Registered number: 00291547

BLACK & DECKER

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 3 JANUARY 2015

BLACK & DECKER

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DIRECTORS AND OTHER INFORMATION

DIRECTORS	A. Sood S. Stubbs M. Smiley (appointed 8 January 2015) J. Cowley (resigned 8 January 2015)
SECRETARY	Mitre Secretaries Limited
REGISTERED OFFICE	210 Bath Road Slough Berkshire SL1 3YD United Kingdom
AUDITORS	Ernst & Young Chartered Accountants City Quarter Lapps Quay Cork Ireland
BANKERS	Bank of America Bank of America NA 26 Elmfield Road Bromley Kent BR1 1WA United Kingdom
SOLICITORS	CMS Cameron McKenna LLP Mitre House 160 Aldersgate Street London EC1A 4DD United Kingdom
REGISTERED IN ENGLAND	00291547

DIRECTORS' REPORT
FOR THE YEAR ENDED 3 JANUARY 2015

The directors present their report and the financial statements for the year ended 3 January 2015.

RESULTS AND DIVIDENDS

The trading results for the year are set out on page 8. The loss for the year, after taxation, amounted to £11,076,000 (2013: loss of £9,299,000). No dividends have been declared or paid during the year (2013: £Nil).

DIRECTORS

The directors who served the company during the year ended 3 January 2015 and to the date of this report were those listed on page 1.

DIRECTORS' INTERESTS

The directors have no beneficial interest in the shares of the company or the shares of any subsidiary during the year. No contract or arrangements entered into by the company in which any director is interested has subsisted during the year.

DIRECTORS' 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.

EVENTS SINCE THE BALANCE SHEET DATE

The directors are not aware of any significant events since the balance sheet date which would have an effect on the financial statements or require disclosure therein.

RESEARCH AND DEVELOPMENT

During the year the company continued its commitment to research and development.

GOING CONCERN

The directors have reviewed a period of 12 months from approval of these financial statements and concluded that the company is able to meet all of its liabilities as they fall due. Accordingly, they have adopted the going concern basis in preparing the annual report and accounts.

The company intends to continue as a cost-plus entity and forecasts to have sufficient net current assets available to offset any liabilities that may fall due within 12 months from approval of the financial statements.

CHARITABLE AND POLITICAL CONTRIBUTIONS

The company did not make any contributions for charitable or political purposes during the year (2013: £Nil).

CREDITORS' PAYMENT POLICY

It is Black & Decker's policy to pay suppliers on a timely basis in accordance with the terms agreed at the time that the service was contracted.

DIRECTORS' REPORT
FOR THE YEAR ENDED 3 JANUARY 2015

EMPLOYMENT OF DISABLED PERSONS

The company's policy and practice is to encourage and assist the employment and continued training of disabled people and to retain employees who become disabled.

EMPLOYEE CONSULTATION

The company places the greatest value on its employees and their involvement in aspects of the company's business. The company has continued its established practice of keeping employees fully informed on matters which affect them, including the performance of the company. This is achieved through a variety of regular formal and informal meetings, briefings and newsletters. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests. Further involvement is being encouraged through the continuing development of cross functional working groups.

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

The company has passed an elective resolution under section 386 of the Companies Act 1985 to dispense with the need to re-appoint auditors. This continues in force under the Companies Act 2006, and therefore the appointment of Ernst & Young is treated as being continuous.

On behalf of the Board

A. Sood
Director

Date: 25 September 2015

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 3 JANUARY 2015

The directors are responsible for preparing the Directors' report, the Strategic 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 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.

On behalf of the Board

A Sood
Director

Date: 25 September 2015

STRATEGIC REPORT
FOR THE YEAR ENDED 3 JANUARY 2015

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is the provision of research and development services to Black & Decker Inc.

The directors are of the opinion that the results reflect the nature of the various business elements.

	2014	2013
	£m	£m
Turnover	7.2	7.6
Operating profit	0.5	0.2
Loss after tax	(11.1)	(9.3)

The company is loss making for the year ended 3 January 2015 but in a net assets position. Although turnover decreased year on year, the operating profit in 2014 was higher. The net return on the pension scheme decreased from income of £1,400,000 in 2013 to an expense of £500,000 in 2014 which is the primary driver of the increase in the loss after tax for the year.

