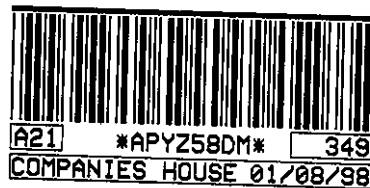


Company Number: 2638853

BRITISH AEROSPACE EXECUTIVE PENSION  
SCHEME TRUSTEES LIMITED

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



BRITISH AEROSPACE EXECUTIVE PENSION  
SCHEME TRUSTEES LIMITED

**REPORT OF THE DIRECTORS**

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

**Activities**

The company has not traded on its own account during the year.

**Directors**

The Directors of the Company during the year were:

Miss S.D. Windridge	(resigned 25.04.97)
Mr. S.P. Carroll	(appointed 25.04.97 alternate to Mr. R.D. Lapthorne)
Mr. C.V. Geoghegan	
Mr. R.D. Lapthorne	
Mr. T.K. Morgan	(appointed 02.01.97)

None of the Directors is 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*
C.V. Geoghegan	43	10043	74225	739	459	73945
R.D. Lapthorne	225517	209017	108815	25000	-	83815
T.K. Morgan	2340	13085	83340	-	-	83340
S.P. Carroll	-	-	72771	-	-	72771

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

<b>CONDITIONAL GRANTS OF SHARES</b>			
<b>Directors</b>	<b>1.1.97*</b>	<b>Granted</b>	<b>31.12.97*</b>
S.P. Carroll	10094	6346	16440
R.D. Lapthorne	22940	14851	37791
C.V. Geoghegan	9085	5712	14797

BY ORDER OF THE BOARD



D.S. Parkes  
Secretary

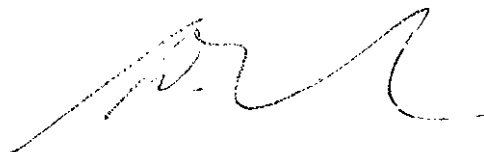
BRITISH AEROSPACE EXECUTIVE PENSION  
SCHEME TRUSTEES LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 1997

	<u>1997</u>	<u>1996</u>
	£	£
Amounts owed by group companies	1000	1000
Financed by:	_____	_____
Called up Share Capital	1000	1000
Authorised, issued and fully paid 1000 Ordinary Shares of £1 each	_____	_____

These accounts were approved by the Board of Directors on 14<sup>th</sup> July 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.



R.D. Lapthorne  
Director

The notes on page 5 form part of these accounts.

# **BRITISH AEROSPACE EXECUTIVE PENSION SCHEME 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. 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.