

WESTLAND SYSTEM ASSESSMENT LIMITED

Registered Number: 1764218

ACCOUNTS

31ST DECEMBER 1997



Report of the Directors

Directors: J M George
D. J. Wright

- 1 The Directors present their report together with the accounts of the Company for the year ended 31st December 1997.

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 1997, 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 Westland Aerospace Limited.

4 **Directors**

On 23rd December 1997, Mr. J. W. Rosenthal resigned as a Director of the Company. The Directors wish to record their appreciation of his services to the Company. Mr. J. M. George was appointed a Director of the Company on 22nd December 1997.

5 **Interests in shares**

Interests in shares and debentures of GKN plc and its subsidiaries of persons who were Directors of the Company on 31st December, 1997 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>Employees' shares options schemes</u>	
		<u>1.1.97 or date of appointment</u>	<u>31.12.97</u>	<u>Options granted in 1997</u>	<u>Options exercised in 1997</u>
J. M. George	GKN plc £1 ordinary shares	—	—	—	—
D. J. Wright	GKN plc £1 ordinary shares	—	—	436	—

Report of the Directors - (continued)5 **Interests in shares (continued)**

Conditional rights to acquire the following number of GKN plc ordinary shares under the GKN long term incentive plans were awarded to the Directors of the Company during 1996 and 1997 and were held by them at 31st December 1997.

<u>Director</u>	<u>1996</u>	<u>1997</u>
J. M. George	2,500	3,500
D. J. Wright	1,500	2,000

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 1997 the trust held 1,259,450 shares (1996 – 728,150).

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 when options are being exercised by scheme participants. No shares were held by the trust at the close of business on 31st December 1997.

6 **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

Date 2 February 1998

Balance sheet at 31st December 1997

	<u>Notes</u>	<u>1997</u> £	<u>1997</u> £	<u>1996</u> £	<u>1996</u> £
CURRENT ASSETS					
Debtors	1		41,000		41,000
			<hr/>		<hr/>
CAPITAL AND RESERVES					
Called up share capital	2	200,000		200,000	
Profit and loss account		(159,000)		(159,000)	
		<hr/>		<hr/>	
CAPITAL EMPLOYED IN FINANCING TOTAL					
ASSETS LESS CURRENT LIABILITIES			41,000		41,000
			<hr/>		<hr/>

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

2 Feb 98



Director

The notes on page 4 form part of these accounts.

Notes on the accounts at 31st December 1997**1 Debtors**

	<u>1997</u>	<u>1996</u>
	£	£
Amounts owed by group companies:	41,000	41,000

2 Share capital

	<u>1997 and 1996</u>	
	Authorised	Issued, called up and fully paid
	£	£
200,000 Ordinary shares of £1 each	200,000	200,000

3 Ultimate and immediate parent company

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.