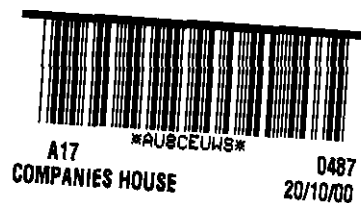


**WESTLAND SYSTEM ASSESSMENT LIMITED**

**Registered Number: 1764218**

**ACCOUNTS**

**31ST DECEMBER 1999**



Report of the Directors

Directors: Mrs A Conway-Hughes  
Mr C Rushton

- 1 The Directors present their report together with the accounts of the Company for the year ended 31st December 1999.

- 2 **Directors' responsibility for the accounts**

At the end of each financial period the Directors are required by the Companies Act 1985 to prepare accounts which give a true and fair view of the state of affairs of the Company. In preparing the accounts for the year ended 31st December 1999, appropriate accounting policies, supported by reasonable and prudent judgements and estimates, have, save as disclosed, been consistently used and UK applicable accounting standards have been followed.

The Directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the accounts comply with the Companies Act 1985. In addition, the Directors are responsible for ensuring that an appropriate system of internal control is in operation to provide them with reasonable assurance that the assets of the Company are properly safeguarded and to ensure that reasonable steps are taken to prevent or detect fraud and other irregularities.

- 3 **Principal activities**

The Company did not trade during the year under review and consequently no profit and loss account has been prepared. The Company acts as an agent of GKN CEDU Limited.

- 4 **Directors and their interests**

On 26 March 1999 Mr D J Wright resigned as a Director of the company.

On 17 December 1999 Mr J M George resigned as a director of the Company.

On 26 March 1999 Dr C A Bridges was appointed as a Director of the Company but subsequently resigned on 17 December 1999.

The Directors would like to express their appreciation to the above for their service to the Company.

Mr C Rushton and Mrs A Conway - Hughes were appointed Directors of the Company on 26<sup>th</sup> March 1999 and 17<sup>th</sup> December 1999 respectively.

Interests in shares and debentures of GKN plc and its subsidiaries of persons who were Directors of the Company on 31<sup>st</sup> December 1999 as required to be disclosed by the Companies Act 1985, were as follows:

<u>Name</u>	<u>Type of Security</u>	<u>Holdings including family interests at</u>		<u>Employee's Share Option Schemes</u>	
		<u>1.1.99</u> <u>or date of</u> <u>appointment</u>	<u>31.12.99</u>	<u>Granted</u> <u>during</u> <u>the year</u>	<u>Exercised</u> <u>during</u> <u>the year</u>
C Rushton	GKN plc				
	Ordinary shares of 50p each	6,643	1,133	-	-
A Conway-Hughes	GKN plc				
	Ordinary shares of 50p each	-	-	-	-

**Report of the Directors (continued)**

Conditional and deferred rights to acquire GKN plc 50p ordinary shares held by directors under the GKN longterm incentive plans were as follows:

	<u>held at 1.1.99 or appointment</u>		<u>held 31.12.99</u>		<u>Conditional rights</u>	
	<u>Conditional</u>	<u>Deferred</u>	<u>Conditional</u>	<u>Deferred</u>	<u>awarded in 1999</u>	<u>Converted to deferred</u>
C Rushton	18,000	–	15,800	7,000	4,800	7,000
A Conway-Hughes	–					

As potential beneficiaries, the Directors are deemed to have an interest in the ordinary shares of GKN plc held by the discretionary trust established to facilitate the operation of the GKN Long Term Incentive Plan. At 31st December 1999 the trust held 3,805,990 50p shares (1998 – 3,514,144).

As potential beneficiaries under the GKN Qualifying Share Ownership Trust, the discretionary trust established to facilitate the operation of the GKN and Westland SAYE Share Option Schemes, the Directors are deemed to have an interest in the shares held by the trust from time to time. At 31st December 1999 the trust held 1,892,971 50p shares (1998 – 2,130).

**5 Auditors**

In accordance with the provisions of Section 250 of the Companies Act 1985, the Company being a dormant company within the meaning of the said Section, Section 384(1) of the Companies Act 1985 shall not apply and accordingly no Auditors shall be appointed.

By Order of the Board



A. R. Thomas  
Secretary

21 February 2000

Balance sheet at 31st December 1999

	<u>Notes</u>	<u>1999</u> £	<u>1999</u> £	<u>1998</u> £	<u>1998</u> £
CURRENT ASSETS					
Debtors	1		41,000		41,000
CAPITAL AND RESERVES					
Called up share capital	2	200,000		200,000	
Profit and loss account		(159,000)		(159,000)	
CAPITAL EMPLOYED IN FINANCING TOTAL					
ASSETS LESS CURRENT LIABILITIES			41,000		41,000

The Company was dormant within the meaning of Section 250 of the Companies Act 1985, throughout the year.

Signed on behalf of the Board on 21 February 2000

*A. Curry-Hughes*

The notes on page 4 form part of these accounts.

Notes on the accounts at 31st December 1999**1 Debtors**

	<u>1999</u>	<u>1998</u>
	£	£
Amounts owed by group companies:	41,000	41,000

**2 Share capital**

	<u>1999 and 1998</u>	
	<u>Authorised</u>	<u>Issued, called up and fully paid</u>
	£	£
200,000 Ordinary shares of £1 each	200,000	200,000

**3 Ultimate and immediate parent companies**

GKN plc and GKN Westland Industries Limited, are the ultimate and immediate parent companies respectively. Copies of their accounts may be obtained from Ipsley House, PO Box 55, Redditch, Worcestershire B98 0TL.