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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 2022



BLACK & DECKER INVESTMENT COMPANY, LLC

COMPANY INFORMATION

Directors

A Sood
M Smiley
S Costello

Secretary

Mitre Secretaries Limited

Registered number

FC010558

Registered office

251 Little Falls Road
Wilmington
De 19808
United States

Main place of business

C/O Stanley Black & Decker
Hellaby Lane
Hellaby
Rotherham
South Yorkshire
S66 8HN

BLACK & DECKER INVESTMENT COMPANY, LLC

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BLACK & DECKER INVESTMENT COMPANY, LLC

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

Business review

The company continues to provide finance to affiliate companies within the Stanley Black & Decker, Inc. group. There was no change to the company's activities during the year and the results for the year ended 31 December 2022 are in line with the directors' expectations with a increase in interest income in line with a increase in interest rates.

Principal risks and uncertainties

The company's principal financial instruments comprise of intercompany loans to fellow group undertakings, the main purpose of which is to provide finance for their normal operations. The company finances its operations by equity funding from its immediate parent. The main risks arising from the company's financial instruments are detailed below:

Credit risk

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

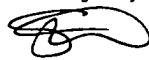
Liquidity and refinancing risk

The company's objective is to maintain continuity of funding at a reasonable cost. To do this it seeks to arrange committed funding where necessary from its immediate parent company or other group undertakings.

Financial key performance indicators

The company's key financial performance indicator is interest receivable on a loan issued to an affiliate of \$810,000 (2021: \$103,000).

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

DocuSigned by:

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S Costello
Director

Date: 8 September 2023

BLACK & DECKER INVESTMENT COMPANY, LLC

**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 activity of the company 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.

Results and dividends

The profit for the year, after taxation, amounted to \$672,000 (2021: \$84,000).

No dividends have been paid or received in the year or prior year.

Directors

The directors who served during the year were:

A Sood
M Smiley
S Costello

Future developments

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

Financial instruments

The company's financial instruments consist of a US Dollar loan receivable and balances payable from/to fellow affiliates.

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 2022**

Going concern

The company is a member of the Stanley Black & Decker, Inc. group. Given the integrated nature of its activities within the Stanley Black & Decker, Inc. group, the ultimate parent company, Stanley Black & Decker, Inc. 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. The directors continue to believe the group is in a strong financial position and has significant flexibility to continue for the foreseeable future as the group:

- maintains strong investment grade credit ratings,
- possesses substantial cash-on-hand and manages a robust and highly rated \$3.5 billion commercial paper programme, and
- carries \$4.5 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, 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.

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 those regulations the directors have elected to prepare overseas company individual financial statements in accordance with the applicable accounting policies of the company. The financial statements are prepared to 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 year in all material respects, in accordance with applicable accounting policies described in note 2. In preparing these financial statements, the directors are required to:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and accounting estimates that are reasonable and prudent; and
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with section 396 of 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.

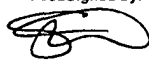
BLACK & DECKER INVESTMENT COMPANY, LLC

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

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 and signed on its behalf.

DocuSigned by:

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S Costello
Director

Date: 8 September 2023

BLACK & DECKER INVESTMENT COMPANY, LLC

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

	Note	2022 \$000	2021 \$000
Administrative expenses		19	(1)
Interest receivable and similar income	7	811	103
Profit on ordinary activities before taxation		830	102
Taxation on profit on ordinary activities	8	(158)	(18)
Profit for the year		672	84

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

	Note	2022 \$000	2021 \$000
Profit for the financial year		672	84
Total comprehensive income for the year		672	84

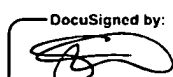
The notes on pages 8 to 14 form part of these financial statements.

BLACK & DECKER INVESTMENT COMPANY, LLC
REGISTERED NUMBER: FC010558

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 \$000	2021 \$000
Current assets			
Debtors: amounts falling due within one year	9	54,184	53,374
		<u>54,184</u>	<u>53,374</u>
Creditors: amounts falling due within one year	10	(480)	(342)
		<u>(480)</u>	<u>(342)</u>
Net current assets		53,704	53,032
Total assets less current liabilities		53,704	53,032
Net assets		53,704	53,032
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	29,587	28,915
		<u>53,704</u>	<u>53,032</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 September 2023.

