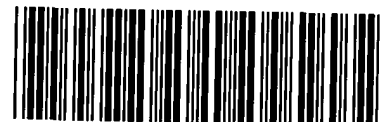


STANLEY UK SERVICES LIMITED

**STRATEGIC REPORT, ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

FRIDAY



A39 *A7FF6FKH* #35
28/09/2018
COMPANIES HOUSE

STANLEY UK SERVICES LIMITED

COMPANY INFORMATION

Directors	A Sood (resigned 9 May 2018) M Smiley E Brennan (appointed 9 May 2018)
Company secretary	S Costello
Registered number	03895529
Registered office	3 Europa Court Sheffield Business Park Europa Link Sheffield South Yorkshire S9 1XE
Independent auditors	Ernst & Young LLP 1 Bridgewater Place Water Lane Leeds LS11 5QR

STANLEY UK SERVICES LIMITED

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 3
Directors' Responsibilities Statement	4
Independent Auditors' Report	5 - 7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 25

STANLEY UK SERVICES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

Business review

Turnover within the period has decreased by 31% (2016: 6%) following a decrease in the level of services required by other group companies.

Principal risks and uncertainties

As the principal activity of the company is to provide services due to other group companies, if the activities in other companies decline, this will have a corresponding impact on the turnover and operating profit of the company.

Interest and Liquidity Risk

Credit risk

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

Liquidity and refinancing risk

The company's exposure to interest rate risk is low and the company does not contract into any financial instruments to manage the effect of movements in interest rates. The company's policy is to maintain sufficient cash and borrowing facilities as required to support the operating activities of the business.

Market and interest rate risk

The company does not use hedging instruments to hedge interest rate risk as the Directors consider that they will be able to renegotiate borrowing and loan portfolios within an acceptable timescale so as to minimise the impact of significant changes in market interest rates.

Going Concern

The company is in a net liabilities position however remains profitable. In addition, the Ultimate parent undertaking has confirmed its intention to provide continued support for at least a year from the date of signing these financial statements. Consequently, the directors have reasonable expectation that the company has adequate resources to continue its operational existence for the foreseeable future and they continue to adopt the going concern basis when preparing the financial statements.

During the year, the company sold majority of its land and buildings. Despite the sale, this does not have any effect on the trading ability of the company going forward.

Key financial performance indicators

The financial key performance indicator is gross profit margin before exceptional items which was £576,000 for the year (2016: £343,000).

This report was approved by the board on 20 September 2018 and signed on its behalf.



E Brennan
Director

STANLEY UK SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present their report and the financial statements for the year ended 31 December 2017.

Principal activity

The company's principal activity during the year continued to be the provision of services to companies within the Stanley Black & Decker group.

Results and dividends

The profit for the year, after taxation, amounted to £4,983,000 (2016 - £136,000).

The directors do not recommend the payment of any dividends (2016: £nil)

Directors

The Directors who served during the year were:

A Sood (resigned 9 May 2018)
M Smiley

Future developments

The directors do not envisage any significant changes in operations of the 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.

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

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

STANLEY UK SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

This report was approved by the board on 20 September 2018 and signed on its behalf.



E Brennan
Director

STANLEY UK SERVICES LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STANLEY UK SERVICES LIMITED

Opinion

We have audited the financial statements of Stanley UK Services Limited for the year ended 31 December 2017 which comprise Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 23, 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 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 2017 and of its profit 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 below. 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STANLEY UK SERVICES LIMITED - CONTINUED

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.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 4, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STANLEY UK SERVICES LIMITED - CONTINUED

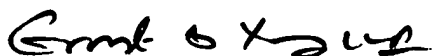
Auditor's responsibilities for the audit of the financial statements

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.

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.

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.



