

Company Number: 212802

**BAE SYSTEMS PENSION FUNDS**  
**INVESTMENT MANAGEMENT LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**5th April 2009**

TUESDAY



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**BAE SYSTEMS PENSION FUNDS INVESTMENT MANAGEMENT LIMITED**

**DIRECTORS' REPORT**

The Directors present their report for the year ended 5<sup>th</sup> April 2009.

**Activities**

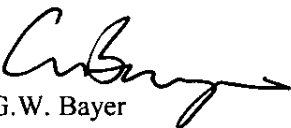
The Company is the appointed investment manager of the invested assets of BAE Systems plc's occupational pensions schemes. The Company is regulated by the Financial Services Authority following the enactment of the Financial Services and Markets Act 2000.

**Directors**

The Directors of the Company during the year were:

Mr. D. Brief  
Mr. S.R. Burley  
Mr. G.W. Rose

BY ORDER OF THE BOARD

  
G.W. Bayer  
Secretary

Date: 21/7/ 2009

Warwick House  
P.O. Box 87  
Farnborough Aerospace Centre,  
Farnborough,  
Hants.  
GU14 6YU

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BAE SYSTEMS PENSION FUNDS INVESTMENT MANAGEMENT LIMITED**

We have audited the financial statements of BAE Systems Pension Funds Investment Management Limited for the year ended 5 April 2009 set out on pages 5 to 7. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 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 directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 5 April 2009 and of the results for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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



Kevin Clark (Engagement Partner)  
for and on behalf of KPMG Audit Plc, Statutory Auditor  
Chartered Accountants  
One Canada Square  
London  
E14 5AG

22 JULY 2009

**BAE SYSTEMS PENSION FUNDS INVESTMENT MANAGEMENT LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 5th April 2009**

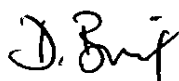
The Company has not traded during the accounting period, has received no income and incurred no expenditure, and consequently has made neither a profit nor a loss. A profit and loss account has therefore not been prepared.

**BAE SYSTEMS PENSION FUNDS INVESTMENT MANAGEMENT LIMITED**

**BALANCE SHEET AS AT 5th April 2009**

	5th April 2009 £	5th April 2008 £
Amounts owed by group companies (Note 4)	<u>15,166,941</u>	<u>15,166,941</u>
Financed by:		
CAPITAL AND RESERVES		
Called up Share Capital		
Authorised, issued and fully paid: 5,015,000 Ordinary Shares of £1 each	5,015,000	5,015,000
Share Premium Account	1,302,104	1,302,104
Capital Redemption Reserve	2,699,235	2,699,235
Profit and Loss Account	<u>6,150,602</u>	<u>6,150,602</u>
	<u>15,166,941</u>	<u>15,166,941</u>

These financial statements were approved by the Board of Directors on 21/7/2009.



D. Brief  
Director

The notes on page 7 form part of these financial statements.

## **BAE SYSTEMS PENSION FUNDS INVESTMENT MANAGEMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

1. **Accounting Policies**

These financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

2. **Ultimate Holding Company**

The ultimate holding company is BAE Systems plc, a company incorporated in Great Britain, and registered in England and Wales. This is the only company which consolidates the Company's financial statements into its financial statements. Copies of the Annual Report and Accounts of BAE Systems plc can be obtained from the Company Secretary, 6 Carlton Gardens, London, SW1Y 5AD.

3. **Directors' Emoluments**

No Director received any emoluments from the Company during the year.

4. **Amount Owed by Group Companies**

The amount owed by group companies is in respect of a loan to BAE Systems plc. The loan bears no interest and is repayable on demand.

5. **Contingent Liabilities**

There were no contingent liabilities at the balance sheet date.