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Registered number: FC010558

BLACK & DECKER INVESTMENT COMPANY, LLC

**STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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COMPANIES HOUSE

BLACK & DECKER INVESTMENT COMPANY, LLC

COMPANY INFORMATION

DIRECTORS C. Torello (resigned 7 October 2019)
A. Sood
M. Smiley
S. Costello

SECRETARY Mitre Secretaries Limited

REGISTERED IN ENGLAND FC010558

REGISTERED OFFICE Corporation Service Company
2711 Centerville Road
Wilmington
Delaware
19808
United States

MAIN PLACE OF BUSINESS 3 Europa Court
Sheffield Business Park
Sheffield
S9 1XE
United Kingdom

BLACK & DECKER INVESTMENT COMPANY, LLC

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BLACK & DECKER INVESTMENT COMPANY, LLC

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

BUSINESS REVIEW

The was no change to the company's activities during the year and the results for the year ended 31 December 2018 are in line with the directors' expectations with an increase in interest income in line with an increase in interest rates.

PRINCIPAL RISKS AND UNCERTAINTIES

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

TREASURY POLICY

The company is an investment company which provides finance to fellow group undertakings. The company finances its operations by equity funding from its immediate parent.

Credit risk

The directors consider that the credit risk exposure is limited as the loans are with fellow group companies.

Market and interest rate risk

The directors consider that they will be able to renegotiate the company's loan portfolio within an acceptable timescale so as to minimise the impact of significant changes in interest rates.

Financial instrument risk

The company's objective is to produce continuity of funding at a reasonable cost. The company uses its existing finances to support this objective.

FINANCIAL KEY PERFORMANCE INDICATORS

The company's key financial performance indicator is interest receivable on a loan issued to an affiliate company amounting to \$842,000 (2017: \$367,000)

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



S. Costello
Director

Date: 28 November 2019

BLACK & DECKER INVESTMENT COMPANY, LLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

PRINCIPAL ACTIVITY

The principal activity of the company during the year ended 31 December 2018 was the provision of finance to other group companies.

The company is incorporated in the United States of America. The corporation was converted to a Delaware Limited Liability Company on 1 December 2006 and is registered in the United Kingdom as an overseas company under section 1044 of the Companies Act 2006.

DIVIDENDS PAID

There were no dividends declared or paid in the current year (2017: \$NIL).

RESULTS

The profit for the year, after taxation, amounted to \$841,000 (2017: \$367,000).

DIRECTORS

The directors who served during the year were:

C. Torello (resigned 7 October 2019)
A. Sood
M. Smiley
S. Costello

FUTURE DEVELOPMENTS

The directors aim to maintain current management policies to remain profitable.

FINANCIAL INSTRUMENTS

Details of financial instruments are provided in the Strategic Report.

GOING CONCERN

The company's principal activities, together with factors likely to affect its future development are described above in the Directors' Report.

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

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 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.

BLACK & DECKER INVESTMENT COMPANY, LLC

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

POST BALANCE SHEET EVENTS

There have been no significant events affecting the company since the year end.

DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations. The directors have chosen to prepare overseas company individual accounts in accordance with the applicable accounting policies of the company. In preparing those financial statements the directors are responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and accounting estimates that are reasonable and prudent;
- preparing the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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



S. Costello
Director

Date: 28 November 2019

BLACK & DECKER INVESTMENT COMPANY, LLC

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$000	2017 \$000
Administrative expenses		(1)	-
Interest receivable and similar income	7	842	367
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		841	367
Taxation on profit on ordinary activities	8	-	-
PROFIT FOR THE YEAR		841	367

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$000	2017 \$000
Profit for the financial year		841	367
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		841	367

The notes on pages 7 to 12 form part of these financial statements.

BLACK & DECKER INVESTMENT COMPANY, LLC
REGISTERED NUMBER: FC010558

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 \$000	2017 \$000
CURRENT ASSETS			
Debtors: amounts falling due within one year	9	51,557	50,715
Cash at bank and in hand	10	1	2
		<u>51,558</u>	<u>50,717</u>
Total assets less current liabilities		51,558	50,717
Net assets		51,558	50,717
Capital and reserves			
Called up share capital	11	128	128
Share premium account	12	24,000	24,000
Foreign exchange reserve	12	(11)	(11)
Profit and loss account	12	27,441	26,600
		<u>51,558</u>	<u>50,717</u>

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



S. Costello
 Director

Date: 28 November 2019

BLACK & DECKER INVESTMENT COMPANY, LLC

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	\$000	\$000	\$000	\$000	\$000
At 1 January 2018	128	24,000	(11)	26,600	50,717
Comprehensive income for the year					
Profit for the year	-	-	-	841	841
At 31 December 2018	128	24,000	(11)	27,441	51,558

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	\$000	\$000	\$000	\$000	\$000
At 1 January 2017	128	24,000	(11)	26,233	50,350
Comprehensive income for the year					
Profit for the year	-	-	-	367	367
At 31 December 2017	128	24,000	(11)	26,600	50,717

The notes on pages 7 to 12 form part of these financial statements.

