

Black & Decker Pension Trustee Limited

REPORT AND ACCOUNTS

5 APRIL 2003



DIRECTORS

H. de Kort (Chairman – appointed 1 November 2002)
J A Gibson (resigned 31 October 2002))
J Allison
A Bell
S Blenkinsop
I E Bowie
W G Bruner
R Grimwood
J Kennell
C M Mason
G Priest
M C Roop

ALTERNATIVE DIRECTORS

Ray Brissca
Charles Kronsberg

SECRETARY

Capita Hartshead Limited

REGISTERED OFFICE

210 Bath Road
Slough
Berkshire
SL1 3YD

REGISTERED NUMBER

Registered in England: 2536500

AUDITORS

Ernst & Young LLP
Cloth Hall Court
14 King Street
Leeds
LS1 2JN

The Directors present their Report and Accounts for the year ended 5 April 2003.

ACTIVITIES

The Company acts as the sole corporate trustee for the Black & Decker 1995 Pension Scheme.

RESULTS

No profit and loss account has been prepared as no income was received or costs incurred during the year except in the Company's capacity as a corporate trustee. No dividends are proposed.

DIRECTORS

The Directors of the Company who served during the year are listed on page 1.

DIRECTORS' INTERESTS

The Directors have no beneficial interest in the shares of the Company or any other Black & Decker UK group company.

The Company has not entered into any contract or arrangement during the period in which any Director has had an interest.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the year. In preparing those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

SECRETARY

The Secretary of the Company is Capita Hartshead Limited.

AUDITORS

Ernst & Young LLP have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the forthcoming Annual General Meeting.

By order of the Board

A handwritten signature in black ink, appearing to read 'M. Boulton', with a horizontal line underneath the name.

M W Boulton
For and on behalf of Capita Hartshead Limited
Company Secretary

6 September 2003

REPORT OF THE AUDITORS

We have audited the company's financial statements for the year ended 5 April 2003 which comprise the Balance Sheet, and the related notes 1 to 4. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 the Directors and Auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you to our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

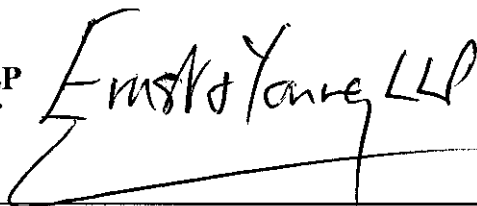
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 5 April 2003 and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Registered Auditor
Leeds



2003

Black & Decker Pension Trustee Limited

BALANCE SHEET

at 5 April 2003

	<i>Note</i>	2003 £	2002 £
CURRENT ASSETS			
Cash at bank		100	100
		<u> </u>	<u> </u>
CAPITAL			
Called up share capital	3	100	100
		<u> </u>	<u> </u>

Approved by the Board on 6 September 2003

H. de Kort

I E Bowie

} Directors

The notes on page 6 form part of these accounts.

Black & Decker Pension Trustee Limited

NOTES TO THE ACCOUNTS

at 5 April 2003

1 ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with approved auditing standards.

Format of accounts

No profit and loss account has been prepared as the Company's sole activity is that of acting as the corporate trustee of the Black & Decker 1995 Pension Scheme. No income has been received beneficially from this activity. Any costs incurred from acting as trustee have been borne by a fellow subsidiary undertaking.

2 INVESTMENTS

The following investments are held by the company.

	<i>2003</i>	<i>Number of</i>	<i>2002</i>	<i>Number of</i>
	<i>Nominal value</i>	<i>shares</i>	<i>Nominal value</i>	<i>shares</i>
	£		£	
USMCI Pensions Property Trust Ltd	3	3	3	3

The value of the investments have been written off.

3 CALLED UP SHARE CAPITAL

	<i>2003</i>	<i>2002</i>
Authorised, allotted, called up and fully paid 100 ordinary shares of £1 each	£100	£100

4 ULTIMATE PARENT COMPANY

The ultimate parent undertaking is The Black & Decker Corporation, a company incorporated in the United States of America. The accounts of the Company are consolidated within those of the immediate parent undertaking, Black & Decker International, a company registered in England.

Copies of The Black & Decker Corporation accounts can be obtained from The Black & Decker Corporation, 701 East Joppa Road, Towson, Maryland 21286, USA.