

WESTLAND SYSTEM ASSESSMENT LIMITED

Registered Number: 1764218

ACCOUNTS

31ST DECEMBER 2001



Report of the Directors

Directors: Mr G Chisnall
 Mr C M Sibley

- 1 The Directors present their report together with the accounts of the Company for the year ended 31 December 2001.

- 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 2001, 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.

Report of the Directors - (continued)**4 Directors and their interests**

On 3 August 2001 Mr P Taylor resigned as a Director of the Company. The Directors wish to record their appreciation of his service to the Company.

On 3 August 2001 Mr C M Sibley was appointed a Director of the Company.

Interests in shares and debentures of GKN plc and its subsidiaries of persons who were Directors of the Company on 31 December 2001 as required to be disclosed by the Companies Act 1985, were as follows:

<u>Name</u>	<u>Type of security</u>	Holdings including family interests at (a)	
		1.1.01 or as at date of <u>appointment</u>	<u>31.12.01</u>
G Chisnall	GKN plc 50p ordinary shares	0	0
M Sibley	C GKN plc 50p ordinary shares	17,597	25,099

- (a) Holdings as at 1 January 2001 are GKN Holdings plc 50p ordinary shares and at 31 December 2001 are GKN plc 50p ordinary shares. Pursuant to a scheme of arrangement sanctioned by the High Court of Justice on 30 July 2001, each GKN Holdings plc ordinary share held as at 31 July 2001 was exchanged for one GKN plc ordinary share on 1 August 2001.

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

<u>Name</u>	Awards held at 1.1.01(a) or date of appointment		Awards held at 31.12.01		Conditional awards made in <u>2001</u>	Converted to deferred awards in <u>2001</u>	Deferred awards released in <u>2001</u>
	<u>Conditional</u>	<u>Deferred</u>	<u>Conditional</u>	<u>Deferred</u>			
G Chisnall	0	0	15,850	0	15,850	0	0
C M Sibley	5,200	9,838	11,200	0	6,000	2,838	9,838

- (a) Rights to GKN Holdings plc 50p ordinary shares

Report of the Directors - (continued)

Details of options over ordinary shares of GKN plc and its subsidiaries granted to and exercised by Directors under employees' share option schemes were as follows:

<u>Name</u>	<u>Type of security</u>	Options over GKN Holdings plc shares surrendered in exchange	Options granted over GKN plc shares on exchange of GKN Holdings plc options	Additional options Over GKN plc shares granted in 2001	Options exercised in 2001	
		for GKN plc options in 2001 (a)	in 2001 (a)		GKN Holdings plc	GKN plc
G Chisnall	50p Ordinary Shares	0	0	18,025	0	0
C M Sibley	50p Ordinary Shares	0	0	3,090	0	0

- (a) Pursuant to the scheme of arrangement referred to above, persons holding options over GKN Holdings plc ordinary shares prior to the scheme of arrangement could elect, by 29 January 2002, to exchange such options for options over GKN plc ordinary shares in the ratio of 2.4 GKN plc shares for every GKN Holdings plc share under option (with a corresponding adjustment to the option price).

The shareholdings, options and awards of the Directors who are also Directors of the Company's parent company are disclosed in the accounts of the parent company.

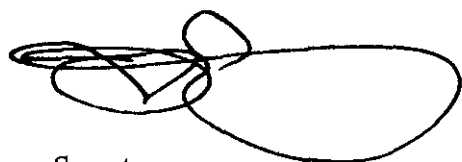
As potential beneficiaries, the Directors are deemed to have an interest in the ordinary shares of GKN plc held from time to time by the discretionary trusts established to facilitate the operation of the GKN long term incentive plans and the GKN Executive Share Option Scheme 2001. At 31 December 2001 these trusts held 1,219,238 50p shares (2000 – 3,215,689 GKN Holdings plc 50p ordinary shares).

As potential beneficiaries under the discretionary trusts established to facilitate the operation of the GKN SAYE Share Option Schemes, the Directors are deemed to have an interest in the ordinary shares of GKN plc held by the trusts from time to time. At 31 December 2001 the trust held nil 50p shares (2000 – 999,424 GKN Holdings plc 50p ordinary shares).

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

17 JULY 2002

WESTLAND SYSTEM ASSESSMENT LIMITED

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Balance sheet at 31st December 2001

	<u>Notes</u>	<u>2001</u> £	<u>2001</u> £	<u>2000</u> £	<u>2000</u> £
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 2001. 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

17 JULY 2002

The notes on page 5 form part of these accounts.

WESTLAND SYSTEM ASSESSMENT LIMITED**5****Notes to the accounts at 31st December 2001****1 Debtors**

	<u>2001</u>	<u>2000</u>
	£	£
Amounts owed by group companies	<u>41,000</u>	<u>41,000</u>

2 Share capital

	<u>2001 and 2000</u>	
		Issued, called up and fully paid
	<u>Authorised</u>	<u>£</u>
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.