later than 1 year and not later than 5 years	2,400	2,400
Later than 5 years	-	600
	<u>3,000</u>	<u>3,600</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.

26. Post balance sheet events

There have been no post balance sheet events affecting the company since the year end.

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.