The company is the nominated company to report the pension position for the UK 1995 pension fund (Note 14) and at present is providing additional funding in order to reduce the pension deficit. This additional funding is reducing available cash in the business. The company incurs a current service cost for the aforementioned fund which is not recharged to other UK companies within the scheme – without this charge it would have made an operating profit of approximately £1,288,000 (2013: £1,172,000).

PRINCIPAL RISKS AND UNCERTAINTIES

Risks within the business
The principal risks and uncertainties facing the company are broadly grouped as liquidity / financing risks.

Liquidity / financing risks
The company's operations, loans and investments are financed by short and long term debt instruments. Management regularly reviews the funding position to ensure that adequate facilities are in place.

FUTURE DEVELOPMENTS

The directors aim to maintain current management policies.

On behalf of the Board

A. Sood
Director

Date: 25 September 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACK & DECKER

We have audited the financial statements of Black & Decker for the year ended 3 January 2015 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 3 January 2015 and of its loss 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACK & DECKER (CONTINUED)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Ernst & Young

Ian Gregory (Senior Statutory Auditor)
for and on behalf of Ernst & Young, Statutory Auditor
Cork

Date: 25 September 2015

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 3 JANUARY 2015

	Note	2014 £000	2013 £000
TURNOVER	2	**7,211**	7,626
Administrative expenses		**(6,723)**	(7,454)
OPERATING PROFIT - CONTINUING OPERATIONS	4	**488**	172
Interest receivable and similar income	5	**3,418**	3,362
Interest payable and similar charges	6	**(14,417)**	(14,203)
Net finance (expense) / income in respect of defined benefit pension	14	**(500)**	1,400
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		**(11,011)**	(9,269)
Tax on loss on ordinary activities	7	**(65)**	(30)
LOSS FOR THE FINANCIAL YEAR	17	**(11,076)**	(9,299)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 3 JANUARY 2015

	Note	2014 £000	2013 £000
LOSS FOR THE FINANCIAL YEAR		**(11,076)**	(9,299)
Actuarial loss recognised on the defined benefit pension scheme	14	**(2,500)**	(10,072)
Pension contribution from fellow group companies	14	**5,043**	5,315
TOTAL RECOGNISED LOSS RELATING TO THE YEAR		**(8,533)**	(14,056)

BLACK & DECKER
REGISTERED NUMBER: 00291547

BALANCE SHEET
AS AT 3 JANUARY 2015

	Note	£000	2014 £000	£000	2013 £000
FIXED ASSETS					
Tangible assets	8		**418**		479
Investments	9		**295,018**		295,018
			295,436		295,497
CURRENT ASSETS					
Debtors: amounts falling due after more than one year	10	**20,975**		20,975	
Debtors: amounts falling due within one year	10	**223,967**		224,249	
		244,942		245,224	
CREDITORS: amounts falling due within one year	11	**(124,558)**		(110,336)	
NET CURRENT ASSETS			**120,384**		134,888
TOTAL ASSETS LESS CURRENT LIABILITIES			**415,820**		430,385
CREDITORS: *amounts falling due after more than one year*	12		**(170,543)**		(170,543)
PROVISIONS FOR LIABILITIES					
Provision for liabilities	13		**(715)**		(660)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			**244,562**		259,182
Pension liability	14		**(60,419)**		(66,419)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			**184,143**		192,763
CAPITAL AND RESERVES					
Called up share capital	16		**14,390**		14,390
Share premium account	17		**189,753**		189,753
Capital reserve	17		**35,790**		35,790
Other reserves	17		**144,054**		144,054
Profit and loss account	17		**(199,844)**		(191,224)
SHAREHOLDERS' FUNDS	18		**184,143**		192,763

On behalf of the Board

A. Sood
Director
Date: 25 September 2015

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 3 JANUARY 2015**

1. ACCOUNTING POLICIES

1.1 Accounting convention and basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is exempt from the obligation to prepare and deliver group financial statements by virtue of section 401 of the Companies Act 2006. Financial information is presented about the company as an individual undertaking and not about its group. Details of the ultimate parent undertaking which draws up group financial statements are disclosed in Note 21.