Eddie Diamond (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds
24 September 2018

STANLEY UK SERVICES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £000	2016 £000
Turnover	4	8,545	8,580
Cost of sales		(7,969)	(8,237)
Gross profit		576	343
Exceptional Item : Gain on sale of land & building		4,255	-
Operating profit	5	4,831	343
Interest payable and expenses	9	(100)	(166)
Profit before tax		4,731	177
Tax on profit	10	252	(41)
Profit for the financial year		4,983	136
Other comprehensive income for the year			
Share based payment charge for the year		(128)	-
Other comprehensive income for the year		(128)	-
Total comprehensive income for the year		4,855	136

STANLEY UK SERVICES LIMITED
REGISTERED NUMBER:03895529

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £000	2016 £000
Tangible assets	12	286	9,397
Investments	13	4,561	4,561
		<u>4,847</u>	<u>13,958</u>
Current assets			
Debtors: amounts falling due within one year	14	44,172	43,662
		<u>44,172</u>	<u>43,662</u>
Creditors: amounts falling due within one year	15	(57,380)	(70,836)
Net current liabilities		<u>(13,208)</u>	<u>(27,174)</u>
Net liabilities		<u>(8,361)</u>	<u>(13,216)</u>
Capital and reserves			
Share premium account	18	27,200	27,200
Other reserves	18	228	356
Profit and loss account	18	(35,789)	(40,772)
		<u>(8,361)</u>	<u>(13,216)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 September 2018.



E Brennan
Director

STANLEY UK SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Share premium account £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 January 2017	27,200	356	(40,772)	(13,216)
Comprehensive income for the year				
Profit for the year	-	-	4,983	4,983
Share based payment charge for the year	-	(128)	-	(128)
Total comprehensive income for the year	-	(128)	4,983	4,855
At 31 December 2017	27,200	228	(35,789)	(8,361)

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

	Share premium account £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 January 2016	27,200	315	(40,908)	(13,393)
Comprehensive income for the year				
Profit for the year	-	-	136	136
Total comprehensive income for the year	-	-	136	136
Share based payment charge for the year	-	41	-	41
At 31 December 2016	27,200	356	(40,772)	(13,216)

The notes on pages 11 to 25 form part of these financial statements.

STANLEY UK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

Stanley UK Services Limited is a Private Limited by shares company incorporated and domiciled in England and Wales. The registered office is 3 Europa Court, Sheffield Business Park, Sheffield, S9 1XE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared in sterling which is the functional and presentational currency of the company and is 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).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- 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 30 December 2017 and these financial statements may be obtained from Stanley Black & Decker, Inc., 1000 Stanley Drive, New Britain, CT 06053, United States.

2.3 Going concern

The company is in a net liabilities position however remains profitable. The Ultimate parent undertaking has confirmed its intention to provide continued support for at least a year from the date of signing these financial statements. Consequently, the directors have reasonable expectation that the company has adequate resources to continue its operational existence for the foreseeable future.

During the year, the company sold majority of its land and buildings. Despite the sale, this does not have any effect on the trading ability of the company going forward.

STANLEY UK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold buildings	- 3%
Plant & machinery	- 10 - 25%
Motor vehicles	- 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

STANLEY UK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.7 Operating leases: Lessee

Rentals paid under operating leases are charged to the Income statement on a straight line basis over the lease term.

2.8 Valuation of investments

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

2.9 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.

2.10 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.

2.11 Share based payments

The company participates in a share option plan as part of a remuneration package for senior employees. Senior employees are awarded two types of share option, restricted options which grant the recipient shares in the ultimate parent company and non-qualified options which allow the recipient to either buy shares or sell their options and receive a cash benefit. In both scenarios the company incurs a cost for these options by way of a charge from its ultimate parent. The company does not issue any of its own shares. Consequently, the company accrues a liability on the balance sheet for any options issued but not yet exercised based on the fair value of the options and recognises a cost in its profit and loss on an accruals basis over the period which the options are earned.

STANLEY UK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.12 Pension

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

The company participates in a funded group defined benefit scheme which closed to new entrants on 1 July 2004 and closed for new contributions from 31 December 2010. It is not possible to identify the company's share of assets and liabilities in the scheme on a consistent and reasonable basis. Therefore, in accordance with FRS 102 Section 28.38 (group plans), the company accounts for the scheme as if it were a defined contribution scheme.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 balance sheet 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 Balance Sheet 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 balance sheet date.

