

Registered number: 01518375

# **BANDHART**

## **STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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**COMPANY INFORMATION**

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<b>Directors</b>	A Sood M Smiley S Costello
<b>Company secretary</b>	Mitre Secretaries Limited
<b>Registered number</b>	01518375
<b>Registered office</b>	3 Europa Court Sheffield Business Park Sheffield S9 1XE
<b>Auditors</b>	Ernst & Young LLP Statutory Auditor 1 Bridgewater Place Water Lane Leeds LS11 5QR

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**BANDHART**

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## BANDHART

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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#### **Business review**

The company is an intermediate investment holding company that owns a number of Stanley Black & Decker holding and trading companies in the UK.

The company's loss before tax for the year of £14,075,000 (2020: loss £53,936,000) is largely due to the impairment of investments of £14,065,000 (2020: £54,065,000).

The company paid a dividend to Stanley Black & Decker UK Group Limited of £6,047,000 during the year.

#### **Principal risks and uncertainties**

The principal risks and uncertainties facing the company arise from the holding of financial instruments, which can be subject to liquidity, refinancing and interest rate risk. These are described in further detail below. The directors' consideration of the risks and uncertainties in this respect are outlined below.

The company holds financial instruments with other group undertakings in order to earn interest to finance the company. The company loans and borrows principally in pound sterling at floating rates.

##### *Credit risk*

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

##### *Market and interest rate risk*

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

##### *Liquidity and refinancing risk*

The company's objective is to produce continuity of funding at a reasonable cost. The company uses its existing finances and intra-group loans payable to support this objective.

##### *Investments*

A subsidiary's long term inability to pay dividends, or decline in performance, may result in an impairment of the Company's investment in that subsidiary, which will have a direct impact on the Company's results in the year and net assets going forwards.

#### **Financial key performance indicators**

The key performance indicator for the business is net interest £14,000 payable (2020: £130,000 receivable).

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Directors' statement of compliance with duty to promote the success of the company**

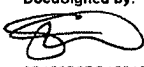
This statement by the Board of Directors describes how they have approached their responsibilities under S172 (1) (a) to (f) of the Companies Act 2006 in the financial period ending 31 December 2021.

A director of a company must act in the way he/she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole whilst considering all stakeholders of the company.

As this company is a finance and investment company having no employees, suppliers or customers, the directors believe the company's main stakeholders are its sole shareholder and its ultimate parent (Stanley Black & Decker, Inc.). In turn the company has no trading operations impacting the community and the environment which the directors would need to consider in their directorship duties of this company.

Consequently, the directors are satisfied that all actions taken in the year have been done so to promote the success of the company for the benefit of its members as a whole.

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

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**S Costello**  
Director

Date: 15 December 2022

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**BANDHART**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present their report and the financial statements for the year ended 31 December 2021.

**Principal activity**

The principal activity of the company continued to be that of finance and investment activities within the Stanley Black & Decker group of undertakings.

**Results and dividends**

The loss for the year, after taxation, amounted to £14,075,000 (2020: loss £53,936,000).

During the year the company paid dividends totaling £6,047,000 (2020: £5,931,000).

**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.

**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.

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Going concern**

The company is a member of the Stanley Black & Decker, Inc, group and operates as an intermediate holding company for several subsidiaries. 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 2023 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 2021 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 22 February 2022 and its third quarter results for 2022 on 27 October 2022. 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, that 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.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Post balance sheet events**

On 28 June 2022 the company's ultimate parent company, Stanley Black & Decker, Inc., announced it had signed a definitive agreement for the sale of its Stanley Oil & Gas business to Pipeline Technique Limited, a leading provider of solutions to the energy industry. The transaction completed on 19 August 2022. This transaction led to the disposal of all five subsidiaries held by the company details of which are to be found in note 11. The disposal proceeds agreed upon lead to an impairment of £14,065,000 with regard to these investments. It should be noted that at the date these financial statements were signed, the sale of the Stanley Oil and Gas companies (as noted above) were still in the process of completing final adjustment procedures which include preparing a Final Closing Date Statement. The finalisation of the latter could result in a change to final sales price either prompting further impairment or impairment reversal in the 2022 financial statements.

In February 2022, a number of countries (including the US, UK, and those within the EU) imposed new sanctions against certain entities and individuals with links to Russia. Announcements of potential sanctions have been made following military operations initiated on 24 February 2022. The company and group does not have significant exposure related to the current events in Ukraine, including as a result of the sanctions imposed on Russia by various governments and the European Union.

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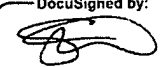
**BANDHART**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

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**S Costello**  
Director

Date: 15 December 2022



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**BANDHART**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- in respect of the company financial statements, state whether applicable UK Accounting Standards, including FRS 102, 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 to 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.

