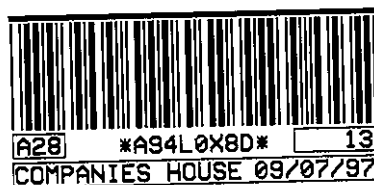


2007/07/97

BT PENSION FUND TRUSTEES LIMITED

REPORT AND ACCOUNTS

DECEMBER 31, 1996



BT PENSION FUND TRUSTEES LIMITED

REPORT AND ACCOUNTS

December 31, 1996

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Directors

B R Cook
N D Harrison
A G Buckland
M J Hale
K L Sipe

Company Secretary

C F Backhouse

Registered Office

1 Appold Street
Broadgate
London
EC2A 2HE

Auditors

Ernst & Young
Rolls House
7 Rolls Buildings
Fetter Lane
London EC4A 1NH

Registered Number

2001752

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended December 31, 1996.

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 1996 (1995 - 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:

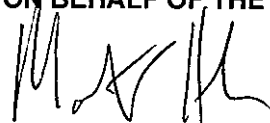
B R Cook
N D Harrison
A G Buckland
M J Hale
K L Sipe

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

A resolution proposing the reappointment of Ernst & Young as auditors will be put to the Annual General Meeting.

ON BEHALF OF THE BOARD



**M J HALE
DIRECTOR**

Date: April 11, 1997

STATEMENT OF DIRECTORS' RESPONSIBILITIES
in respect of the accounts

Company law requires the directors to prepare accounts 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. 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.

REPORT OF THE AUDITORS

to the members of BT Pension Fund Trustees Limited

We have audited the accounts on pages 5 to 6 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at December 31, 1996 and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Ernst & Young
Chartered Accountants
Registered Auditor
London

Date: 11 April 1997

BT PENSION FUND TRUSTEES LIMITED

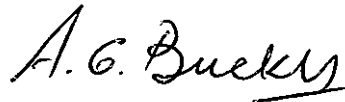
BALANCE SHEET
at December 31, 1996

	1996	1995
	£	£
Current assets		
Amount owed by a fellow subsidiary undertaking	2 ===	2 ===
Share capital		
Authorised:		
100 ordinary shares of £1 each	100 ===	100 ===
Allotted, called up and fully paid:		
2 ordinary shares of £1 each	2 ===	2 ===

Approved by the board of directors on April 11, 1997.



M J Hale
Director



A G Buckland
Director

The notes on page 6 form part of these accounts.

NOTES TO THE ACCOUNTS
at December 31, 1996

1 Accounting Policies

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

2 Profit and Loss Account

The company received no income during the year. All expenses are borne by related companies. Consequently, it has made neither profit nor loss during the year.

3 Directors' Emoluments

The directors received no emoluments for their services to the company during the year (1995 - Nil).

4 Auditors' Remuneration

The remuneration of the auditors is borne by a related company.

5 Shareholders' Funds

There has been no movement in shareholders' funds for the years ended December 31, 1996 and December 31, 1995.

6 Ultimate Parent Company

The ultimate parent company is Bankers Trust New York Corporation, which is incorporated in the United States of America, and is listed on the New York Stock Exchange. Copies of the group accounts of Bankers Trust New York Corporation can be obtained upon application to the company.