

Company Number: 753964

**BAE SYSTEMS PENSION FUNDS TRUSTEES LIMITED**

**ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31ST DECEMBER 2004**



**BAE SYSTEMS PENSION FUNDS TRUSTEES LIMITED**

**REPORT OF THE DIRECTORS**

The Directors present their report for the year ended 31st December 2004.

Activities

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. M.S. Ball	
Mr. B.J. Culshaw	
Mr. D. Goodenough	(resigned 31 <sup>st</sup> August 2004)
Mr. B.P. Hart	
Mr. C.J. Sheehan	(appointed 26 <sup>th</sup> February 2004)
Mr. T. Royle	
Mr. J. E. Walsh	(appointed 16 <sup>th</sup> September 2004)

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

Mr. A.E.A. Dudman	(resigned 31 <sup>st</sup> December 2004)
Mr. D.P. Moakes	(appointed 1 <sup>st</sup> January 2005)

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

Mr. C.R. Dickson	(resigned 31 <sup>st</sup> December 2004)
Mr. R.C.M. Fisher	
Mr. A.J. Gallagher	
Mr. G.R. Griffiths	
Mr. I.G. King	
Mr. N.R. Hubbard	
Mr. J. Turner	(appointed 1 <sup>st</sup> January 2005)
Mr. D. Reeh	(resigned 31 <sup>st</sup> December 2004)
Miss L.S. Wallwork	(appointed 1 <sup>st</sup> January 2005)

Mr. C.J. Sheehan was appointed to the Board of Directors on the 26<sup>th</sup> February 2004. Mr J.E. Walsh

was appointed to the Board of Directors on the 16<sup>th</sup> September 2004. Mr. D.P. Moakes, Mr. J. Turner and Miss L.S. Wallwork were appointed to the Board of Directors on the 1<sup>st</sup> January 2005. Mr. D. Goodenough resigned from the Board of Directors on the 31<sup>st</sup> August 2004. Messrs A.E.A. Dudman, C.R. Dickson and D. Reeh resigned on the 31<sup>st</sup> December 2004.

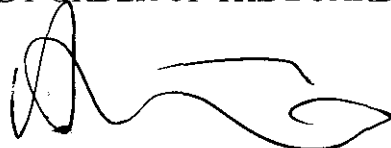
None of the Directors has (or has had) any beneficial interest in the share capital of the Company, (or any subsidiary company of the BAE SYSTEMS group of companies). The Directors who held office at the end of the year had the following interests in the share capital of the Company's ultimate holding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

Directors	Ord. Shares of 2.5p		Share Options			
	1.1.04*	31.12.04	1.1.04*	Exercised/ Lapsed	Granted	31.12.04
M.S. Ball	152	152	-	-	-	-
B.J. Culshaw	241	241	-	-	-	-
C.R. Dickson	19,637	20,863	185,285	1,163	34,825	218,947
A.E. Dudman	17,783	18,517	-	-	-	-
R.C.M. Fisher	88	1,587	146,829	1,165	48,854	194,518
A.J. Gallagher	10,241	21,300	194,571	-	44,776	239,347
G.R. Griffiths	-	-	80,548	1,165	754	80,137
B.P. Hart	-	-	1,823	756	435	1,502
N.R. Hubbard	681	3,680	216,073	1,165	49,688	264,596
I.G. King	61,146	106,334	683,230	1,165	272,823	954,888
D. Reeh	2,325	2,325	57,286	-	6,000	63,286
T. Royle	26	26	1,730	1,165	435	1,000
C.J. Sheehan	2,021	1,021	1,663	438	-	1,225
J.E. Walsh	508	508	-	-	-	-

Director	Restricted Share Plan Matching Shares		Conditional Awards of Shares under BAe Performance Share Plan			
	1.1.04*	31.12.04	1.1.04*	Exercised/ Lapsed	Granted	31.12.04
C.R. Dickson	-	-	26,667	-	23,217	49,884
R.C.M. Fisher	-	749	40,552	-	32,280	72,832
A.J. Gallagher	-	5,529	39,066	-	29,852	68,918
N.R. Hubbard	-	1,499	39,244	-	32,836	72,080
I.G. King	35,848	64,167	212,209	-	181,601	393,810
D. Reeh	-	-	4,700	-	4,000	8,700

\* or later date of appointment

BY ORDER OF THE BOARD



A-L Holding  
Secretary

26 May

2005

Warwick House,  
Farnborough Aerospace Centre,  
Farnborough,  
Hants. GU14 6YU

**BAE SYSTEMS PENSION FUNDS TRUSTEES LIMITED**

**BALANCE SHEET AS AT 31ST DECEMBER 2004**

	<u>2004</u>	<u>2003</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 31<sup>st</sup> December 2004 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 26 May 2005 and were signed on its behalf by:

Director



The notes on page 6 form part of these accounts.

**BAE SYSTEMS PENSION FUNDS TRUSTEES LIMITED**

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 (2003: £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 6 Carlton Gardens, London, SW1Y 5AD.