1.2 Depreciation of tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on a straight line basis at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold land & buildings	-	7%
Machinery & equipment	-	12.5% - 20%
Motor vehicles	-	20% - 25%
Fixtures & fittings	-	10% - 50%
Tooling	-	20% - 100%

The carrying values of fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

1.3 Revenue recognition

Turnover
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of goods. Turnover comprises the recharge to affiliated companies in the Stanley Black & Decker group of costs, excluding share option grants and certain pension costs that have been expensed by the company during the year, inclusive of a management charge.

Interest income
Revenue is recognised as interest accrues using the effective interest method.

Investment income
Dividends from investments in group undertakings are credited to profit and loss account when declared.

1.4 Cash flow statement

The company has taken advantage of the exemption conferred in FRS 1 Revised "Cash flow statements" not to include a cash flow statement as part of the financial statements since the company is included within the consolidated financial statements of Stanley Black & Decker Inc.

1.5 Research and development

The company policy on research and development costs is to charge all costs to the profit and loss account as expenses. No research and development costs have been capitalised in 2014 or in the prior year.

1. ACCOUNTING POLICIES (continued)

1.6 Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debts of the period. Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

1.7 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at the date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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 the balance sheet date.

1.8 Foreign currencies

Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate. All differences are taken to the profit and loss account. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

1. ACCOUNTING POLICIES (continued)

1.9 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term. Amounts received in respect of capital contributions from the lessor are credited to income on a straight line basis over the term of the lease until the first break point.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful life. The capital element of future obligations under leases and hire purchase contracts are included as liabilities in the balance sheet. The interest element of the rental obligations are charged in the profit and loss account over the period of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

1.10 Pension

Defined benefit pension scheme

The company operates both a defined benefit and defined contribution pension scheme. The defined benefit scheme closed for new employees on 1 July 2004, and for all new contributions from 31 December 2010.

The company, Black & Decker Europe and Tucker Fasteners Limited operate a defined benefit pension scheme (The Black & Decker 1995 Pension Scheme) for its employees, the assets of which are held separately from those of the company.

Pension scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Pension scheme assets are measured using market rate values at the balance sheet date.

The pension scheme deficit is recognised in full on the balance sheet. The deferred tax relating to a defined benefit liability is offset against the defined benefit liability to the extent that it is considered recoverable and not included with other deferred tax assets or liabilities.

Increases in the present value of the scheme liabilities expected to arise from employee service in the period are charged to operating profit. The expected return on scheme assets less the increase in present value of scheme liabilities arising from the passage of time are included in other interest and shown adjacent to interest payable. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

Please refer to Note 14 for further details of the accounting treatment of the multi-employer pension scheme adopted by the company.

Defined contribution pension scheme

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 at the balance sheet date are recognised respectively as assets or liabilities within prepayments or accruals.

1. ACCOUNTING POLICIES (continued)

1.11 Provisions for liabilities

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

1.12 Investments

Investments are stated at cost less provision required for any permanent diminution in value. The carrying value of investments is reviewed for impairment annually.

1.13 Share-based payment

FRS 20 requires the fair value of options and share awards which ultimately vest to be charged to the profit and loss account over the vesting or performance period. For equity-settled transactions the fair value is determined at the date of the grant using an appropriate pricing model. If an award fails to vest, the charge to the income statement will be adjusted to reflect this. No expense is recognised for awards that do not ultimately vest.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions).

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions on the number of equity instruments that will ultimately vest. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

A credit is made to reserves for the share options charge, representing the fact that the share options are over common stock of the ultimate parent company. Costs recharged to the company by its ultimate parent company in respect of options exercised are debited to the profit and loss reserve directly.

2. TURNOVER

Turnover for 2014 comprises charges under intercompany arrangements to other Stanley Black & Decker companies. The company recharged costs expensed for research and development ("R&D") to Black & Decker Inc. together with a mark-up for the full year 2014.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 3 JANUARY 2015

3. STAFF COSTS

Employee costs during the year amounted to:

	2014 £000	2013 £000
Wages and salaries	**3,504**	3,689
Social welfare costs	**312**	378
Other pension costs (Note 14)	**997**	1,205
Share option (credit) / charge (Note 19)	**(87)**	67
	4,726	5,339

The average number of persons employed by the company during the year was 56 (2013: 58) and is broken down into the following categories:

	2014 No.	2013 No.
Research & development	**56**	58

The directors of the company are also directors of fellow subsidiary undertakings and their emoluments in both years are charged in the financial statements of those companies, as their services as directors of this company are deemed to be incidental compared to their role as directors of the fellow subsidiaries.