Under applicable laws and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations.

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## **BANDHART**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BANDHART**

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#### **Opinion**

We have audited the financial statements of Bandhart for the year ended 31 December 2021 which comprise the income statement, the Statement of comprehensive income, the Statement of financial position, , the Statement of changes in equity and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period through 31 December 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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## **BANDHART**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BANDHART**

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Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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## BANDHART

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BANDHART

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***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102, and the Companies Act 2006) and compliance with the relevant direct and indirect tax regulation in the United Kingdom. In addition, the Company must comply with laws and regulations relating to its operations, including health and safety, anti-bribery and corruption regulations, environmental and General Data Protection Regulation ("GDPR").
- We understood how Bandhart is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated our understanding through review of Board Minutes, and we understood controls put in place by management to reduce the opportunities for fraudulent transactions as well as the culture of honesty and ethical behaviour.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by communications with management and knowledge of the business from previous audits. We reviewed all the material manual statutory adjustments required and considered the nature of these transactions. For those that we did not consider to be in the normal course of business and are not of a trivial value we obtained evidence to support the validity of such adjustments including third-party documentation where available. Finally, we have assessed management's calculation of each entities value in use which is part of investment impairment review. We have then tested the assessments involved in either the recoverable amount of assets or discounted cashflow models, through corroborating evidence and challenging assumptions used.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved review of all manual journals and detailed testing over the investment impairment. The results of our procedures did not identify any instances of non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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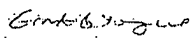
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BANDHART**

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**Use of our report**

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.

DocuSigned by:  
  
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Eddie Diamond (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Leeds

15 December 2022

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**BANDHART**

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**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	Note	2021 £000	2020 £000
Administrative expenses		4	(1)
Amounts written off investments	11	(14,065)	(54,065)
Interest receivable and similar income	7	-	274
Interest payable and similar charges	8	(14)	(144)
<b>Loss on ordinary activities before taxation</b>		<b>(14,075)</b>	<b>(53,936)</b>
Taxation on loss on ordinary activities	9	-	-
<b>Loss for the year</b>		<b>(14,075)</b>	<b>(53,936)</b>

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	Note	2021 £000	2020 £000
Loss for the year		(14,075)	(53,936)

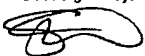
The notes on pages 14 to 22 form part of these financial statements.

**BANDHART**  
**REGISTERED NUMBER: 01518375**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Investments	11	12,254	26,319
		<u>12,254</u>	<u>26,319</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	79,985	86,034
		<u>79,985</u>	<u>86,034</u>
Creditors: amounts falling due within one year	13	(34,556)	(34,548)
		<u>(34,556)</u>	<u>(34,548)</u>
<b>Net current assets</b>		<u>45,429</u>	<u>51,486</u>
<b>Total assets less current liabilities</b>		<u>57,683</u>	<u>77,805</u>
<b>Net assets</b>		<u>57,683</u>	<u>77,805</u>
<b>Capital and reserves</b>			
Called up share capital	14	33,438	33,438
Profit and loss account	15	24,245	44,367
		<u>57,683</u>	<u>77,805</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: 15 December 2022

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**BANDHART**

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

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	Called up share capital £000	Profit and loss account £000	Total equity £000
<b>At 1 January 2020</b>	<b>33,438</b>	<b>104,234</b>	<b>137,672</b>
<b>Comprehensive expense for the year</b>			
Loss for the year	-	(53,936)	(53,936)
Dividends: Equity capital	-	(5,931)	(5,931)
<b>At 31 December 2020</b>	<b>33,438</b>	<b>44,367</b>	<b>77,805</b>
<b>Comprehensive expense for the year</b>			
Loss for the year	-	(14,075)	(14,075)
Dividends: Equity capital	-	(6,047)	(6,047)
<b>At 31 December 2021</b>	<b>33,438</b>	<b>24,245</b>	<b>57,683</b>



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## **BANDHART**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **1. General information**

Bandhart is an unlimited liability company incorporated in the United Kingdom. The company's registered office is 3 Europa Court, Sheffield Business Park, Sheffield, S9 1XE, United Kingdom.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The accounts are reported in the functional currency of the company, pounds sterling, and rounded to the nearest thousand.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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).

In accordance with s401 of the Companies Act 2006, the company is exempt from the requirement to prepare and deliver group accounts. Financial information is presented about the company as an individual and not about its group. Details of the ultimate parent undertaking which draws up group accounts are disclosed in note 17.

In line with section 33.1A of FRS 102, disclosures are not given of transactions with fellow wholly owned group companies.

