

GKN Industries Limited

Annual Report and Financial Statements

For the year ended 31 December 2016



Strategic Report

For the year ended 31 December 2016

The Directors present the Strategic Report for the year ended 31 December 2016.

Business Review

GKN Industries is an intermediate holding company in the GKN Group. The Company shows a profit for the year of £125,106,000 (2015: £240,654,000), primarily due to income from investments and favourable foreign exchange rate gains on intercompany loan balances.

On 26 May 2016, the Company reduced its shareholding in GKN USD Investments Limited by 27,465,000 shares.

Principal Risks and Uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the GKN Group and are not managed separately. Accordingly, the principal risks and uncertainties of the GKN Group, which include those of the Company, are discussed on pages 40-49 of GKN plc's annual report which does not form part of this report.

Key Performance Indicators

The Company's operations are managed on a Group basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The key performance indicators of the GKN Group, which includes this Company, are discussed on pages 16-18 of GKN plc's annual report which does not form part of this report.

Approved by the Board on 26 April 2017 and signed on its behalf by:



Kerry Watson
Secretary
GKN Industries Limited
Registration number: 32262

Directors' Report

For the year ended 31 December 2016

The Directors present the Directors' Report and the audited financial statements for the year ended 31 December 2016.

Directors of the Company

The Directors who held office during the year and up to the date of signing the financial statements are as follows:

Mr M J Sclater
Mr N M Stein
Mr A C Walker

Financial Results

The income statement of the Company shows a profit for the year of £125,106,000 (2015: £240,654,000).

Financial risk management

The Company's activities form an integral part of the GKN Group's strategy with regards to financial instruments. The overarching GKN Group policies in relation to external risks, including interest rate risk, price risk, credit risk, cash flow risk, foreign exchange risk and liquidity risk, all of which are managed centrally by the GKN Group Treasury function are set out in the annual report of GKN plc which does not form part of this report.

Where the Company enters into transactions with inherent external counter-party risk, exposures are assessed in line with GKN plc policies and guidance.

Dividends

No interim dividend was paid for the year ended 31 December 2016 (2015: £nil). The Directors have not proposed a final dividend for the year ended 31 December 2016 (2015: £nil). There are no anticipated changes in the nature of the company.

Post balance sheet events

On 13 April 2017 the Company acquired 100% of the equity share capital of Tozmetal Ticaret Ve Sanayi AS for an expected consideration of €29,970,000.

Directors' Report (continued)

For the year ended 31 December 2016

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The auditor's responsibilities in relation to the financial statements are set out in its report on page 3.

Disclosure of Information to Auditor

In the case of each of the persons who were Directors of the Company at the date when this report was approved:

- so far as each of the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the Directors have taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Deloitte LLP is deemed to be reappointed as the Company's auditor under section 487(2) of the Companies Act 2006.

Approved by the Board on 26 April 2017 and signed on its behalf by:



K A Watson
Secretary
Registration number: 32262

Independent Auditor's Report to the members of GKN Industries Limited

We have audited the financial statements of GKN Industries Limited for the year ended 31 December 2016 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report has been prepared in accordance with applicable legal requirements.

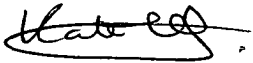
In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

Independent Auditor's Report to the members of GKN Industries Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Kate Hadley (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, UK

26 April 2017

Income Statement

For the year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Sales		-	-
Trading profit/(loss)	2	144,696	(490)
Income from investments in subsidiaries		135,047	257,382
Income from investments in joint ventures		330	1,000
Impairment of investments in subsidiaries	6	(7,391)	-
Gains and losses on disposal of investments in subsidiaries	6	(12,997)	3
Operating profit		259,685	257,895
Interest payable		(25,134)	(12,901)
Interest receivable		43,864	32,939
Other net financing charges		(142,230)	(42,486)
Net financing costs	3	(123,500)	(22,448)
Profit before taxation		136,185	235,447
Taxation	4	(11,079)	5,207
Profit after taxation for the year		125,106	240,654

The Company has no other gains or losses in either year other than the results shown above and therefore no separate Statement of Comprehensive Income has been presented.

Statement of Changes in Equity

For the year ended 31 December 2016

	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total equity £'000
At 1 January 2016	608,829	59,222	2,679,989	3,348,040
Profit for the year	-	-	125,106	125,106
At 31 December 2016	608,829	59,222	2,805,095	3,473,146
At 1 January 2015	608,829	59,222	2,439,335	3,107,386
Profit for the year	-	-	240,654	240,654
At 31 December 2015	608,829	59,222	2,679,989	3,348,040

