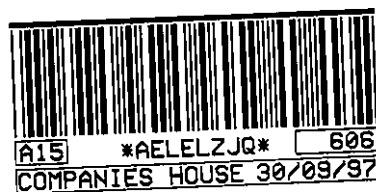


Company Number: 753964

**BRITISH AEROSPACE PENSION FUNDS  
TRUSTEES LIMITED**

**ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 1996**



**BRITISH AEROSPACE PENSION FUNDS  
TRUSTEES LIMITED**

**REPORT OF THE DIRECTORS**

The Directors present their report for the year ended 31st December 1996.

**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, 1996:

**Holding Office under Article 79(A)(i)**

|                    |                    |
|--------------------|--------------------|
| Mr. A.E. Dean      |                    |
| Mr. D. Goodenough  |                    |
| Mr. R.H.B. Hart    | (appointed 8.2.96) |
| 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 |                    |
| Mr. R.D. Lapthorne |                    |
| Mr. T. Nicholson   |                    |
| Mr. P. Riley       |                    |
| Mr. K. Smith       | (appointed 8.2.96) |
| Miss H.J. Turner   |                    |
| Mr. J.P. Weston    | (resigned 8.2.96)  |

During 1996 Mr. R.H.B. Hart and Mr. K. Smith were appointed to the Board of Directors and Mr. J.P. Weston resigned on the 8th February. 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 |           |         |           |
|----------------|--------------------|-----------|---------------|-----------|---------|-----------|
|                | 1.1.96*            | 31.12.96* | 1.1.96*       | Exercised | Granted | 31.12.96* |
| A.E. Dean      | -                  | -         | -             | -         | -       | -         |
| C.R. Dickson   | -                  | -         | 1403          | -         | 22668   | 23759     |
| D. Goodenough  | -                  | -         | -             | -         | -       | -         |
| D.W. Griffiths | 50                 | 50        | 25106         | -         | -       | 25106     |
| R.H.B. Hart    | 290                | 290       | 543           | -         | -       | 543       |
| F. Hilton      | 910                | 916       | 1444          | -         | -       | 881       |
| J. Keeble      | -                  | -         | -             | -         | -       | -         |
| T. Nicholson   | 241                | 508       | 92052         | 36489     | -       | 55563     |
| R.D. Lapthorne | 29165              | 225176    | 558890        | 486979    | 61904   | 133815    |
| T. Nicholson   | 237                | 241       | 63097         | -         | 36940   | 99882     |
| B.P. Pemberton | -                  | -         | 544           | -         | -       | 231       |
| P. Riley       | -                  | -         | 30402         | -         | -       | 29453     |
| T. Royle       | 33                 | 34        | 1680          | -         | -       | 1493      |
| K. Smith       | -                  | -         | 121663        | 53218     | 17820   | 86265     |
| H.J. Turner    | -                  | -         | 521           | -         | 11936   | 12457     |
| J.P. Weston    | 4343               | 10660     | 260553        | -         | 17640   | 278193    |

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

BY ORDER OF THE BOARD

  
D.S. PARKES  
Secretary

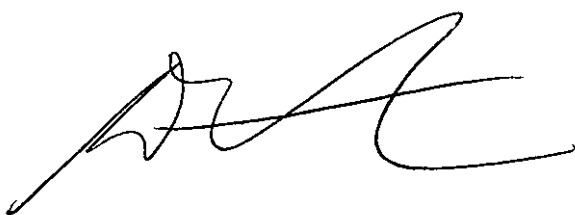
**BRITISH AEROSPACE PENSION FUNDS  
TRUSTEES LIMITED**

**BALANCE SHEET AS AT 31ST DECEMBER 1996**

|  | <u>1996</u>       | <u>1995</u>       |
|--|-------------------|-------------------|
|  | £                 | £                 |
| Amounts owed by group companies (Note 4) | 1,000             | 1,000             |
|  | <u>          </u> | <u>          </u> |
| Financed by:                             |                   |                   |
| Share Capital                            |                   |                   |
| Authorised, issued and fully paid:       |                   |                   |
| Ordinary Shares of £1 each               | 1,000             | 1,000             |
|  | <u>          </u> | <u>          </u> |

These accounts were approved by the Board of Directors on *4<sup>th</sup> September 1997*.

The Company was a dormant company within the meaning of Section 250 of the Companies Act 1985 throughout the year ended 31st December 1996.



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.