

Company Number: 753964

BAE SYSTEMS PENSION FUNDS TRUSTEES LIMITED

(formerly British Aerospace Pension Funds Trustees Limited)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2000



BAE SYSTEMS PENSION FUNDS TRUSTEES LIMITED

(formerly British Aerospace Pension Funds Trustees Limited)

REPORT OF THE DIRECTORS

The Directors present their report for the year ended 31st December 2000.

Activities

The Company changed its name from British Aerospace Pension Funds Trustees Limited on the 23rd February 2000. The Company has not traded on its own account during the year.

On 30th March 1979, the Company was appointed Trustee of the BAE SYSTEMS Pension Scheme and since then it has acted in that capacity.

Directors

The Directors of the Company during the year and at the date of this report were as follows:

Holding Office under Article 79(A)(i):

Mr. B.J. Culshaw	(appointed 17 th May 2000)
Mr. M.S. Ball	(appointed 10 th September 2001)
Mr. A.E. Dean	(resigned 29 th February 2000)
Mr. A.E. Dudman	
Mr. D. Goodenough	
Mr. F. Hilton	(resigned 9 th February 2000)
Mr. J. Keeble	
Mr. B.P. Pemberton	(resigned 30 th April 2001)
Mr. T. Royle	
Mr. D.V. Tipping	(appointed 22 nd February 2000)

Holding Office under Article 79(A)(ii):

Mr. C.R. Dickson	
Mr. G.R. Griffiths	(appointed 17 th May 2000)
Mr. R.W. Hawsworth	(resigned 19 th April 2001)
Mr. N.R. Hubbard	(appointed 21 st February 2001)
Mr. T.K. Morgan	
Mr. P. Riley	
Mr. D. Reeh	(appointed 17 th May 2001)
Miss H.J. Turner	(resigned 31 st December 2000)
Mr. R.J. Wilson	(resigned 18 th July 2001)

Mr. D.V. Tipping was appointed to the Board of Directors on the 22nd February 2000 and Messrs B.J. Culshaw and G.R. Griffiths on the 17th May 2000. Mr. N.R. Hubbard was appointed on the 21st February 2001, Mr. D. Reeh on the 17th May 2001 and Mr M.S. Ball on the 10th September 2001. Mr. A.E. Dean resigned on the 29th February 2000, Mr. F. Hilton resigned on the 9th February 2000, and Miss H.J. Turner resigned on the 31st December 2000. Mr. R.W. Hawksworth resigned on the 19th April 2001, Mr. B.P. Pemberton resigned on the 30th April 2001 and Mr R. J. Wilson resigned on the 18th July 2001. None of the Directors are due to retire from the Board under the provisions of the Company's Articles of Association.

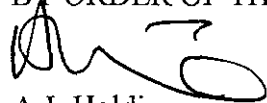
None of the Directors has (or has had) any beneficial interest in the share capital of the Company, (or any subsidiary company of the BAE SYSTEMS group of companies). The Directors who held office at the end of the year had the following interests in the share capital of the Company's ultimate holding company, BAE SYSTEMS plc:

Directors	Ord. Shares of 2.5p		Share Options			
	1.1.00*	31.12.00	1.1.00*	Exercised	Granted	31.12.00
B.J. Culshaw	241	241	-	-	-	-
C.R. Dickson	22,632	19,891	75,711	20,008	19,854	75,557
A.E. Dudman	15,710	15,710	-	-	-	-
D. Goodenough	153	241	-	-	-	-
G.R. Griffiths	-	-	29,986	-	-	29,986
R.W. Hawksworth	53,733	74,215	54,846	2,348	-	52,498
J. Keeble	-	-	-	-	-	-
T.K. Morgan	47,058	105,688	127,131	-	-	127,131
B.P. Pemberton	153	241	924	924	-	-
P. Riley	62,361	68,403	8,003	2,696	633	5,940
T. Royle	7	26	7,848	2,000	392	6,240
D.V. Tipping	153	241	-	-	-	-
H.J. Turner	153	724	26,753	4,200	633	23,186
R.J. Wilson	23,844	30,305	165,115	1,616	316	163,815

* or later date of appointment

Director	Restricted Share Plan Matching Shares		Conditional Awards of Shares under BAE SYSTEMS Performance Share Plan			
	1.1.00	31.12.00	1.1.00	Exercised/ Lapsed	Granted	31.12.00
T. K. Morgan	11,694	53,112	101,286	24,031	45,509	122,764
R. W. Hawksworth	9,794	18,686	106,872	17,052	39,138	128,958
R.J. Wilson	-	2,237	-	-	19,490	19,490

BY ORDER OF THE BOARD



A-L Holding
Secretary

10th September 2001

BAE SYSTEMS PENSION FUNDS TRUSTEES LIMITED

(formerly British Aerospace Pension Funds Trustees Limited)

BALANCE SHEET AS AT 31ST DECEMBER 2000

	<u>2000</u>	<u>1999</u>
	£	£
Amount owed by group companies (Note 3)	1,000	1,000
	_____	_____
Financed by:		
Ordinary Share Capital		
Authorised, issued and fully paid:		
Ordinary Shares of £1 each	1,000	1,000
	_____	_____

- (a) For the year ended 31st December 2000 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.
- (b) Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.
- (c) The directors acknowledge their responsibility for:
- ensuring the company keeps accounting records which comply with section 221; and
 - preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These accounts were approved by the Board of Directors on 10th September 2001 and were signed on its behalf by:


T.K. Morgan
Director

The notes on page 5 form part of these accounts.

BAE SYSTEMS PENSION FUNDS TRUSTEES LIMITED

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NOTES TO THE ACCOUNTS

1. Profit and Loss Account

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.

2. Directors' Emoluments

No Director received any emoluments from the Company during the year (1999: £nil).

3. 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.

4. Ultimate Holding Company

The ultimate holding company is BAE SYSTEMS plc, a company incorporated in Great Britain, and registered in England and Wales. Copies of the group accounts of BAE SYSTEMS plc, the largest and smallest group in which the results of the company are consolidated, can be obtained from Warwick House, Farnborough Aerospace Centre, Farnborough, Hants, GU14 6YU.