Balance Sheet

At 31 December 2016

	Notes	2016 £'000	2015 £'000
Assets			
Non-current assets			
Investments	6	3,247,454	3,278,506
Deferred tax assets	4	26,719	490
		3,274,173	3,278,996
Current assets			
Trade and other receivables	7	1,766,781	1,383,044
Current tax assets	4	-	594
		1,766,781	1,383,638
Total assets		5,040,954	4,662,634
Liabilities			
Current liabilities			
Trade and other payables	8	(1,317,736)	(1,245,386)
Current tax liabilities	4	(36,390)	-
		(1,354,126)	(1,245,386)
Non-current liabilities			
Derivative financial instruments	9	(213,682)	(69,208)
		(213,682)	(69,208)
Total liabilities		(1,567,808)	(1,314,594)
Net assets		3,473,146	3,348,040
Shareholders' equity			
Share capital	10	608,829	608,829
Share premium account		59,222	59,222
Retained earnings		2,805,095	2,679,989
Total equity		3,473,146	3,348,040

The financial statements on pages 5 to 20 were approved by the Board of Directors and authorised for issue on 26 April 2017. They were signed on its behalf by:



A C Walker
Director
Registration number: 32262

Notes to the Financial Statements

For the year ended 31 December 2016

1 Accounting policies and presentation

GKN Industries Limited is a private limited company by shares and is incorporated and domiciled in the UK, and registered in England and Wales with the registered number 32262. Its registered office is PO Box 55, Ipsley House, Ipsley Church Lane, Redditch, Worcestershire, B98 0TL.

The Company's significant accounting policies, which have been consistently applied, are summarised below.

Basis of preparation

The financial statements (the 'statements') of the Company, have been prepared in accordance with International Financial Reporting Standards (IFRS) under Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). These statements have been prepared on a going concern basis under the historical cost method except where other measurement bases are required to be applied under IFRS as set out below, and in accordance with the Companies Act 2006.

Exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101.

The following exemptions have been applied in accordance with FRS 101, as the relevant disclosure is contained in the Group financial statements of GKN plc:

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)

The following exemptions have been applied in accordance with FRS 101:

- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1.
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows)
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for a minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 40A-D (requirements for a third balance sheet)
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Exemption from preparing group financial statements

The Company has taken advantage of the exemption provided by Section 400 of the Companies Act 2006 and has not prepared group financial statements.

Foreign currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment of operation, determined having regard to the currency which mainly influences sales and input costs. The financial statement are presented in "Pounds Sterling" (£), which is also the Company's functional currency.

Transactions are translated at exchange rates approximating to the rate ruling on the date of the transaction except in the case of material transactions when actual spot rate may be used where it more accurately reflects the underlying substance of the transaction. Where practicable, transactions involving foreign currencies are protected by forward contracts. Assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Such transactional exchange differences are taken into account in determining profit before tax.

Notes to the Financial Statements (continued)

For the year ended 31 December 2016

1 Accounting policies and presentation (continued)

Presentation of the income statement

IFRS is not fully prescriptive as to the format of the income statement. Line items and subtotals have been presented on the face of the income statement in addition to those required under IFRS.

Operating profit is profit before discontinued operations, taxation and finance costs. In order to achieve consistency and comparability between reporting periods, operating profit is analysed to show separately the results of normal trading performance and individually significant charges and credits. Such items arise because of their size or nature and comprise:

- asset impairment and restructuring charges which arise from events that are significant to the Company;
- income from investments in subsidiaries;
- income from investments in joint ventures;
- the impact of annual impairment review of investments; and
- gains or losses on disposal of investments in subsidiaries.

Net financing costs are analysed to show separately interest payable, interest receivable and other net financing charges. Other net financing charges include specific changes in fair value on cross currency interest rate swaps. The total fair value movement of cross currency interest rate swap instruments is included in net finance costs as hedge accounting has not been applied and this presentation more closely matches certain of the risks being managed.

Financial assets and liabilities

Financial liabilities are recorded in arrangements where payments, or similar transfers of financial resources, are unavoidable or guaranteed.

Other financial assets and liabilities, including short term receivables and payables, are initially recognised at fair value and subsequently measured at amortised cost less any impairment provision unless the impact of the time value of money is considered to be material.

Derivative financial instruments

The Company does not trade in derivative financial instruments. Cross currency interest rate swaps are used by the Company to manage its exposure to risk associated with foreign currency in its foreign investments. All derivative financial instruments are measured at the balance sheet date at their fair value.

Where derivative financial instruments are not designated as or not determined to be effective hedges, any gain or loss on remeasurement is taken to the income statement. Where derivative financial instruments are designated as and are effective as cash flow hedges, any gain or loss on remeasurement is held in equity and recycled through the income statement when the designated item is transacted, unless related to the purchase of a business, when recycled against consideration.

If there is a small amount of ineffectiveness but the overall effectiveness is still in the range 80% to 125%, this ineffectiveness is taken to the income statement. Gains or losses on derivative financial instruments no longer designated as effective hedges are also taken directly to the income statement.