DocuSigned by:

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S Costello
 Director

BLACK & DECKER INVESTMENT COMPANY, LLC

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

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	\$000	\$000	\$000	\$000	\$000
At 1 January 2022	128	24,000	(11)	28,915	53,032
Comprehensive income for the year					
Profit for the year	-	-	-	672	672
At 31 December 2022	<u>128</u>	<u>24,000</u>	<u>(11)</u>	<u>29,587</u>	<u>53,704</u>

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

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	\$000	\$000	\$000	\$000	\$000
At 1 January 2021	128	24,000	(11)	28,831	52,948
Comprehensive income for the year					
Profit for the year	-	-	-	84	84
At 31 December 2021	<u>128</u>	<u>24,000</u>	<u>(11)</u>	<u>28,915</u>	<u>53,032</u>

BLACK & DECKER INVESTMENT COMPANY, LLC

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

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 251 Little Falls Road, Wilmington, De 19808, United States. The UK registered office is C/O Stanley Black & Decker, Hellaby Lane, Hellaby, Rotherham, South Yorkshire, S66 8HN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared in US Dollar which is the presentational and functional currency of the company and rounded to the nearest thousand.

The financial statements have been prepared under the historical cost convention and in accordance with section 396 ("overseas companies individual accounts") of the Companies Act 2006 as applied by the Overseas Companies Regulations 2009 and with the applicable accounting policies of the company which are aligned with Financial Reporting Standard 102.

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).

Going concern

The company is a member of the Stanley Black & Decker, Inc. group. Given the integrated nature of its activities within the Stanley Black & Decker, Inc. group, the ultimate parent company, Stanley Black & Decker, Inc. 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. The directors continue to believe the group is in a strong financial position and has significant flexibility to continue for the foreseeable future as the group:

- maintains strong investment grade credit ratings,
- possesses substantial cash on hand and manages a robust and highly rated \$3.5 billion commercial paper programme, and
- carries \$4.5 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, 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.

BLACK & DECKER INVESTMENT COMPANY, LLC

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

2. Accounting policies (continued)

2.2 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.

2.3 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.4 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'.

2.5 Interest income

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

BLACK & DECKER INVESTMENT COMPANY, LLC

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

2. Accounting policies (continued)

2.6 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.

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

Judgements

In the process of applying the company's accounting policies management considered there to be no key sources of judgement 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 historic experience and various other factors which are believed to be reasonable under the circumstances.

Taxation

Management estimation is required to determine the amount of deferred tax asset that can be recognised. Such calculations are sensitive to the likely timing and the level of future taxable profits.

BLACK & DECKER INVESTMENT COMPANY, LLC

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

4. Operating profit

The operating loss is stated after charging/(crediting):

	2022 \$000	2021 \$000
Exchange gain	(20)	-

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 \$926,000 (2021: \$1,202,000). The qualifying services of non UK directors were negligible.

The highest paid director received remuneration of \$448,000 (2021: \$667,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to \$5,000 (2021: \$6,000).

7. Interest receivable

	2022 \$000	2021 \$000
Interest receivable from group companies	810	103
Other interest receivable	1	-
	<u>811</u>	<u>103</u>

BLACK & DECKER INVESTMENT COMPANY, LLC

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

8. Taxation

	2022	2021
	\$000	\$000
Corporation tax		
Current tax on profits for the year	159	18
Adjustments in respect of previous periods	(1)	-
Total current tax	158	18
Taxation on profit on ordinary activities	158	18

Factors affecting tax charge for the year

The tax assessed for the year is the same as (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	830	102
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	158	19
Effects of:		
Adjustments to tax charge in respect of prior periods	(1)	-
Transfer pricing adjustments	1	(1)
Total tax charge for the year	158	18

Factors that may affect future tax charges

The Finance Act 2021 enacted on 10 June 2021 increased the main rate of UK corporation tax from 19% to 25% effective from 1 April 2023. Given this was 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 an unrecognised deferred tax asset of approximately \$945,000 (2021: \$596,000) relating to connected party capital losses. This has been calculated at the 25% corporation tax rate that was substantively enacted at the balance sheet date (2021: 19%). 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 2022**

9. Debtors: Amounts falling due within one year

	2022 \$000	2021 \$000
Amounts owed by group undertakings	54,184	53,374
	<u>54,184</u>	<u>53,374</u>

10. Creditors: Amounts falling due within one year

	2022 \$000	2021 \$000
Bank overdrafts	3	1
Amounts owed to group undertakings	304	323
Corporation tax	173	18
	<u>480</u>	<u>342</u>

11. Share capital

	2022 \$000	2021 \$000
Allotted, called up and fully paid		
12,801 (2021: 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.

BLACK & DECKER INVESTMENT COMPANY, LLC

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

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.

13. Ultimate parent and 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