4. OPERATING PROFIT

Operating profit is stated after charging:

	2014 £000	2013 £000
Depreciation of tangible fixed assets:		
- owned by the company	**146**	44
Auditors' remuneration	**13**	30
Operating lease rentals:		
- other operating leases	**183**	201

The auditors' remuneration for non-audit services is borne by another group company.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £000	2013 £000
Interest receivable from group undertakings	**3,418**	3,362

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £000	2013 £000
Interest payable to group undertakings	**14,417**	14,203

7. TAX ON LOSS ON ORDINARY ACTIVITIES

(a) Tax on loss on ordinary activities

The tax charge is made up as follows:

	2014 £000	2013 £000
Current tax	**65**	30

7. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	2014	2013
	£000	£000
Loss on ordinary activities before tax	**(11,011)**	(9,269)
Loss on ordinary activities multiplied by standard rate of *corporation tax in the UK of 21.5% (2013 - 23.25%)*	**(2,367)**	(2,155)
Effects of:		
Capital allowances in excess of depreciation	**31**	10
Short term timing differences	**(740)**	(1,671)
Enhanced tax relief on research and development	**-**	(30)
Group relief surrendered for nil consideration	**3,141**	3,876
Total current tax charge	**65**	30

(c) Deferred tax

The company has an unrecognised deferred tax asset of £13,878,000 (2013: £14,833,000). This has been calculated at the 20% corporation tax rate that was substantively enacted at the balance sheet date (2013: 20%).

This relates to the following:	**2013**	2013
	£'000	£'000
Deferred tax asset (not recognised)		
Deferred capital allowances	**(825)**	(766)
Tax losses carried forward	**(967)**	(769)
Pension liability	**(12,084)**	(13,283)
Other short term timing differences	**(2)**	(15)
	(13,878)	(14,833)

(d) Factors that may affect future tax charges

During the prior 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 21% to 20% from 1 April 2015.

In July 2015 the Chancellor announced that the corporation tax rate would reduce to 19% from 1 April 2017 and to 18% from 1 April 2020. These changes have not been substantively enacted and therefore are not reflected within the deferred tax calculation.

8. TANGIBLE FIXED ASSETS

	Long leasehold land and buildings £000	Plant, equipment and tooling £000	Fixtures, fittings and motor vehicles £000	Total £000
Cost				
At 29 December 2013	116	2,222	333	2,671
Additions	77	8	-	85
At 3 January 2015	193	2,230	333	2,756
Depreciation				
At 29 December 2013	116	1,743	333	2,192
Charge for the year	-	146	-	146
At 3 January 2015	116	1,889	333	2,338
Net book value				
At 3 January 2015	77	341	-	418
At 28 December 2013	-	479	-	479

9. INVESTMENTS

	Shares in group undertakings £000
Cost	
At 29 December 2013 and 3 January 2015	295,018
Net book value	
At 3 January 2015	295,018
At 28 December 2013	295,018

In the opinion of the directors the aggregate value of the investments in subsidiary undertakings is not less than the amount at which they are stated in the financial statements.

9. INVESTMENTS (continued)

The following were subsidiary undertakings of the company:

Subsidiary undertaking	Country of registration or incorporation	Nature of business	Proportion of shares held
Directly held			
Bandhart Overseas	England	Group holding company	100%
Aven Tools Limited	England	Investment company	100%
Indirectly held			
Dewalt Industrial Power Tool Company Limited	Scotland	Investment company	100%

The investment held in Bandhart Overseas comprises of 233,076,212 ordinary shares with a nominal value of 1 GBP per share. The investment held in Aven Tools Limited comprises of 12,000,000 type 'B' plus 8,000 type 'A' ordinary shares, all ranking equally with a nominal value of 1 GBP per share and 5,000 3% non-cumulative preference shares.