Investments

Investments in subsidiaries and other undertakings are held at cost less accumulated impairment losses. Other investments where there is a less than 20% holding are held at fair value with any gains or losses being taken to other comprehensive income.

Taxation

Current tax and deferred tax are recognised in the income statement unless they relate to items recognised directly in other comprehensive income when the related tax is also recognised in other comprehensive income.

Full provision is made for deferred tax on all temporary differences resulting from the difference between the carrying value of an asset or liability in the financial statements and its tax base. The amount of deferred tax reflects the expected manner of realisation or settlement of the carrying amount of the assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets are reviewed at each balance sheet date and are only recognised to the extent that it is probable that they will be recovered against future taxable profits.

Notes to the Financial Statements (continued)

For the year ended 31 December 2016

1 Accounting policies and presentation (continued)

Significant judgements, key assumptions and estimates

The Company's significant accounting policies are set out above. The preparation of financial statements, in conformity with IFRS requires the use of estimates, subjective judgement and assumptions that may affect the amounts of assets and liabilities at the balance sheet date and reported profit and earnings for the year. The Directors base these estimates, judgements and assumptions on a combination of past experience, professional expert advice and other evidence that is relevant to the particular circumstance.

The accounting policies where the Directors consider the more complex estimates, judgements and assumptions have to be made are those in respect of derivative and other financial instruments, impairment of non-current assets and the recognition of deferred tax assets. Details of the principal estimates, judgements and assumptions made are set out in the related notes.

2 Operating profit

The analysis of the additional components of operating profit is shown below:

Trading profit/(loss)

	2016 £'000	2015 £'000
Sales	-	-
Operating costs		
Net exchange gains on foreign currency transactions	144,578	10,075
Acquisition related charges	-	(10,504)
Audit fees payable to the Company's auditor	(111)	(5)
Other income/(costs)	229	(56)
Trading profit/(loss)	144,696	(490)

All fees payable to the Company's auditor for the audit of the financial statements include amounts in respect of expenses. The audit fee includes amounts paid by the Company on behalf of subsidiaries. All fees payable have been charged to the income statement.

3 Net financing costs

	2016 £'000	2015 £'000
(a) Net interest receivable/(payable)		
Interest payable		
Amounts owed to Group undertakings	(13,108)	(11,850)
Foreign currency impact on cross currency interest rate swaps	(12,026)	(1,051)
	(25,134)	(12,901)
Interest receivable		
Amounts owed by Group undertakings	43,864	31,974
Tax case net interest recovery	-	965
	43,864	32,939
Net interest receivable	18,730	20,038
	2016 £'000	2015 £'000
(b) Other net financing charges		
Fair value changes on cross currency interest rate swaps	(142,230)	(42,486)
	(142,230)	(42,486)

4 Taxation

(a) Analysis of credit in year

	2016 £'000	2015 £'000
Current tax (charge)/credit		
Current year UK corporation tax	(36,522)	594
Overseas tax	(65)	(89)
Adjustments in respect of prior years	(721)	(4)
	(37,308)	501
Deferred tax (charge)/credit		
Origination and reversal of temporary differences	26,229	4,706
Total tax (charge)/credit for the year	(11,079)	5,207

Notes to the Financial Statements (continued)

For the year ended 31 December 2016

4 Taxation (continued)**(b) Factors affecting the tax credit in the year**

The tax assessed for the year is different to (2015: different to) the standard rate of corporation tax in the UK of 20% (2015: 20.25%)

	2016 £'000	2015 £'000
Profit before taxation	136,185	235,447
Profit before tax multiplied by the standard UK corporation rate of 20% (2015: 20.25%)	(27,237)	(47,678)
Tax effect of income not taxable/(expenditure not deductible) in determining taxable profits	22,671	53,600
Effect of change in corporation tax rate on deferred tax recognition	(4,767)	(120)
Other movements in deferred taxation	(960)	(502)
Overseas taxation	(65)	(89)
Adjustments in respect of prior years	(721)	(4)
Total tax (charge)/credit for the year	(11,079)	5,207

(c) Changes in UK Corporation tax rates

The effective tax rate for the year was 20% following a reduction to the rate on 1 April 2015. A further reduction to 19% from 1 April 2017 and 17% from 1 April 2020 have been substantively enacted. UK temporary differences are measured at the rate at which they are expected to reverse.

	2016 £'000	2015 £'000
(d) Intercompany balance – tax (payable)/receivable	(36,250)	721
HMRC creditor – tax payable	(140)	(127)
	(36,390)	594

(e) Recognised deferred tax

	£'000
At 1 January 2016	490
Included in the income statement	26,229
At 31 December 2016	26,719

The Company has an unrecognised deferred tax asset of £10,188,000 in respect of losses (2015: £13,582,000). Deferred tax is not provided on the unremitted earnings of overseas subsidiaries except where the distribution of such profits is planned. If these earnings were remitted in full, tax of £32,706,000 would be payable (2015: £11,800,000).

