

Company Number: 3135337

BAE SYSTEMS (NEW VENTURES) LIMITED

(formerly Warwick House (Hampshire) No. 1 Limited)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2003



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(formerly Warwick House (Hampshire) No. 1 Limited)

REPORT OF THE DIRECTORS

The Directors present their report for the year ended 31st December 2003.

Activities

The Company has not traded on its own account during the year. The Company changed its name from Warwick House (Hampshire) No. 1 Limited on the 27th August 2003.

Directors

The Directors of the Company during the year were:

Miss A-L Holding
Mr. D.S. Parkes

None of the Directors has (or has had) any beneficial interest in the share capital of the Company, (or any subsidiary company of the BAE SYSTEMS group of companies). The Directors who held office at the end of the year had the following interests in the Company's ultimate holding company, BAE SYSTEMS plc:

Directors	Ord. Shares of 2.5p		Share Options			
	1.1.03	31.12.03	1.1.03	Exercised	Granted	31.12.03
D.S.Parkes	1,385	1,385	34,256	-	7,050	41,306
A-L Holding	-	-	2,000	-	-	2,000

Mr. D.S. Parkes was also granted a Conditional Award of 4,700 Ordinary Shares under the BAE Systems Performance Share Plan.

BY ORDER OF THE BOARD



L.S. Goodge
Secretary

Warwick House
P O Box 87
Farnborough Aerospace Centre
Farnborough
Hampshire
GU14 6YU

13 October 2004

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BAE SYSTEMS (NEW VENTURES) LIMITED

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BALANCE SHEET AS AT 31ST DECEMBER 2003

	2003 £	2002 £
Amount owed by group companies (Note 3)	2	2
	—	—
Financed by:		
Ordinary Share Capital		
Authorised: 1000		
Ordinary Shares of £1 each		
Issued and fully paid:		
Ordinary Shares of £1 each	2	2
	—	—

- (a) For the year ended 31st December 2003 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.
- (b) Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.
- (c) The directors acknowledge their responsibility for:
- ensuring the company keeps accounting records which comply with section 221; and
 - preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These accounts were approved by the Board of Directors on 13 October 2004 and were signed on its behalf by:



D.S. Parkes
Director

The notes on page 4 form part of these accounts.

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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. Directors' Emoluments

No Director received any emoluments from the Company during the year (2002: £nil).

3. Amount Owed by Group Companies

The amount owed by group companies is in respect of a loan to BAE SYSTEMS plc. The loan bears no interest and is repayable on demand.

4. Ultimate Holding Company

The ultimate holding company is BAE SYSTEMS plc, a company incorporated in Great Britain, and registered in England and Wales. Copies of the group accounts of BAE SYSTEMS plc, the largest and smallest group in which the results of the company are consolidated, can be obtained from 6 Carlton Gardens, London, SW1Y 5AD.