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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 2016**



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**BLACK & DECKER INVESTMENT COMPANY, LLC**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	S. Stubbs (resigned 31 October 2016) C. Torello A. Sood M. Smiley S. Costello (appointed 1 November 2016)
<b>SECRETARY</b>	Mitre Secretaries Limited
<b>REGISTERED IN ENGLAND</b>	FC010558
<b>REGISTERED OFFICE</b>	Corporation Service Company 2711 Centerville Road Wilmington Delaware 19808 United States
<b>MAIN PLACE OF BUSINESS</b>	210 Bath Road Slough Berkshire SL1 3YD United Kingdom

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**BLACK & DECKER INVESTMENT COMPANY, LLC**

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## **BLACK & DECKER INVESTMENT COMPANY, LLC**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **BUSINESS REVIEW**

The was no change to the company's activities during the year and the results for the year ended 31 December 2016 are in line with the directors' expectations.

#### **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.

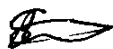
##### *Liquidity and refinancing risk*

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 \$170,000 (2015: \$170,000)

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



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**S. Costello**  
Director

Date: 28 March 2018

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## **BLACK & DECKER INVESTMENT COMPANY, LLC**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

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

#### **PRINCIPAL ACTIVITY**

The principal activity of the company during the year ended 31 December 2016 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 (2015 - \$NIL).

#### **RESULTS**

The profit for the year, after taxation, amounted to \$169,000 (2015 - \$169,000).

#### **DIRECTORS**

The directors who served during the year were:

S. Stubbs (resigned 31 October 2016)  
C. Torello  
A. Sood  
M. Smiley  
S. Costello (appointed 1 November 2016)

#### **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.

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**BLACK & DECKER INVESTMENT COMPANY, LLC**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**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 March 2018

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**BLACK & DECKER INVESTMENT COMPANY, LLC**

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**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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	<b>Note</b>	<b>2016 \$000</b>	<b>2015 \$000</b>
Administrative expenses		(1)	(1)
Interest receivable and similar income	7	170	170
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>169</b>	<b>169</b>
Taxation on profit on ordinary activities	8	-	-
<b>PROFIT FOR THE YEAR</b>		<b>169</b>	<b>169</b>

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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	<b>Note</b>	<b>2016 \$000</b>	<b>2015 \$000</b>
Profit for the financial year		169	169
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>169</b>	<b>169</b>

**BLACK & DECKER INVESTMENT COMPANY, LLC**  
**REGISTERED NUMBER: FC010558**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	Note	2016 \$000	2015 \$000
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	9	50,348	50,178
Cash at bank and in hand	10	2	3
		<u>50,350</u>	<u>50,181</u>
<b>Total assets less current liabilities</b>		<b>50,350</b>	<b>50,181</b>
<b>Net assets</b>		<u><b>50,350</b></u>	<u><b>50,181</b></u>
<b>Capital and reserves</b>			
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	26,233	26,064
		<u><b>50,350</b></u>	<u><b>50,181</b></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 March 2018



**BLACK & DECKER INVESTMENT COMPANY, LLC**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	\$000	\$000	\$000	\$000	\$000
At 3 January 2016	128	24,000	(11)	26,064	50,181
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>					
Profit for the year	-	-	-	169	169
<b>AT 31 DECEMBER 2016</b>	<b>128</b>	<b>24,000</b>	<b>(11)</b>	<b>26,233</b>	<b>50,350</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	\$000	\$000	\$000	\$000	\$000
At 4 January 2015	128	24,000	(11)	25,895	50,012
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	169	169
<b>AT 2 JANUARY 2016</b>	<b>128</b>	<b>24,000</b>	<b>(11)</b>	<b>26,064</b>	<b>50,181</b>

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

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## BLACK & DECKER INVESTMENT COMPANY, LLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 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 210 Bath Road, Slough, SL1 3YD.

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 31 December 2016 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.

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BLACK & DECKER INVESTMENT COMPANY, LLC

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

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**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.

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**BLACK & DECKER INVESTMENT COMPANY, LLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**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 \$1,000 (2015: \$1,000).

**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 \$866,000 (2015: \$891,000). The qualifying services of non UK directors' were negligible.

The highest paid Director received remuneration of \$308,000 (2015 - \$295,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to \$22,000 (2015: \$14,000).

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**BLACK & DECKER INVESTMENT COMPANY, LLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**7. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2016</b>	<b>2015</b>
	<b>\$000</b>	<b>\$000</b>
Interest receivable from group companies	<u>170</u>	<u>170</u>
	<u><b>170</b></u>	<u><b>170</b></u>

**8. TAXATION**

There was no tax charge for the year (2015: \$nil).

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

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

	<b>2016</b>	<b>2015</b>
	<b>\$000</b>	<b>\$000</b>
Profit on ordinary activities before tax	<u>169</u>	<u>169</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	<b>34</b>	<b>34</b>
<b>EFFECTS OF:</b>		
Group relief for no consideration	<u>(34)</u>	<u>(34)</u>
<b>TOTAL TAX CHARGE/(CREDIT) FOR THE YEAR</b>	<u><b>-</b></u>	<u><b>-</b></u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

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

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

**DEFERRED TAX**

The company has an unrecognised deferred tax asset of approximately \$658,000 (2015: \$832,000) 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 (2015: 18%). 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.

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BLACK & DECKER INVESTMENT COMPANY, LLC

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

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9. DEBTORS

	2016 \$000	2015 \$000
Amounts owed by ultimate parent undertaking	50,348	50,178
	<u>50,348</u>	<u>50,178</u>

10. CASH AND CASH EQUIVALENTS

	2016 \$000	2015 \$000
Cash at bank and in hand	2	3
	<u>2</u>	<u>3</u>

11. SHARE CAPITAL

	2016 \$000	2015 \$000
Shares classified as equity		
<b>Allotted, called up and fully paid</b>		
12,801 Common membership shares of \$10 each	<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.

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**BLACK & DECKER INVESTMENT COMPANY, LLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**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