

Company Number: 753964

**BRITISH AEROSPACE PENSION FUNDS
TRUSTEES LIMITED**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1997**



**BRITISH AEROSPACE PENSION FUNDS
TRUSTEES LIMITED**

REPORT OF THE DIRECTORS

The Directors present their report for the year ended 31st December 1997.

Activities

The Company has not traded during the year, and was dormant under section 250 of the Companies Act 1985.

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

Directors

The following individuals have been Directors of the Company since 1st January, 1997:

Holding Office under Article 79(A)(i)

Mr. A.E. Dean
Mr. D. Goodenough
Mr. R.H.B. Hart
Mr. F. Hilton
Mr. J. Keeble
Mr. B.P. Pemberton
Mr. T. Royle

Holding Office under Article 79(A)(ii)

Mr. C.R. Dickson	
Mr. D.W. Griffiths	(resigned 4.9.97)
Mr. R.D. Lapthorne	
Mr. T.K. Morgan	(appointed 4.9.97)
Mr. T. Nicholson	
Mr. P. Riley	
Mr. K. Smith	
Miss H.J. Turner	

During 1997 Mr. T.K. Morgan was appointed to the Board of Directors and Mr. D.W. Griffiths resigned. 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 British Aerospace group of companies). The Directors interests in the share capital of the Company's ultimate holding company, British Aerospace Public Limited Company, were as follows:

Directors	Ord. Shares of 10p		Share Options			
	1.1.97*	31.12.97*	1.1.97*	Exercised	Granted	31.12.97*
A.E. Dean	-	-	-	-	-	-
C.R. Dickson	-	416	24359	841	1866	25384
D. Goodenough	-	-	-	-	-	-
R.H.B. Hart	290	-	661	331	191	521
F. Hilton	928	1000	883	612	-	271
J. Keeble	-	-	-	-	-	-
R.D. Lapthorne	225517	209017	108815	25,000	-	83815
T.K. Morgan	2340	13085	83340	-	-	83340
T. Nicholson	1508	3381	56639	739	1416	57316
B.P. Pemberton	-	-	233	-	-	233
P. Riley	14572	15202	2093	458	270	1905
T. Royle	34	1	2654	993	-	1661
K. Smith	-	5271	18813	993	2096	19916
H.J. Turner	-	-	13819	-	529	14348

* or later date of appointment or earlier date of resignation.

Conditional Grants of Shares

Directors	1.1.97*	Granted	31.12.97*
R.D. Lapthorne	22,940	14,851	37,791
T.K. Morgan	14702	-	14702
T. Nicholson	8075	5077	13152
K. Smith	9085	5712	14797

BY ORDER OF THE BOARD



D.S. PARKES
Secretary

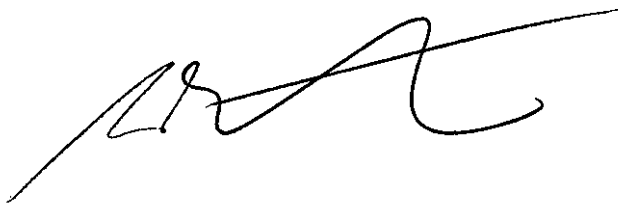
**BRITISH AEROSPACE PENSION FUNDS
TRUSTEES LIMITED**

BALANCE SHEET AS AT 31ST DECEMBER 1997

	<u>1997</u>	<u>1996</u>
	£	£
Amounts owed by group companies (Note 4)	1,000	1,000
	<hr/>	<hr/>
Financed by:		
Share Capital		
Authorised, issued and fully paid:		
Ordinary Shares of £1 each	1,000	1,000
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These accounts were approved by the Board of Directors on *2nd September 1998*.

The Company was a dormant company within the meaning of Section 250 of the Companies Act 1985 throughout the year ended 31st December 1997.



Director

The notes on page 5 form part of these accounts.

**BRITISH AEROSPACE PENSION FUNDS
TRUSTEES LIMITED**

NOTES TO THE ACCOUNTS

1. Accounting Policies

Balance Sheet

All items are stated in the accounts under the historical cost convention.

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. Ultimate Holding Company

The ultimate holding company is British Aerospace Public Limited Company, a company incorporated in Great Britain, and registered in England.

3. Directors' Emoluments

No Director received any emoluments from the Company during the year.

4. Amount Owed by Group Companies

The amount owed by group companies is in respect of a loan to British Aerospace Public Limited Company. The loan bears no interest and is repayable on demand.