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Registered number: FC011130

**BLACK & DECKER GROUP, LLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

WEDNESDAY



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**BLACK & DECKER GROUP, LLC**

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**COMPANY INFORMATION**

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**DIRECTORS**

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

**SECRETARY**

Mitre Secretaries Limited

**REGISTERED IN ENGLAND**

FC011130

**REGISTERED OFFICE**

Corporation Service Company  
2711 Centerville Road  
Wilmington  
Delaware 19808  
United States

**MAIN PLACE OF BUSINESS**

210 Bath Road  
Slough  
Berkshire  
SL1 3YD  
United Kingdom

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**BLACK & DECKER GROUP, LLC**

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**BLACK & DECKER GROUP, LLC**

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

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**BUSINESS REVIEW**

*There was no change in the company's activities during the year. The directors' review of the investments held at year end 2016 resulted in no impairment (2015: \$16,210,000).*

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties facing the company arise from the holding of its US dollar investment in Black & Decker Holdings, LLC. The risk of holding investments in subsidiaries relates to the fair value of the investment compared with historic cost, a permanent reduction in value will be chargeable to the Income Statement. The company has no exposure to credit, interest rate, liquidity or foreign exchange risk.

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 GROUP, 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 company acts as a holding company for fellow group subsidiaries in the United Kingdom. There was no change in the company's activities during the year.

The company is incorporated in the United States. The company 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**

There were no dividends paid or received in the year under review (2015; \$nil).

#### **RESULTS**

There was no profit or loss for the year as the only movement in the profit and loss account is generated by any loss or uplift of the value of the investments held. The directors' review of the investments held at the year end 2015 resulted in an impairment of \$16,210,000 which was reflected in the loss for that year.

#### **DIRECTORS**

The directors who served during the year were:

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

#### **FUTURE DEVELOPMENTS**

The directors aim to maintain current management policies and minimise impairment in the subsidiary company.

#### **FINANCIAL INSTRUMENTS**

Details of financial instruments are provided in the Strategic Report.

#### **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'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.

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**BLACK & DECKER GROUP, LLC**

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

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**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations. Under those regulations the directors have elected to prepare overseas company individual accounts in accordance with 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 judgments and 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.

**POST BALANCE SHEET EVENTS**

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

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 GROUP, LLC**

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

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	Note	2016 \$000	2015 \$000
Amounts written off investments		-	(16,210)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	(16,210)
Taxation on loss on ordinary activities	5	-	-
<b>PROFIT FOR THE YEAR</b>		-	(16,210)

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

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	2016 \$000	2015 \$000
Profit for the financial year	-	(16,210)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	(16,210)

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BLACK & DECKER GROUP, LLC

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STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016

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	Note	2016 \$000	2015 \$000
<b>FIXED ASSETS</b>			
Investments	6	564,850	564,850
		<u>564,850</u>	<u>564,850</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		564,850	564,850
<b>NET ASSETS</b>		<u>564,850</u>	<u>564,850</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	143	143
Share premium account	8	311,179	311,179
Foreign exchange reserve	8	27,707	27,707
Other reserves	8	10,053	10,053
Profit and loss account	8	215,768	215,768
		<u>564,850</u>	<u>564,850</u>

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



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**S. Costello**  
Director

Date: 28 March 2018



**BLACK & DECKER GROUP, LLC**

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

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Foreign exchange reserve</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
At 3 January 2016	143	311,179	27,707	10,053	215,768	564,850
<b>AT 31 DECEMBER 2016</b>	<b>143</b>	<b>311,179</b>	<b>27,707</b>	<b>10,053</b>	<b>215,768</b>	<b>564,850</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 2 JANUARY 2016**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Foreign exchange reserve</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
At 4 January 2015	143	311,179	27,707	10,053	231,978	581,060
<b>Comprehensive loss for the year</b>						
Loss for the year	-	-	-	-	(16,210)	(16,210)
<b>AT 2 January 2016</b>	<b>143</b>	<b>311,179</b>	<b>27,707</b>	<b>10,053</b>	<b>215,768</b>	<b>564,850</b>

The notes on pages 7 to 13 form part of these financial statements.

