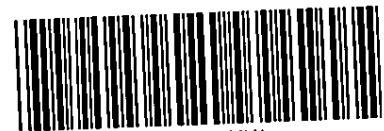


Company Number: 753964

BAE SYSTEMS PENSION FUNDS TRUSTEES LIMITED

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2008**

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Company Number: 753964

BAE SYSTEMS PENSION FUNDS TRUSTEES LIMITED

REPORT OF THE DIRECTORS

The Directors present their report for the year ended 31st December 2008.

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. B.J. Culshaw	
Mr. T. Dillon	(appointed 2 nd October 2008)
Mr. B.P. Hart	
Mr. K.T. Lawton	(resigned 31 st July 2008)
Mr. C.J. Sheehan	
Mr. T. Royle	
Mr. J. E. Walsh	

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

Mr. D.P. Moakes


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

Mr. R.C.M. Fisher	
Mr. A.J. Gallagher	
Mr. G.R. Griffiths	
Mr. I.G. King	(resigned 31 st August 2008)
Mr. N.R. Hubbard	
Mr. R.M. Stewart	(appointed 2 nd October 2008)
Mr. J. Turner	
Miss L.S. Wallwork	

Mr. K.T. Lawton resigned as a director with effect from the 31st July 2008. Mr. I.G. King resigned as a director with effect from the 31st August 2008.

Messrs. T. Dillon and R.M. Stewart were appointed as directors on the 2nd October 2008.

BY ORDER OF THE BOARD

A handwritten signature in black ink, consisting of a large, stylized initial 'A' followed by a long, sweeping horizontal line that ends in a small loop.

A-L Holding
Secretary

19 March 2009

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

Company Number: 753964

BAE SYSTEMS PENSION FUNDS TRUSTEES LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 2008

	<u>2008</u>	<u>2007</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 2008 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:
- i. ensuring the company keeps accounting records which comply with section 221; and
 - ii. 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 19 March 2009 and were signed on its behalf by:



Director

The notes on page 5 form part of these accounts.

Company Number: 753964

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 (2007: £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.