Significant judgement and estimates

Management make the judgement that deferred tax assets are recognised where, based on projections, the future availability of taxable profits to absorb the deductions before any applicable time limits expire is probable. Deferred tax assets (including tax losses) are not recognised where the Company's ability to utilise them is not probable, for example where management projections indicate there will be insufficient future profits before losses expire, or in cases where the quantum of losses is uncertain (i.e. subject to cases such as the FII GLO).

5 Employees including Directors

There were no employees of the Company during the year (2015: none)

The Directors' emoluments for the year are disclosed in accordance with the Companies Act 2006. Emoluments are apportioned for the services provided by the Directors to the Company. The emoluments of the Directors of the Company for their services to the Company amounted to £nil (2015: £nil).

No Director exercised options over shares in the ultimate parent undertaking, GKN plc, during the year (2015: one). Retirement benefits accruing to the Directors of the Company for their services to the Company amounted to £nil (2015: £nil).

Notes to the Financial Statements (continued)

For the year ended 31 December 2016

6 Investments in subsidiaries and other undertakings

	Subsidiaries £'000	Equity accounted investments £'000	Other investments £'000	Total £'000
Cost				
At 1 January 2016	3,378,678	14,595	-	3,393,273
Additions	19,318	-	5,578	24,896
Disposals	(22,819)	-	-	(22,819)
Return of capital	(27,465)	-	-	(27,465)
At 31 December 2016	3,347,712	14,595	5,578	3,367,885
Accumulated impairment				
At 1 January 2016	109,421	5,346	-	114,767
Charge for the year	7,391	-	-	7,391
Disposals	(1,727)	-	-	(1,727)
At 31 December 2016	115,085	5,346	-	120,431
Net book amount at 31 December 2016	3,232,627	9,249	5,578	3,247,454
Net book amount at 31 December 2015	3,269,257	9,249	-	3,278,506

The subsidiaries and other undertakings of the Company at 31 December 2016 are disclosed in note 15.

During the year the Company acquired a 19.8% share in Nanying FAYN Piston Ring Co. Ltd., a business based in China for £5,578,000.

On 30 June 2016 the Company took control, through a 60% equity shareholding of a new formed company; GKN (Bazhou) Metal Powder Company Limited (Bazhou) for a cash consideration of £17 million. Bazhou specialises in metal powder production in China.

During the year, the Company paid £2 million to purchase a non-controlling interest from the other investor in Lianyungang GKN Hua Ding Wheels Co Ltd. The Company now owns 100% of the share capital in this company.

On 30 December 2016, the Company sold its share of GKN Stromag Holding GmbH and GKN Stromag (UK) Limited included within the total consideration of £16 million, resulting in a loss on disposal of £13 million after professional fees and costs associated with the transaction.

During the annual impairment review performed a decision was taken to fully impair investments in GKN Power Solutions (Liuzhou) Company Limited (£6.3 million), GKN (Taicang) Co Ltd (£0.3 million) and GKN Driveline Uruguay SA (£0.8 million) as the underlying net assets of the businesses did not support the investment value.

Significant judgement and estimates

Following an annual impairment review of investments in subsidiaries and equity accounting investments, management have taken the judgement not to further impair any other investments as they believe each of the Company's investments is supported by its underlying net assets or discounted cash flows to estimate its value in use. Management have also reviewed the carrying value of other investments and do not believe any change in fair value is needed.

7 Trade and other receivables

	2016 £'000	2015 £'000
Amounts owed by Group undertakings	1,766,781	1,383,044
	1,766,781	1,383,044

Amounts owed by Group undertakings are unsecured, accumulate interest in a range between 0% and 10.5%, have no fixed date of repayment and are repayable on demand.

8 Trade and other payables

	2016 £'000	2015 £'000
Amounts owed to suppliers and customers	(5,045)	(2,644)
Amounts owed to Group undertakings	(1,309,309)	(1,239,400)
Accrued interest	(3,336)	(3,336)
Payroll taxes, indirect taxes and audit fees	(46)	(6)
	(1,317,736)	(1,245,386)

Amounts owed to Group undertakings are unsecured, accumulate interest in a range between 0% and 1%, have no fixed date of repayment and are repayable on demand.

Notes to the Financial Statements (continued)

For the year ended 31 December 2016

9 Derivative financial instruments

	2016			2015		
	Liabilities		Total	Liabilities		Total
	Non-current	Current		Non-current	Current	
	£'000	£'000	£'000	£'000	£'000	£'000
Cross currency interest rate swaps	(213,682)	-	(213,682)	(69,208)	-	(69,208)

The Company holds a series of cross currency interest rate swap instruments with a fellow GKN Group subsidiary company. The derivative instruments were entered into on behalf of the GKN Group and in substance convert two sterling denominated bonds with a total nominal value of £800 million, held in a third GKN Group subsidiary company, into US dollars (\$951 million) and Euros (€284 million). The intra-group back-to-back arrangement has been put into place with the Company as it owns the majority of the GKN Group's investments in Europe and the USA. The gross fair values for the external and intra-group cross currency interest rate swap contract are included above.