Black & Decker International irrevocably undertakes to each holder of the class 'B' ordinary shares of Aven Tools Limited that if at any time any class 'B' ordinary shares are due to be redeemed in accordance with their terms and such redemption cannot be lawfully effected on the due date, it shall subscribe for such number of shares in the capital of Aven Tools Limited or further shares in the capital of Aven Tools Limited at a subscription price of £1 per share as will enable the redemption to be effected on such date.

The financial statements are prepared in accordance with the company's accounting policies described in Note 1. They present information about the company as an individual undertaking and not about its group. Only investments in respect of undertakings significant to the company are disclosed.

In the opinion of the directors the aggregate value of the investments in subsidiary undertakings is not less than the amount at which they are stated in the financial statements.

10. DEBTORS

	2014	2013
	£000	£000
Due after more than one year		
Amounts owed by group undertakings	**20,975**	20,975

	2014	2013
	£000	£000
Due within one year		
Amounts owed by group undertakings	**223,635**	224,149
Tax recoverable	**332**	100
	223,967	224,249

The amounts due after more than one year relate to a long term loan with a value of £20,975,000 (2013: £20,975,000) to Black & Decker Inc. with a maturity date of 5 December 2016 and an interest rate of 6% per annum.

11. CREDITORS
Amounts falling due within one year

	2014	2013
	£000	£000
Trade creditors	**272**	130
Amounts owed to group undertakings	**124,112**	110,057
Accruals and deferred income	**174**	149
	124,558	110,336

12. CREDITORS
Amounts falling due after more than one year

	2014	2013
	£000	£000
Amounts owed to group undertakings	**170,543**	170,543

The amounts owed to other group undertakings include ten convertible loan notes with an aggregate principal value of £137,117,148 (2013: £137,117,148). The notes are convertible on or before 15 December 2092 into an equivalent nominal value of ordinary £1 shares in the capital of the company at the option of the holder, Black & Decker International. The notes are redeemable at par on 15 December 2092. Interest is calculated at 9.25% per annum.

The holder's rights are subordinated to the claims of senior creditors and accordingly repayment of the principal amount of this equity note and payment of interest are conditional upon Black & Decker being solvent at the time of such repayment or payment.

13. PROVISION FOR LIABILITIES

	Dilapidation provision £000
At 29 December 2013	**660**
Additional provision	**55**
At 3 January 2015	**715**

Dilapidation provision

The provision for dilapidations has been made to represent the company's obligations under its leases for land and buildings. These obligations are generally settled at the expiry or termination of the lease.

14. PENSION OBLIGATIONS

The company, Black & Decker Europe and Tucker Fasteners Limited operate a defined benefit pension scheme (The Black & Decker 1995 Pension Scheme) for employees which closed for new employees on 1 July 2004, the assets of which are held separately from those of the company. The company complies with the accounting requirements of FRS 17 "Retirement Benefits" as amended by the December 2006 update of the accounting standard. The company is unable to identify its share of the underlying assets and liabilities of the Scheme. However as a result of being the most significant of the three participants, financial statements for the entire scheme as a defined benefit scheme are shown below. Therefore, in accordance with FRS17 paragraph 9 (b) (multi-employer exemption), Black & Decker Europe and Tucker Fasteners Limited account for the scheme as if it were a defined contribution scheme.

The Black & Decker 1995 Pension Scheme closed to future employee contributions from 31 December 2010. The company together with Black & Decker Europe and Tucker Fasteners Limited have also committed to making additional funding contributions to fund liabilities on past service. Additional contributions were made during the current year. As this is a multi-employer scheme that is reflected in Black & Decker, the additional funding contributions of £5,043,000 (2013: £5,315,000) from Black & Decker Europe and Tucker Fasteners Limited to fund past service deficits have been accounted for through the Statement of Total Recognised Gains and Losses.

The company also operates a defined contribution scheme for all new employees (from 1 July 2004) and pension payments for the year amounted to £197,000 (2013: £205,000).

Pension contributions are determined with the advice of independent qualified actuaries, Towers Watson, on the basis of triennial valuations using the projected unit credit method. An actuarial valuation was carried out at 31 March 2013 and updated at 3 January 2015 for the purposes of the FRS17 accounting and disclosure in the 2014 accounts.