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## BLACK & DECKER GROUP, LLC

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

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

Black & Decker Group, 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 currency of the company, USD and rounded to the nearest thousand.

The financial statements have been prepared under the historical costs convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and 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 judgement in applying the company's accounting policies (see note 2).

##### 1.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 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 31 December 2016 and these financial statements may be obtained from Stanley Black & Decker Inc., 1000 Stanley Drive, New Britain, CT 06053, USA.

##### 1.3 Valuation of investments

Investments in direct and indirect subsidiaries are measured at cost less accumulated impairment. Management performs an annual review to determine if the indicators of impairment exist. The impairment is calculated internally using a valuation technique based on the net assets model as there is a lack of comparable market data because of the nature of the investment.

##### 1.4 Investment income

Dividends from investment in group companies are credited to the Income Statement when declared.

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## BLACK & DECKER GROUP, LLC

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

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#### 1. ACCOUNTING POLICIES (CONTINUED)

##### 1.5 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.

#### 2. 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 judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### *Valuation of investments*

The company carries its investments at cost less accumulated impairment. Management performs an annual review to determine if any indicators of impairment exist. Where an indicator of impairment is noted, management assess the value in use of the investments in subsidiaries by using a net assets model as the valuation technique as there is a lack of comparable market data due of the nature of the investments.

##### *Deferred tax*

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.

#### 3. EMPLOYEES

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

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BLACK & DECKER GROUP, LLC

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

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**4. 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 for 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).

**5. TAXATION**

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

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

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

	2016 \$000	2015 \$000
Loss on ordinary activities before tax	-	(16,210)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	-	(3,283)
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes	-	3,283
<b>TOTAL TAX CHARGE FOR THE YEAR/PERIOD</b>	-	-

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**BLACK & DECKER GROUP, LLC**

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

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**5. TAXATION (CONTINUED)**

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

During the year changes to corporation tax rates were enacted which will have an impact on the future tax charge of the company. The corporation tax rate was reduced from 20% to 19% effective from 1 April 2017 and from 19% to 18% effective from 1 April 2020. Furthermore, on 16 March 2016 the Chancellor of the Exchequer announced that the UK main rate of corporation tax would reduce to 17% effective from 1 April 2020, replacing the 18% currently enacted.

**DEFERRED TAX**

The company has an unrecognised deferred tax asset of approximately \$47,000 (2015: \$51,000) relating to excess management expenses and non trade loan relationship deficits. This has been calculated at the 17% corporation tax rate that was substantively enacted at year end (2015: 18%).

**6. FIXED ASSET INVESTMENTS**

	Shares in group undertakings \$000
<b>COST OR VALUATION</b>	
At 3 January 2016	603,728
At 31 December 2016	603,728
<b>IMPAIRMENT</b>	
At 3 January 2016	38,878
At 31 December 2016	38,878
<b>NET BOOK VALUE</b>	
At 31 December 2016	564,850
At 2 January 2016	564,850

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**BLACK & DECKER GROUP, LLC**

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

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**6. FIXED ASSET INVESTMENTS (CONTINUED)**

**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Black & Decker Holdings, LLC	Common	100 %	Finance and investment activities
Black & Decker Investment Company, LLC*	Common	100 %	Finance activities
Black & Decker Finance*	Ordinary	100 %	Finance and investment activities
Emhart International Limited*	Ordinary	100 %	Finance and investment activities
Black & Decker International*	Ordinary & Preference	100 %	Finance and investment activities
Bandhart*	Ordinary	100 %	Finance and investment activities
Tucker Fasteners Limited*	Ordinary	100 %	Distributor of Industrial fastening systems Provision of marketing, IT and administrative support to affiliated companies
Black & Decker Europe*	Ordinary	100 %	Finance activities
Aven Tools Limited*	Ordinary	100 %	Finance and investment activities
Bandhart Overseas*	Ordinary	100 %	Provision for research and development services
Black & Decker*	Ordinary	100 %	
Black & Decker Pension Trustee Limited*	Ordinary	100 %	Dormant company
Tucker Products Limited*	Ordinary	100 %	Dormant company
Dewalt Industrial Power Tool Company Limited*	Ordinary	100 %	Finance activities
PIH Holdings Limited*	Ordinary	100 %	Finance and investment activities
Pipeline Induction Heat Limited*	Ordinary	100 %	Provision of specialist coating services to the oil and gas pipeline industry
PIH Services Limited*	Ordinary	100 %	Provision of non-destructive testing and heat treatment services
Universal Inspection Systems Limited*	Ordinary	100 %	Provision of non-destructive testing services
Societe Miniere et Commerciale SA*	Ordinary	100 %	Sales agent for CRC Evans Group