Significant judgement and estimates

Cross currency interest rate swaps are marked to market using market observable rates and published prices together with forecast cash flow information where applicable. Management estimate the value of the instruments using market rates of interest, exchange rates and discount rates in the calculation performed.

10 Share capital

	Issued and Fully Paid	
	2016 £'000	2015 £'000
Ordinary shares of £1 each	608,829	608,829

	2016 Number 000s	2015 Number 000s
Ordinary shares of £1 each	608,829	608,829

The authorised share capital for the year was £910,400,000 (2015: £910,400,000).

11 Related party transactions

In accordance with FRS 101 the Company has taken advantage of the exemption not to disclose the transactions with other Group undertakings. There were no other related party transactions during the year.

12 Contingent assets and liabilities

The GKN Group continues to pursue Franked Investment Income litigation with HMRC. The continuing complexity of the case and uncertainty over the issues raised (and in particular which points HMRC may seek to appeal) means that it is not possible to predict the final outcome of the litigation with any reasonable degree of certainty.

13 Contingent liabilities

The Company has guaranteed bank and other borrowing of subsidiary undertakings. The amount guaranteed is £1,008,000 (2015: £1,008,000).

14 Controlling parties

The immediate parent is GKN (United Kingdom) plc. The ultimate parent undertaking and controlling party is GKN plc.

The parent of the largest group in which these financial statements are consolidated is GKN plc. Consolidated financial statements of GKN plc are available from PO BOX 55, Ipsley House, Ipsley Church Lane, Redditch, B98 0TL, which is also the registered office of the Company.

The parent of the smallest group in which these results are consolidated is GKN Holdings plc. Consolidated financial statements of GKN Holdings plc are available from the address above.

Notes to the Financial Statements (continued)

For the year ended 31 December 2016

15 Subsidiaries and other undertakings

Set out below are a list of the Company's related undertakings as at 31 December 2016. These undertakings are included in the consolidation of GKN plc. The Company had a 100% interest in the investments listed below unless indicated otherwise.

Name	Registered Office	Class of shares held/interest
Transmisiones Homocineticas Argentinas SA (49%)*	Avenida Del Libertador 602, 4° Piso, Buenos Aires, Argentina	Ordinary B ⁽¹⁾
Unidrive Pty Ltd (60%) *	45-49 McNaughton Road, Clayton Victoria 3168, Australia	Ordinary
GKN Service Austria GmbH	Slamastrasse 32, Postfach 36, 1232 Wien, Austria	Ordinary
Société Anonyme Belge de Constructions Aéronautiques (43.57%)	Chaussée de Haecht 1470, B - 1130 Brussels, Belgium	Ordinary
GKN do Brasil Limitada	Rua Joaquim Silveira 557, Parque Sao Sebastiao, 91060-320 Porto Alegre, RS, Brazil	Quota capital
Fokker Elmo Canada Inc	1635 rue Blueberry Forest, Saint-Lazare Québec, J7T2J9, Canada	Common stock
GKN Sinter Metals St Thomas Ltd *	199 Bay Street, Suite 2800, Commerce Court West, Toronto ON M5L1A9, Canada	Common stock
Fokker Elmo (Langfang) Electrical Systems Co. Ltd	No 71 Xiangyuan Road, Langfang Economic & Technical Development Zone, Langfang, China	Registered investment
GKN (Bazhou) Metal Powder Company Limited (60%) *	On the north of 1500 meters, Wuping Dong Road, Shengfang Town, Bazhou City, Hebei Province, China	Registered investment
GKN China Holding Co Ltd *	Suite 1105-1110 LJZ Plaza, 1600 Century Avenue, Pudong, Shanghai, 200122, China	Registered investment
GKN Danyang Industries Company Limited	18 North Shitan Road, North Industrial Park, Development Zone, Danyang, Jiangsu, China	Registered investment
GKN HUAYU Driveline Systems (Chongqing) Co. Ltd (9%) ^(a)	No. 1 Cuigu, Northern New Zone, Chongqing, 401122, China	Registered investment
GKN (Lianyungang) Company Limited *	928 JingDu Road, Donghai Economic Development Zone, Jiangsu, 222300, China	Registered investment
GKN Power Solutions (Liuzhou) Company Limited * ^(b)	No. 7 Liutai Road, Liuzhou, Guangxi, 545007, China	Registered investment
GKN Sinter Metals Yizheng Co Ltd *	Room 101, Xiwu Building, Yangzhou (Yizheng) Automotive Industrial Park, Jiangsu, China	Registered investment
GKN (Taicang) Co Ltd *	188 East Guanzhou Road, Taicang Economic Development Area, Jiangsu Province, China	Registered investment
GKN Zhongyuan Cylinder Liner Company Limited (59%) *	Xiguo Industrial Zone, Mengzhou City, Henan Province, 454750, China	Registered investment
Nanjing FAYN Piston Ring Company Limited (19.79%) *	17 Zhongshan Road, Yong Yang County, Lishui District, Nanjing, China	Registered investment
Shanghai GKN Driveline Sales Co Ltd (49%)	898 Kangshen Road, Pudong, Shanghai, China	Registered investment
Shanghai GKN HUAYU Driveline Systems Company Limited (50%)	950 KangQiao Road, Pudong New Area, Shanghai, China	Registered investment
Transejes Transmisiones Homocineticas de Colombia SA (49%) *	Calle 32 No. 15 – 23 Barrio Rincon de Girón, Girón Santander, Colombia	Ordinary
GKN Brno s.r.o	Pekárenská 738/54, České Budějovice 4, 370 04 České Budějovice, Czech Republic	Ordinary
GKN Walterscheid Service & Distribution A/S	Baldershøj 11, 2635 Ishøj, Denmark	Ordinary
GKN Wheels Nagbol A/S *	Nagbølvej 31, 6640 Lunderskov, Denmark	Ordinary