The assets and liabilities of the scheme at year end are:

	2014 £000	2013 £000
Present value of funded obligations	**(413,300)**	(386,000)
Fair value of scheme assets	**352,881**	319,581
Net liability	**(60,419)**	(66,419)

14. PENSION OBLIGATIONS (continued)

The following amount is recognised in the profit and loss:

	2014	2013
	£'000	£'000
Amount charged to operating result:		
Current service cost	**800**	1,000
Defined contribution payments	**197**	205
Total operating charge	**997**	1,205

Amount (charged) / credited to other finance income

	2014	2013
	£000	£000
Interest on pension scheme liabilities	**(16,600)**	(16,200)
Expected return on scheme assets	**16,100**	17,600
Net return	**(500)**	1,400

14. PENSION OBLIGATIONS (continued)

The following amounts have been recognised in the Statement of Total Recognised Gains and Losses (STRGL):

	2014 £000	2013 £000
Actual return on scheme assets	**48,200**	26,928
Less expected return on scheme assets	**(16,100)**	(17,600)
	32,100	9,328
Other attributed losses	**(34,600)**	(19,400)
Actuarial loss recognised in the STRGL	**(2,500)**	(10,072)
Additional contributions by fellow group participant companies recognised in the STRGL	**5,043**	5,315

Analysis of movements in liabilities during the year:

	2014 £000	2013 £000
As at start of year	**386,000**	367,876
Interest cost	**16,600**	16,200
Actuarial losses on scheme liabilities	**34,600**	19,400
Net benefits paid out	**(23,500)**	(17,400)
Current service cost	**800**	1,000
Administrative expenses paid	**(1,200)**	(1,076)
As at year end	**413,300**	386,000

Changes in the fair value of plan assets:

	2014 £000	2013 £000
As at start of year	**319,581**	301,000
Expected return on scheme assets	**16,100**	17,600
Actuarial gains on scheme assets	**32,100**	9,328
Benefits paid	**(23,500)**	(17,400)
Contributions by employer	**9,800**	10,129
Administrative expenses paid	**(1,200)**	(1,076)
As at year end	**352,881**	319,581

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was a loss of £161,144,000 (2013: £158,644,000).

The company, Black & Decker Europe and Tucker Fasteners Limited expect to contribute £9,800,000 to the defined benefit pension scheme in 2015.

14. PENSION OBLIGATIONS (continued)

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
European equities	26.90 %	30.60 %
Goverment bonds	47.20 %	33.80 %
Debt securities	25.10 %	35.10 %
Other	0.80 %	0.50 %

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2014	2013
Discount rate at year end	3.60 %	4.40 %
Expected return on scheme assets at year end	5.10 %	5.10 %
Future salary increases	3.70 %	4.10 %
Future pension increases	3.00 %	3.25 %

Mortality assumptions

The mortality assumptions are in accordance with 106% (114% for females) of the SAPS average tables with improvements from 2002 in line with 2013 CMI core projections with a 1.50% pa long-term trend improvement. The following table outlines how this assumption compares to that used in the 28 December 2013 disclosure:

	Life expectancy from 60	2014	2013
	for male member currently aged 60	26.9	26.8
Males	for male member currently aged 40	29.3	29.2
	for female member currently aged 60	28.6	28.5
Females	for female member currently aged 40	31.1	31.0

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14. PENSION OBLIGATIONS (continued)

Defined benefit pension scheme

	2014 £000	2013 £000	2012 £000	2011 £000	2010 £000
Present value of defined benefit scheme obligations	**(413,300)**	(386,000)	(367,876)	(337,800)	(339,460)
Fair value of scheme assets	**352,881**	319,581	301,000	285,000	291,057
Deficit	**(60,419)**	(66,419)	(66,876)	(52,800)	(48,403)
Experience gains/(losses) on scheme liabilities	**(2,400)**	900	(15,700)	-	(1,704)
Experience gains/(losses) on scheme assets	**32,100**	9,328	9,000	(16,701)	10,477

15. OPERATING LEASES

Operating lease payments amounting to £1,043,000 (2013: £691,000) are committed to be made in the next year and future years and are analysed as follows:

	Land and buildings		Other	
	2014 £000	2013 £000	**2014 £000**	2013 £000
Expiry date:				
Within 1 year	**31**	31	**-**	-
Between 2 and 5 years	**999**	624	**5**	36
After more than 5 years	**8**	-	**-**	-
Total	**1,038**	655	**5**	36

The company has the obligation for the operating leases but the actual costs will be borne by a fellow group company.