##### **Going concern**

The company is a member of the Stanley Black & Decker, Inc, group and operates as an intermediate holding company for several subsidiaries. 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 2023 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 2021 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 22 February 2022 and its third quarter results for 2022 on 27 October 2022. 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**2. Accounting policies (continued)****2.1 Basis of preparation of financial statements (continued)**

Taking into account the position of the ultimate parent company the directors are of the view, to the best of their current knowledge, that 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.

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

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

- the requirements of Section 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 11.42, 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 1 January 2022 and these financial statements may be obtained from Stanley Black & Decker, Inc., 1000 Stanley Drive, New Britain, CT 06053, United States.

**2.3 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.4 Investment income**

Equity dividends are recognised when they become legally receivable. Interim equity dividends are recognised when received. Final equity dividends are recognised when approved by the shareholders at the annual general meeting. Dividends on shares recognised as assets are recognised as income and classified as income from shares in group undertakings.

**2.5 Taxation**

Tax is recognised in profit or loss 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.

**2.6 Valuation of investments**

The directors undertake a review of the investments held each year. The recoverable amount is estimated based on the fair value less the costs to sell or a value in use calculation. Value in use is based on a discounted cash flow model.

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**BANDHART**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**2. Accounting policies (continued)****2.7 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.8 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.

**2.9 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

In the process of applying the Group's accounting policies management considered there to be no key sources of judgement in preparing these financial statements.

**Estimates and assumptions**

The area where estimates and assumptions are significant to the financial statements is described below. The estimates and associated assumptions are based on historical experience and various other factors which are believed to be reasonable under the circumstances.

*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 higher of (i) fair value less costs to sell, and (ii) value in use of the investments. The directors have considered the impact of the fair value of the investments being materially equal to the post year-end sales price for reasons described in note 11 of the financials. For the discounted cashflow calculations the key assumptions to which the valuation amounts are most sensitive are discount rates and the estimated cash generated from forecast results.

An impairment of £14,065,000 has been charged in the year. It should be noted that at the date of these financial statements were signed, the sale of the Stanley Oil and Gas companies (as noted in the Business Review) were still in the process of completing final adjustment procedures which include preparing a Final Closing date Statement. The finalisation of the latter could result in a change to the final sales price either prompting a further impairment or an impairment reversal in the 2022 financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**4. Auditors remuneration**

Auditors' remuneration for audit services of £16,000 (2020: £4,000) is borne by a fellow undertaking. Remuneration in respect of non-audit services is £1,000 (2020: £3,000).

**5. 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.

**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 £873,000 (2020: £655,000). The qualifying services of non UK directors' were negligible.

During the year retirement benefits were accruing to 3 directors (2020: 3) in respect of defined contribution pension schemes. The highest paid director received remuneration of £485,000 (2020: £354,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,000 (2020: £6,000).

**7. Interest receivable and similar income**

	<b>2021</b>	2020
	<b>£000</b>	£000
Interest receivable from group undertakings	-	274
	<u>-</u>	<u>274</u>
	<u>-</u>	<u>274</u>

**8. Interest payable and similar expenses**

	<b>2021</b>	2020
	<b>£000</b>	£000
Interest payable to group undertakings	14	144
	<u>14</u>	<u>144</u>
	<u>14</u>	<u>144</u>

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**9. Taxation**

There was no tax charge for the year (2020: £Nil).

**Factors affecting the tax charge for the year**

The tax assessed for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	<b>2021 £000</b>	2020 £000
Loss on ordinary activities before tax	<b>(14,075)</b>	(53,936)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	<b>(2,674)</b>	(10,248)
<b>Effects of:</b>		
Non-tax deductible impairment	<b>2,672</b>	10,273
Group relief surrendered for nil consideration	<b>2</b>	(25)
<b>Total tax charge for the year</b>	<b>-</b>	-

**Factors that may affect future tax charges**

The Finance Act 2021 increased the main rate of UK corporation tax to 25% effective from 1 April 2023. This was substantively enacted on 25 May 2021.

**10. Dividends**

	<b>2021 £000</b>	2020 £000
Paid during the year	<b>6,047</b>	5,931
	<b>6,047</b>	5,931

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**11. Fixed asset investments**

	<b>Investments in subsidiary companies £000</b>
<b>Cost or valuation</b>	
At 1 January 2021	<b>80,384</b>
At 31 December 2021	<b>80,384</b>
<b>Impairment</b>	
At 1 January 2021	<b>54,065</b>
Charge for the period	<b>14,065</b>
At 31 December 2021	<b>68,130</b>
<b>Net book value</b>	
At 31 December 2021	<b>12,254</b>
At 31 December 2020	<b>26,319</b>

The directors undertake a review of the investments held each year. The recoverable amount is estimated based on the fair value less the costs to sell or a value in use calculation. Value in use is based on a discounted cash flow model.