Notes to the Financial Statements (continued)

For the year ended 31 December 2016

15 Subsidiaries and other undertakings (continued)

Name	Registered Office	Class of shares held/interest
GKN Automotive SAS *	100 Avenue Vanderbilt, 78955 Carrieres-sous-Poissy, France	Ordinary
GKN Driveline Ribemont SARL	7 rue de la Briqueterie, 02240 Ribemont, France	Ordinary
GKN Driveline SA (99.99%)	100 Avenue Vanderbilt, 78955 Carrieres-sous-Poissy, France	Ordinary
GKN Freight Services EURL	100 Avenue Vanderbilt, 78955 Carrieres-sous-Poissy, France	Ordinary
GKN Service France SAS	8 rue Panhard et Levassor, Ecoparc des Cettons, 78570, Chanteloup-les-Vignes, France	Ordinary
NHIndustries SAS (5%)	765 rue Albert Einstein , CS 70402, 13591 Aix-en-Provence Cedex 3, France	Ordinary
GKN Aerospace Deutschland GmbH	Brunhamstr. 21, 81249, Munich, Germany	Ordinary
GKN Driveline Deutschland GmbH	Carl-Legien-Strasse 10, 63073 Offenbach am Main, Germany	Ordinary
GKN Driveline International GmbH	Hauptstrasse 130, 53797 Lohmar, Germany	Ordinary
GKN Driveline Trier GmbH	Hafenstrasse 41, 54293 Trier, Germany	Ordinary
GKN Freight Services GmbH	Heinrich-Krumm Strasse 1-3, 63073 Offenbach am Main, Germany	Ordinary
GKN Gelenkwellenwerk Kaiserslautern GmbH	Opelkreisel 1-9, 67663 Kaiserslautern, Germany	Ordinary
GKN Holdings Deutschland GmbH *	Hauptstrasse 150, 53797 Lohmar, Germany	Ordinary
GKN Powder Metallurgy Holding GmbH	Krebsoege 10, 42477 Radevormwald, Germany	Ordinary
GKN Service International GmbH	Nussbaumweg 19-21, 51503 Roesrath, Germany	Ordinary
GKN Sinter Metals Components GmbH	Pennefeldsweg 11-15, 53177, Bonn, Germany	Ordinary
GKN Sinter Metals Engineering GmbH	Krebsoege 10, 42477 Radevormwald, Germany	Ordinary
GKN Sinter Metals Filters GmbH Radevormwald	Dahlenstrasse 43, 42477 Radevormwald, Germany	Ordinary
GKN Sinter Metals GmbH, Bad Brückenau	Industriestr. 1, 97769 Bad Brückenau , Germany	Ordinary
GKN Sinter Metals GmbH, Bad Langensalza	Am Fliegerhorst 9, 99947 Bad Langensalza, Germany	Ordinary
GKN Walterscheid Getriebe GmbH	Alte Bautzener Strasse 1-3, 02689 Sohland/Spree, Germany	Ordinary
GKN Walterscheid GmbH	Hauptstrasse 150, 53797 Lohmar, Germany	Ordinary
Hoeganaes Corporation Europe GmbH	Peterstrasse 69, 42499 Hueckeswagen, Germany	Ordinary
Drivotech Accessories Limited	E-249, Rama Market, Munirka, New Delhi , 110 067, India	Ordinary
Fokker Elmo SASMOS Interconnection Systems Limited (49%)	Block 2A No. 311, NPR Complex. Survey No 197 , Hoody Village, K R Puram Hobli, Whitefield Road, Bangalore - 560048, Karnataka, India	Ordinary
GKN Driveline (India) Limited (97.03%)	270, Sector-24, Faridabad 121 005, (Haryana), India	Ordinary
GKN Driveline Beshel Private Joint Stock Company (59.99%)	N° 9, Yas Alley Fath St, Sadr Express Way , 1939753151 Tehran, Iran, Islamic Republic of	Ordinary

