

WESTLAND SYSTEM ASSESSMENT LIMITED

Registered Number: 1764218

ACCOUNTS

31ST DECEMBER 2004



Report of the Directors

Directors: Mr G Chisnall
Mr C A Jones
Mr MJS Bryson

- 1 The Directors present their report together with the accounts of the Company for the year ended 31 December 2004.

2 **Directors' responsibility for the accounts**

At the end of each financial year 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 31 December 2004, 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 has during the financial year acted as agent for GKN CEDU Limited.

4 **Interests in shares**

Interests in shares and debentures of GKN plc and its subsidiaries of persons who were Directors of the Company on 31 December 2004 as required to be disclosed by the Companies Act 1985, were as follows:

Name	Type of security	Holdings including <i>family interests at</i>		Employees Share Option Schemes	
		1.1.04 or at date of appointment	31.12.04	Options granted in 2004	Options exercised in 2004
C Jones	GKN plc 50p ordinary shares	-	-	7,484	-
G Chisnall	GKN plc 50p ordinary shares	-	6,432	89,810	-
M J S Bryson	GKN plc 50p ordinary shares	12,090	18,504	62,368	-

Report of the Directors - (continued)

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

Name	Awards held at 1.1.04 or date of appointment		Awards held at 31.12.04		Conditional awards made in	Converted to deferred awards in	Deferred awards released in
	Conditional	Deferred	Conditional	Deferred	2004	2004	2004
C Jones	22,100	-	22,100	-	5,429	-	-
G Chisnall	58,600	-	58,600	-	43,430	-	-
MJS Bryson	58,600	-	58,600	-	60,320	-	-

As potential beneficiaries, the Directors are deemed to have an interest in the 50p ordinary shares of GKN plc held from time to time by the discretionary trusts established to facilitate the operation of the GKN long term incentive plans and the GKN Executive Share Option Scheme 2001. At 31 December 2004 these trusts held 706,924 50p ordinary shares (2003 – 1,219,238).

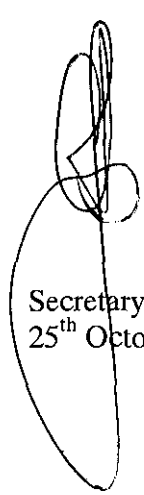
Footnote

Under the GKN bonus co-investment plan, in 2004 participants could elect to invest up to 10% of their maximum gross bonus opportunity for 2003 in GKN plc 50p ordinary shares ('investment shares'). GKN plc granted matching shares on a 2 for 1 basis (i.e. two matching shares for every one investment share) which will be released to the participant after three years provided that the participant continues to hold the investment shares and remains an employee of the GKN Group during that period. Certain participants have a beneficial interest in their matching shares during the three-year forfeiture period in order to benefit from relevant taxation regulations. Other participants have a conditional right to matching shares.

The GKN long term incentive plans are described in the accounts of GKN plc, the Company's ultimate parent company.

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.

On behalf of the Board

Secretary
25th October 2005

Balance sheet at 31st December 2004

	Notes	2004 £	2004 £	2003 £	2003 £
CURRENT ASSETS					
Debtors	1		41,000		41,000
CAPITAL AND RESERVES					
Called up share capital	2	200,000		200,000	
Distributable reserves		(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.

Under Section 249AA(1) of the Companies Act 1985 (the 'Act'), the Company was entitled to exemption from the provisions of Part VII of the Act relating to the audit of accounts in respect of the year ended 31 December 2004. No member or members have requested an audit pursuant to Section 249B(2) of the Act. The Directors acknowledge their responsibility for ensuring that the Company keeps accounting records which comply with Section 221 of the Act and for 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 in accordance with the requirements of Section 226 of the Act and which otherwise comply with the requirements of the Act relating to accounts.

Signed on behalf of the Board on

Director
25th October 2005

The notes on page 4 form part of these accounts.

Notes to the accounts at 31st December 2004**1 Debtors**

	<u>2004</u>	<u>2003</u>
	£	£
Amounts owed by group companies	<u>41,000</u>	<u>41,000</u>

2 Share capital

	<u>2004 and 2003</u>	
	Authorised	Issued, called up and fully paid
	£	£
1,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

3 Ultimate and immediate parent companies

GKN plc and GKN CEDU 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.