2.14 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

STANLEY UK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect amounts reported for assets and liabilities as at the balance sheet 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. The impairment or Impairment reversal is calculated internally using a valuation technique based on the discounted cash flow model as there is a lack of comparable market data because of the nature of the investment.

Taxation

Management estimation is required to determine the amount of deferred tax asset that can be recognised, based upon likely timing and the level of future taxable profits together with an assessment of the effects of future tax planning strategies.

4. Turnover

	2017 £000	2016 £000
Rendering of services to other group companies	8,545	8,580
	<u>8,545</u>	<u>8,580</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets	441	487
Operating lease expenses	47	127
Exchange differences	2	4
	<u>2</u>	<u>4</u>

STANLEY UK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

6. Auditors' remuneration

	2017 £000	2016 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	28	19
Fees payable to the Company's auditor and its associates in respect of:		
Other services relating to taxation	21	17

7. Employees

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	3,128	3,269
Social security costs	471	377
Cost of defined contribution scheme	204	221
	3,803	3,867

The average monthly number of employees, including the Directors, during the year was as follows:

2017 No.	2016 No.
49	51

STANLEY UK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

8. Directors' remuneration

Directors' remuneration was paid by fellow group companies as the Directors of the company are also directors of other group undertakings.

Although they carried out qualifying services for each company, the Directors do not believe that it is practical to apportion their remuneration between companies.

Aggregate emoluments in respect of qualifying services for the year were £497,000 (2016 - £625,000).

During the year retirement benefits were accruing to 2 directors (2016 - 3) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £343,000 (2016 - £228,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £19,000 (2016 - £16,000).

9. Interest payable and similar charges

	2017 £000	2016 £000
Bank interest payable	100	166
	<u>100</u>	<u>166</u>

10. Taxation

	2017 £000	2016 £000
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(278)	32
Adjustment in respect of prior periods	26	9
Total deferred tax	<u>(252)</u>	<u>41</u>
Taxation on (loss)/profit on ordinary activities	<u>(252)</u>	<u>41</u>

STANLEY UK SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities before tax	4,731	177
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	911	35
Effects of:		
Expenses not deductible for tax purposes, other than impairment	71	76
Non-taxable - profit on disposal of non-qualifying assets	(1,167)	-
Adjustments to tax charge in respect of prior periods	25	9
Share based payments	(165)	2
Changes in taxation rates	37	31
Group relief	36	(112)
Total tax charge/(credit) for the year	(252)	41

Factors that may affect future tax charges

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

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

Deferred tax has been provided at 17% being the rate at which the temporary differences were expected to reverse as at the Balance Sheet date.

11. Exceptional items

	2017 £000	2016 £000
Profit on sale of land & building	(4,255)	-
	(4,255)	-

STANLEY UK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

12. Tangible fixed assets

	Freehold property £000	Plant & machinery £000	Motor vehicles £000	Construction in progress £000	Total £000
Cost or valuation					
At 1 January 2017	11,676	2,490	227	58	14,451
Additions	52	74	-	37	163
Transfers intra group	-	(2)	-	(45)	(47)
Disposals	(11,307)	(1,805)	(86)	-	(13,198)
Transfers between classes	-	9	-	(9)	-
At 31 December 2017	421	766	141	41	1,369
Depreciation					
At 1 January 2017	2,601	2,291	162	-	5,054
Charge for the year on owned assets	331	110	-	-	441
Transfers intra group	-	(2)	-	-	(2)
Disposals	(2,658)	(1,690)	(62)	-	(4,410)
At 31 December 2017	274	709	100	-	1,083
Net book value					
At 31 December 2017	147	57	41	41	286
At 31 December 2016	9,075	199	65	58	9,397

STANLEY UK SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

13. Fixed asset investments

	Shares in subsidiary undertakings £000
Cost or valuation	
At 1 January 2017	57,001
At 31 December 2017	<u>57,001</u>
Impairment	
At 1 January 2017	52,440
At 31 December 2017	<u>52,440</u>
Net book value	
At 31 December 2017	<u><u>4,561</u></u>
At 31 December 2016	<u><u>4,561</u></u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
The Stanley Works Limited	£1 ordinary share	100 %	Tool Manufacturer
Stanley Black & Decker Pension Trustees Limited	£1 ordinary share	100 %	Dormant
Acmetrack Limited*	£1 ordinary share	100 %	Dormant