Notes to the Financial Statements (continued)

For the year ended 31 December 2016

15 Subsidiaries and other undertakings (continued)

Name	Registered Office	Class of shares held/interest
Ipsley Insurance Limited *	c/o Willis Management (Isle of Man) Ltd, Tower House, Loch Promenade, Douglas, IM1 2LZ, Isle of Man	Ordinary
GKN Driveline Brunico SpA	Via dei Campi della Rienza 8, 39031 Brunico, BZ, Italy	Ordinary
GKN Driveline Firenze SpA	Via Fratelli Cervi 1, 50013 Campi Bisenzio, (FI), Italy	Ordinary
GKN Italia SpA *	Via dei Campi della Rienza 8, 39031 Brunico, BZ, Italy	Ordinary
GKN Service Italia SpA	Via Giosuè Carducci 133, Cologno Monzese, 20093, MI, Italy	Ordinary
GKN Sinter Metals SpA	Via Delle Fabbriche 5, 39031 Brunico, BZ, Italy	Ordinary
GKN Wheels Carpenedolo SpA	Viale Santa Maria 76, 25013 Carpenedolo, BS, Italy	Ordinary
GKN Driveline Japan Ltd	2388 Ohmiya-cho, Tochigi City, 328-8502 Tochigi, Japan	Ordinary
GKN Driveline Tochigi Holdings KK *	2388 Ohmiya-cho, Tochigi City, Tochigi, 328- 8502, Japan	Ordinary
Matsui-Walterscheid Ltd (40%)	21-15 Azusawa 2-chome, Itabashi-ku, Tokyo 174, Japan	Common stock
GKN Driveline Malaysia Sdn Bhd (68.42%)	2445 Lorong Perusahaan Enam B, Kawasan Perindustrian Prai 13600 Prai, Penang, Malaysia	Ordinary
FAE Aerostructures SA de CV	Tabalaopa #8301, Parque Industrial, Chihuahua, Mexico	Ordinary
GKN Aerospace San Luis Potosi S. de R.L. de C.V. * ^(c)	Av. CFE No. 709, Parque Industrial Millennium, San Luis Potosi S.L.P 78395, Mexico	Fixed equity
GKN Driveline Celaya SA de CV (99.85%) *	Carretera Panamericana km 284, Celaya, Guanajuato, C.P. 38110, Mexico	Ordinary
GKN Driveline Mexico Services SA de CV (98%) *	Carretera Panamericana km 284, Celaya, Guanajuato, C.P. 38110, Mexico	Ordinary
GKN Driveline Mexico Trading SA de CV (98%)*	Carretera Panamericana km 284, Celaya, Guanajuato, C.P. 38110, Mexico	Ordinary
GKN Driveline Villagran SA de CV (98%) *	Carretera Alterna Celaya Villagrán Km 11 , Col. El Pintor, Villagrán, Guanajuato, C.P. 38260, Mexico	Ordinary
Business Park Aviolanda B.V. (20%)	Aviollandalaan 37, 4631 RP, Hoogerheide, Netherlands	Ordinary
Cooperative Delivery of Retrokits (CDR) V.O.F. (50%)	Industrieweg 4, 3351 LB, Papendrecht, Netherlands	Registered investment
Fabriek Slobbengors Beheer B.V. (49%)	Markt 22, 3351 PB, Papendrecht, Netherlands	Ordinary
Fabriek Slobbengors C.V. (49%)	Markt 22, 3351 PB, Papendrecht, Netherlands	Registered investment
Fokker Aerospace B.V.	Industrieweg 4, 3351 LB, Papendrecht, Netherlands	Ordinary
Fokker Aerostructures B.V.	Industrieweg 4, 3351 LB, Papendrecht, Netherlands	Ordinary
Fokker Aircraft Services B.V.	Aviollandalaan 31, 4631 RP, Hoogerheide, Netherlands	Ordinary
Fokker (CDR) B.V.	Industrieweg 4, 3351 LB, Papendrecht, Netherlands	Ordinary
Fokker Elmo B.V.	Aviollandalaan 33, Hoogerheide, 4631 RP, Netherlands	Ordinary
Fokker Engineers & Contractors B.V.	Industrieweg 4, 3351 LB, Papendrecht, Netherlands	Ordinary
Fokker Landing Gear B.V.	Grasbeemd 28, 5705 DG, Helmond, Netherlands	Ordinary

Notes to the Financial Statements (continued)