16. CALLED UP SHARE CAPITAL

	2014 £000	2013 £000
Authorised		
200,000,000 Ordinary shares of £1 each	**200,000**	200,000
Allotted, called up and fully paid		
14,389,571 Ordinary shares of £1 each	**14,390**	14,390

17. RESERVES

	Share premium account £000	Capital reserve £000	Other reserves £000	Profit and loss account £000
At 29 December 2013	189,753	35,790	144,054	(191,224)
Loss for the year	-	-	-	(11,076)
Share based charge for the year	-	-	-	(87)
Actuarial loss	-	-	-	(2,500)
Pension contribution from fellow group companies	-	-	-	5,043
At 3 January 2015	189,753	35,790	144,054	(199,844)

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £000	2013 £000
Opening shareholders' funds	192,763	206,830
Loss for the year	(11,076)	(9,299)
Other recognised gains and losses during the year	2,543	(4,757)
Share based charge for the year	(87)	67
Charge made by parent company on exercise of share options	-	(78)
Closing shareholders' funds	184,143	192,763

19. SHARE-BASED PAYMENT

The company participates in the Stanley Black & Decker Inc. stock option plan for its employees as part of its employee remuneration package for senior employees.

Stock Option Plan: Stock options are granted at fair market value at the date of grant and have a 10 year term. Generally, stock option grants vest rateably over four years from the date of grant.

Restricted stock: Stock options are granted at fair market value at the date of grant and have a 2.5 / 3 year term depending on the option criteria. The stock will be issued on achievement of pre-set performance of key company performance indicators over the target 2.5 / 3 year plan.

Total expense recognised for employee services received during the year is shown in the following table:

	2014 £'000	2013 £'000
Equity-settled expense	(87)	67

19. SHARE-BASED PAYMENT (continued)

Movement in the year

Stock Option plan

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	2014 No.	2014 WAEP	2013 No.	2013 WAEP
Outstanding at start of year	**18,407**	**$68.82**	19,057	$67.49
Granted during the year	**-**	**-**	1,250	$79.70
Exercised during the year	**(1,573)**	**$68.19**(1)	(1,900)	$62.63(2)
Forfeited during the year	**(3,126)**	**$72.39**	-	-
Cancelled during the year	**(11,638)**	**$67.80**	-	-
Outstanding at year end	**2,070**	**$69.60**	18,407	$68.82
Exercisable at year end	**2,070**	**$69.60**	15,281	$68.09

(1) - The weighted average share price at the date of exercise for options exercised is $68.19.
(2) - The weighted average share price at the date of exercise for options exercised is $62.63.

Restricted stock

	2014 No.	2014 WAEP	2013 No.	2013 WAEP
Outstanding at start of year	**984**	**$67.35**	939	$60.86
Granted during the year	**-**	**-**	357	$74.73
Exercised during the year	**-**	**-**	(312)	$62.26
Forfeited during the year	**(984)**	**$67.35**	-	-
Outstanding at year end	**-**	**-**	984	$67.35
Exerciseable at year end	**-**	**-**	-	-

The following table lists the inputs to the model for the plan for the years ended 3 January 2015 and 28 December 2013:

	2014	2013
Dividend yield (%)	**2.19**	2.51
Expected volatility (%)	**27.00**	35.00
Risk-free interest rate (%)	**1.80**	1.62
Expected life of share options (years)	**5.25**	5.25
Weighted average share price ($)	**19.98**	20.70
Model used	**Black-Scholes**	Black-Scholes

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumptions that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

20. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions in Financial Reporting Standard No. 8 not to disclose related party transactions with wholly owned group undertakings as the ultimate parent undertaking publishes consolidated financial statements.

The directors consider the ultimate controlling party to be Stanley Black & Decker Inc.

21. ULTIMATE PARENT COMPANY

The immediate parent company is Black & Decker Europe, a company incorporated in the United Kingdom. The ultimate parent company is Stanley Black and 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

22. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 25 September 2015.