\* Indirectly held through Black & Decker Holdings, LLC.

The directors undertake a review of the investments held each year and as a result provided for an impairment charge as noted above. The value in use of the investments in subsidiaries has been based on a net asset basis for holding companies and a discounted cash flow basis for trading entities using a discount rate of 8.9% and a flat growth rate. Cashflows have been based on projections for a five year period on which a terminal growth multiple of 11.24 is applied to the cash flows at the end of that 5 year period.

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**BLACK & DECKER GROUP, LLC**

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

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**6. FIXED ASSET INVESTMENTS (CONTINUED)**

Name	Registered office
Black & Decker Holdings, LLC	Corporation Service Company, Suite 400, 2711 Centerville Road, Wilmington DE 19808, United States
Black & Decker Investment Company, LLC*	Corporation Service Company, Suite 400, 2711 Centerville Road, Wilmington DE 19808, United States
Black & Decker Finance*	210 Bath Road, Slough, Berkshire, SL1 3YD, UK
Emhart International Limited*	3 Europa Court, Sheffield Business Park, Sheffield, S9 1XE, UK
Black & Decker International*	210 Bath Road, Slough, Berkshire, SL1 3YD, UK
Bandhart*	210 Bath Road, Slough, Berkshire, SL1 3YD, UK
Tucker Fasteners Limited*	3 Europa Court, Sheffield Business Park, Sheffield, S9 1XE, UK
Black & Decker Europe*	210 Bath Road, Slough, Berkshire, SL1 3YD, UK
Aven Tools Limited*	210 Bath Road, Slough, Berkshire, SL1 3YD, UK
Bandhart Overseas*	210 Bath Road, Slough, Berkshire, SL1 3YD, UK
Black & Decker*	210 Bath Road, Slough, Berkshire, SL1 3YD, UK
Black & Decker Pension Trustee Limited*	210 Bath Road, Slough, Berkshire, SL1 3YD, UK
Tucker Products Limited*	3 Europa Court, Sheffield Business Park, Sheffield, S9 1XE, UK
Dewalt Industrial Power Tool Company Limited*	6 Queens Road, Aberdeen , Scotland, AB15 4ZT, UK
PIH Holdings Limited*	Farrington Road, Rosendale Road Ind. Estate, Burnley, BB11 5SW, UK
Pipeline Induction Heat Limited*	Farrington Road, Rosendale Road Ind. Estate, Burnley, BB11 5SW, UK
PIH Services Limited*	Farrington Road, Rosendale Road Ind. Estate, Burnley, BB11 5SW, UK
Universal Inspection Systems Limited*	Pipelines House, 3 Dail Nan Rocas, Teaninich Industrial Estate, Alness, IV17 0PH, UK
Societe Miniere et Commerciale SA*	45/47 Boulevard Paul Vaillant Couturier, 94200, Ivry Sur Seine , France

**7. SHARE CAPITAL**

	<b>2016</b>	2015
	<b>\$000</b>	\$000
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
100 Units of \$1,428.20 each	<b>143</b>	143

On 11 December 2015 all classes of membership interest were cancelled and are now represented by Units.

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**BLACK & DECKER GROUP, LLC**

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

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**8. 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.

**Other reserves**

Other reserves relate to a capital contribution from The Black & Decker Corporation.

**Profit & loss account**

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

**9. CONTROLLING PARTY**

The company is a wholly owned subsidiary of The Black & Decker Corporation, 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