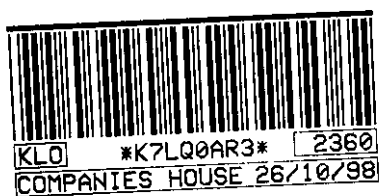


**BT PENSION FUND TRUSTEES LIMITED**

**REPORT AND ACCOUNTS**

**DECEMBER 31, 1997**

**Company Registration No : 2001752**



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**REPORT AND ACCOUNTS**  
**December 31, 1997**

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**Directors**

B R Cook  
A G Buckland  
P R Burke  
S J Dobbie  
N D Harrison  
S J Jefford

**Company Secretary**

I A Pellow

**Registered Office**

1 Appold Street  
Broadgate  
London  
EC2A 2HE

**Auditors**

KPMG Audit Plc  
8 Salisbury Square  
London  
EC4Y 8BB

**Company Registered Number: 2001752**

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**DIRECTORS' REPORT**

The directors submit their report and financial statements for the year ended December 31, 1997.

**Results and dividends**

The Company had neither income nor expense during the year. No dividends were declared or paid during the year. The directors do not recommend the payment of any dividends in respect of 1997 (1996 - Nil).

**Principal activity**

The sole activity of the Company is to act as trustee for the Bankers Trust UK Pension Plan. There has been no significant change in the nature of this activity during the year and the directors do not anticipate any significant changes in the future.

**Directors and their interests**

The directors of the Company during the year were:

B R Cook  
A G Buckland  
P R Burke (appointed July 14, 1998)  
S J Dobbie (appointed July 14, 1998)  
M J Hale (resigned July 14, 1998)  
N D Harrison  
S J Jefford (appointed July 14, 1998)  
K L Sipe (resigned July 14, 1998)

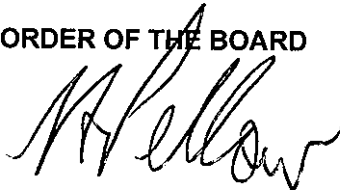
The Company has received no notification that any of the directors has at any time during the year held any beneficial interest in any shares or debentures of the Company or any other group Company.

**Auditors**

Ernst & Young resigned as auditors on June 30, 1997. On July 1, 1997, KPMG Audit Plc were appointed as auditors to the Company.

Pursuant to Section 379A of the Companies Act 1985 the Company has elected (a) to dispense with the holding of Annual General Meetings; (b) to dispense with the appointment of Auditors annually; and (c) to dispense with the laying of Report and Accounts before General Meetings.

**BY ORDER OF THE BOARD**



**COMPANY SECRETARY**

**Date: 21<sup>st</sup> October 1998.**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**in respect of the accounts**

Company law requires the directors to prepare financial statements 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 that period. 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.

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**REPORT OF THE AUDITORS**  
**to the members of BT Pension Fund Trustees Limited**

We have audited the financial statements on pages 5 to 6.

**Respective responsibilities of directors and auditors**

As described on page 3 the Company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with 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 the Company's affairs as at December 31, 1997 and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
London

Date: *22 October 1998*

**BALANCE SHEET**  
at December 31, 1997

	Notes	1997 £	1996 £
<b>CURRENT ASSETS</b>			
Debtors: amount owed by parent undertaking		2	2
<b>NET ASSETS</b>		<u>2</u> ===	<u>2</u> ===
<b>CAPITAL AND RESERVES</b>			
Called up share capital	5	2	2
<b>SHAREHOLDERS' FUNDS</b>	6	<u>2</u> ===	<u>2</u> ===

Approved by the board of directors on 21<sup>st</sup> October 1998.

  
**Director**

The notes on page 6 form part of these accounts.

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**NOTES TO THE ACCOUNTS**  
**at December 31, 1997**


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**1 Accounting policies**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**2 Profit and loss account**

During the financial year and the preceding financial year the Company did not trade and received no income and incurred no expenditure. Consequently, during those years the Company made neither a profit nor a loss.

**3 Directors' emoluments**

No directors' emoluments were paid during the year.

**4 Auditors' remuneration**

The remuneration of the auditors is borne by a fellow subsidiary undertaking.

**5 Called up share capital**

	1997 £	1997 No.	1996 £	1996 No.
Authorised:				
Ordinary shares of £1 each	100 ===	100 ===	100 ===	100 ===
Allotted, called up and nil paid:				
Ordinary shares of £1 each	2 ===	2 ===	2 ===	2 ===

**6 Shareholders' funds**

There has been no movement in shareholders' funds for the years ended December 31, 1997 and December 31, 1996.

**7 Ultimate parent company**

The Company is wholly owned by Bankers Trust Corporation ("BTCorp"), which is incorporated in the United States of America and listed on the New York Stock Exchange. BTCorp is also the largest group for which group accounts are prepared. Copies of the group accounts of BTCorp can be obtained on application to the Company.