The investment carrying value is impaired to the recoverable amount based on the assumptions applied, therefore any change in a key assumption could cause further impairment of the carrying value.

Pipeline Induction Heat Limited, PIH Services Ltd, PIH Holdings Ltd, Universal Inspection Systems Limited, and Societe Miniere et Commerciale SA were sold in a deal which completed on 19 August 2022. These companies were written down to their sale value prior to their disposal. This deal has resulted in these companies being sold for a value lower than their carrying value prompting the directors to consider the valuation of these entities as at 31 December 2021 and the relevant market conditions post year end. On the basis that discussions for the sale were taking place through 2021 and 2022 for the same sales value as per that in the final deal done on 19 August 2022, the directors have concluded that it is appropriate to include these entities at their August 2022 sales value less cost to sell and reflect an impairment in the 2021 financial statements. It should be further noted that at the date these financial statements were signed, the sale of the Stanley Oil and Gas companies (as noted above) were still in the process of completing final adjustment procedures which included preparing a Final Closing Date Statement. The finalisation of the latter could result in a change to final sales price either prompting a further impairment or impairment reversal in the 2022 financial statements.

The directors' review of investments at the year ended 2021 resulted in an impairment of £14,065,000. This is due to an impairment of its subsidiaries in the oil and gas industry.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**11. Fixed asset investments (continued)****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
PIH Holdings Limited	The Pipeline Centre, Farrington Road, Rossendale Road Industrial Estate, Burnley, Lancashire BB11 5SW	Finance and investment activities	Ordinary	100%
Pipeline Induction Heat Limited*	The Pipeline Centre, Farrington Road, Rossendale Road Industrial Estate, Burnley, Lancashire BB11 5SW	Specialist coating services to oil and gas pipeline industry	Ordinary	100%
PIH Services Limited*	The Pipeline Centre, Farrington Road, Rossendale Road Industrial Estate, Burnley, Lancashire BB11 5SW	Holding company	Ordinary	100%
Universal Inspection Systems Limited*	Site G, Tofthills Avenue, Midmill Business Park, Kintore, Inverurie, Scotland. AB51 0QP	Non-destructive testing services	Ordinary	100%
Societe Miniere Commerciale SA*	45/47 Boulevard Paul Vaillant Couturier, 94200 Ivry Sur Seine. France	Sales agent for CRC- Evans group	Ordinary	100%

\* Indirectly held

**12. Debtors**

	<b>2021 £000</b>	<b>2020 £000</b>
Amounts owed by other subsidiary undertakings	<b>79,985</b>	86,034
	<b>79,985</b>	86,034

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**13. Creditors: Amounts falling due within one year**

	<b>2021</b>	2020
	<b>£000</b>	£000
Amounts owed to other subsidiary undertakings	<b>34,556</b>	34,542
Accruals and deferred income	-	6
	<u><b>34,556</b></u>	<u>34,548</u>

**14. Share capital**

	<b>2021</b>	2020
	<b>£000</b>	£000
<b>Allotted, called up and fully paid</b>		
115,010,100 (2020: 115,010,100) Ordinary shares of £0.290736	<b>33,438</b>	33,438
	<u><b>33,438</b></u>	<u>33,438</u>

**15. Reserves****Share premium account**

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

**Profit and loss account**

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

**16. Post balance sheet events**

On 28 June 2022 the company's ultimate parent company, Stanley Black & Decker, Inc., announced it had signed a definitive agreement for the sale of its Stanley Oil & Gas business to Pipeline Technique Limited, a leading provider of solutions to the energy industry. The transaction completed on 19 August 2022. This transaction led to the disposal of all five subsidiaries held by the company details of which are to be found in note 11. The disposal proceeds agreed upon lead to an impairment of £14,065,000 with regard to these investments. It should be noted that at the date these financial statements were signed, the sale of the Stanley Oil and Gas companies (as noted above) were still in the process of completing final adjustment procedures which include preparing a Final Closing Date Statement. The finalisation of the latter could result in a change to final sales price either prompting further impairment or impairment reversal in the 2022 financial statements.

In February 2022, a number of countries (including the US, UK, and those within the EU) imposed new sanctions against certain entities and individuals with links to Russia. Announcements of potential sanctions have been made following military operations initiated on 24 February 2022. The company and group does not have significant exposure related to the current events in Ukraine, including as a result of the sanctions imposed on Russia by various governments and the European Union.



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**17. Controlling party**

The company was a wholly owned subsidiary of Stanley Black & Decker UK Group Limited, a company incorporated in the United Kingdom. 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 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.