BLACK & DECKER INVESTMENT COMPANY, LLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. GENERAL INFORMATION

Black & Decker Investment Company, LLC is a limited liability company incorporated in the United States and registered in the United Kingdom as an overseas company under section 1044 of the Companies Act 2006. The company's registered office is Corporation Service Company, 2711 Centerville Road, Delaware, 19808 United States. The UK registered office is 3 Europa Court, Sheffield Business Park, Sheffield, S9 1XE.

The accounts are reported in the functional and presentational currency of the company of US Dollars and rounded to the nearest thousand.

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 in order to comply with the requirements of section 396 of the Companies Act 2006 as applied by the Overseas Companies Regulations 2009.

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).

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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Stanley Black & Decker Inc. as at as at 29 December 2018 and these financial statements may be obtained from Stanley Black & Decker Inc., 1000 Stanley Drive, New Britain, CT 06053, USA.

2.3 DEBTORS

Debtors due within one year are measured at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

2.4 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.

BLACK & DECKER INVESTMENT COMPANY, LLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.5 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The company's functional and presentational currency is US Dollars.

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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income Statement within 'other operating income'.

2.6 INTEREST INCOME

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

2.7 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.

BLACK & DECKER INVESTMENT COMPANY, LLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

4. OPERATING PROFIT

Operating profit is stated after charging a foreign exchange translation loss of \$ Nil (2017: \$ Nil).

5. EMPLOYEES

The company does not employ any staff, the business and administration of the company is carried out by staff of another group undertaking.

6. DIRECTORS' REMUNERATION

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

Although the UK directors' carried out qualifying services for each company, they do not believe that it is practical to apportion their remuneration between companies.

The aggregate UK directors' emoluments in respect of qualifying services for the year were \$794,000 (2017: \$739,000). The qualifying services of non UK directors' were negligible.

The highest paid Director received remuneration of \$463,000 (2017: \$442,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to \$45,000 (2017: \$26,000).

BLACK & DECKER INVESTMENT COMPANY, LLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2018	2017
	\$000	\$000
Interest receivable from group companies	842	367
	842	367

8. TAXATION

There was no tax charge for the year (2017: \$nil).

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

	2018	2017
	\$000	\$000
Profit on ordinary activities before tax	841	367
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	160	73
EFFECTS OF:		
Group relief for no consideration	(160)	(73)
TOTAL TAX CHARGE FOR THE YEAR	-	-

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Finance Act 2016 obtained Royal Assent on 15 September 2016 and stated that the corporation tax rate will reduce to 17% with effect from 1 April 2020.

DEFERRED TAX

The company has an unrecognised deferred tax asset of approximately \$677,000 (2017: \$720,000) relating to connected party capital losses. This has been calculated at the 17% corporation tax rate that was substantively enacted at the balance sheet date (2017: 17%). A deferred tax asset has not been recognised in respect of these losses as its recoverability is dependent on future capital gains of arising in the group.

BLACK & DECKER INVESTMENT COMPANY, LLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

9. DEBTORS

	2018 \$000	2017 \$000
Amounts owed by ultimate parent undertaking	51,557	50,715
	<u>51,557</u>	<u>50,715</u>

10. CASH AND CASH EQUIVALENTS

	2018 \$000	2017 \$000
Cash at bank and in hand	1	2
	<u>1</u>	<u>2</u>

11. SHARE CAPITAL

	2018 \$000	2017 \$000
Allotted, called up and fully paid		
12,801 (2017: 12,801) Common membership shares of \$10.00 each	128	128
	<u>128</u>	<u>128</u>

In determining the voting powers, designations, preferences, rights and qualifications, limitations and restriction of each class of shares, the Delaware General Corporation Law ("DGCL") and the common law interpreting the DGCL shall apply as if such Common Shares were shares of common stock of a Delaware corporation.

12. RESERVES

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Foreign exchange reserve

In 2005 the company changed its functional and reporting currency from Pounds Sterling (£) to US Dollars (\$). As a result of the change in currency, a foreign exchange reserve was generated and any foreign exchange gains or losses arising from the change in functional currency were transferred into the foreign exchange reserve.

Profit & loss account

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

BLACK & DECKER INVESTMENT COMPANY, LLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. CONTROLLING PARTY

The company is a wholly owned subsidiary of Black & Decker Holdings LLC, a company incorporated in the United States and registered in the United Kingdom as an overseas company under section 1044 of the Companies Act 2006. The ultimate parent company is Stanley Black & Decker, Inc. a company incorporated in the United States.

The largest and smallest group in which the results of the company are consolidated is that of Stanley Black & Decker, Inc. Consolidated accounts are available from Stanley Black & Decker, Inc at the address below:

Stanley Black & Decker, Inc.
1000 Stanley Drive
New Britain
CT 06053
United States