* Indirectly held

Name	Registered office
The Stanley Works Limited	3 Europa Court, Sheffield Business Park, Sheffield, S9 1XE
Stanley Black & Decker Pension Trustees Limited	3 Europa Court, Sheffield Business Park, Sheffield, S9 1XE
Acmetrack Limited*	3 Europa Court, Sheffield Business Park, Sheffield, S9 1XE

STANLEY UK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

14. Debtors

	2017 £000	2016 £000
Trade debtors	-	263
Amounts owed by group undertakings	42,736	42,587
Other debtors	-	112
Prepayments and accrued income	648	164
Deferred taxation	788	536
	<u>44,172</u>	<u>43,662</u>

15. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	618	802
Amounts owed to group undertakings	52,574	69,299
Taxation and social security	2,770	-
Other creditors	514	193
Accruals and deferred income	904	542
	<u>57,380</u>	<u>70,836</u>

STANLEY UK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

16. Deferred taxation

	2017 £000	2016 £000
At beginning of year	536	577
Charged to profit or loss	252	(41)
At end of year	788	536

The deferred tax asset is made up as follows:

	2017 £000	2016 £000
Accelerated capital allowances	678	478
Other timing differences	110	58
	788	536

17. Share capital

	2017 £000	2016 £000
Allotted, called up and fully paid		
3 Ordinary shares shares of £1 each	-	-

For all shares issued, subject to the articles, without prejudice to the rights attached to any existing shareholder, such rights or restrictions as may be determined by ordinary resolution.

18. Reserves

Share premium account

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

Other reserves

This relates to the Share based payment reserve made up of SAYE and unapproved share schemes

Profit & loss account

The profit & loss account includes all current and prior period retained profit and losses.

STANLEY UK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

19. Share based payments

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 4 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 4 year plan.

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.

The amount credited to the Income statement account was £192,883 (2016: £91,211 charge). The amounts charged to Equity was £227,567 (2016: £41,582 credit).

20. Pension commitments

The company participates in a funded group defined benefit scheme which closed to new entrants on 1 July 2004 and closed for new contributions from 31 December 2010. It is not possible to identify the company's share of assets and liabilities in the scheme on a consistent and reasonable basis. Therefore, in accordance with FRS 102 Section 28.38 (group plans), the company accounts for the scheme as if it were a defined contribution scheme. The group funded defined benefit pension contribution for the year amounted to £246,666 (2016: £333,000).

Full disclosure in relation to the defined benefit pension scheme can be found in the accounts of the most significant participant, The Stanley Works Limited. The valuation of the group defined benefit scheme shows a deficit of £18,600,000 (2016 deficit £21,600,000). The valuation used has been based on the most recent actuarial valuation at 1 January 2015 and updated at 31 December 2017 for the purposes of Section 28 of FRS 102 accounting and disclosure in the 2016 accounts. Scheme assets are stated at their market value at the respective year end dates. Liabilities and service cost are computed using the projected unit cost method.

The company also operates a defined contribution scheme which is open to all eligible employees to join. The defined contribution pension charge for the year amounts to £204,000 (2016: £221,000) of which £Nil (2016: £Nil) is included in accruals at year end.

STANLEY UK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

21. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £000	2016 £000
Land and Buildings		
Not later than 1 year	-	27
Total	-	27
	2017 £000	2016 £000
Motor Vehicles		
Not later than 1 year	45	51
Later than 1 year and not later than 5 years	-	45
Total	45	96

22. Related party transactions

During the year the company entered into transactions with fellow group companies giving rise to balances outstanding to and from the company. Balances outstanding at 31 December are as follow;

	2017 £000	2016 £000
Amounts owed from parent company	625	625
Amounts owed from group undertaking	42,111	46,286
Amounts owed to parent company	26,500	43,577
Amounts owed to group undertaking	26,074	29,897

STANLEY UK SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

23. Controlling party

The company is a wholly owned subsidiary of Stanley U.K. Holding 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 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