For the year ended 31 December 2016

15 Subsidiaries and other undertakings (continued)

Name	Registered Office	Class of shares held/interest
Fokker Procurement Combination B.V.	Industrieweg 4, 3351 LB, Papendrecht, Netherlands	Ordinary
Fokker Services B.V.	Hoeksteen 40, 2132 MS, Hoofddorp, Netherlands	Ordinary
Fokker Technologies Group B.V.	Industrieweg 4, 3351 LB, Papendrecht, Netherlands	Ordinary
Fokker Technologies Holding B.V.	Industrieweg 4, 3351 LB, Papendrecht, Netherlands	Ordinary
Fokker Technology B.V.	Industrieweg 4, 3351 LB, Papendrecht, Netherlands	Ordinary
GKN Aerospace Netherlands B.V. *	Amstelveenseweg 760, 1081JK Amsterdam, Netherlands	Ordinary
GKN Service Benelux BV	Haarlemmerstraatweg 153-157, 1165 MK Halfweg, Netherlands	Ordinary
GKN UK Holdings BV	PO Box 55, Ipsley House, Ipsley Church Lane, Redditch, Worcestershire, B98 0TL, England	Ordinary
Hoofdkantoor Slobbengors Beheer B.V. (49%)	Markt 22, 3351 PB, Papendrecht, Netherlands	Ordinary
Kantoor Industrieweg C.V. (49%)	Markt 22, 3351 PB, Papendrecht, Netherlands	Registered investment
Structural Laminates Industries B.V.	Industrieweg 4, 3351 LB, Papendrecht, Netherlands	Ordinary
GKN Aerospace Norway AS	Kirkegårdsveien 45, 3616 Kongsberg, Norway	Ordinary
Kongsberg Technology Training Centre AS (50%)	Kirkegårdsveien 45, 3616 Kongsberg, Norway	Ordinary
Kongsberg Terotech AS (33.33%)	Kirkegårdsveien 45, 3616 Kongsberg, Norway	Ordinary
GKN Driveline Polska Sp z o o *	Ul. B. Krzywoustego 31 G, 56-400 Oleśnica, Poland	Ordinary
GKN Service Polska Sp. z o.o *	Al. Katowicka 33, 05-830, Nadarzyn, Poland	Ordinary
FOAR S.R.L. (49%)	Str. Condorilor 9, 600302, Bacau, Romania	Ordinary
Fokker Engineering Romania S.R.L.	Sos Pipera Tunari 1/V11, Nord City Tower et. 4, Voluntari Ilfov, Romania	Ordinary
Hoeganaes Corporation Europe SA * ^(d)	33 Urziceni Street, Buzau , 120226, Romania	Ordinary
Fokker Services Asia Pte Ltd	1800 West Camp Road, Seletar Aerospace Park, Singapore	Ordinary
GKN Driveline Slovenija d o o *	Rudniska cesta 20, Zrece 3214, Slovenia	Ordinary
GKN Sinter Metals Cape Town (Pty) Limited	49 Afrikander Road, Murdock Valley , Simonstown, 7975, South Africa	Ordinary
GKN Ayra Servicio, SA	Pol. Ind. Can Salvatella, Avenida Arrahona 54-56, 08210 Barbera del Valles, Barcelona, Spain	Ordinary
GKN Driveline Vigo, SA	Avenida de Citroen s/n, 36210 Vigo, Spain	Ordinary
GKN Driveline Zumaia, SA * ^(e)	Sagarbidea 2, 20750 Zumaia, Spain	Ordinary
Stork Prints Iberia SA	Polígono Industrial s/n , Maçanet de la Selva, 17412 Girona, Spain	Ordinary
GKN Aerospace Applied Composites AB	Box 13070, SE- 580 13 , Linköping, Sweden	Ordinary
GKN Aerospace Sweden AB	SE- 461 81, Trollhättan, Sweden	Ordinary
GKN Driveline Köping AB	SE - 731 36 , Köping, Sweden	Ordinary
GKN Driveline Service Scandinavia AB *	Alfred Nobels allé 110, 14621, Tullinge, Sweden	Ordinary
GKN Stromag Scandinavia AB	Alfred Nobels allé 110, 14621, Tullinge, Sweden	Ordinary
GKN Sweden Holdings AB *	SE- 461 81 Trollhättan, Sweden	Ordinary
Industrigruppen JAS AB (20%)	581 88 Linköping , Sweden	Ordinary
Taiway Limited (36.25%) *	14 Kwang Fu Road, Hsin-Chu Industrial Park, Hukou, Hsin Chu 30351, Taiwan	Common stock

Notes to the Financial Statements (continued)

For the year ended 31 December 2016

15 Subsidiaries and other undertakings (continued)

Name	Registered Office	Class of shares held/interest
GKN Aerospace Transparency Systems (Thailand) Limited * ^(a)	9/21 Moo 5, Phaholyothin Road Klong 1, Klong Luang, Patumthanee, 12120, Thailand	Ordinary
GKN Driveline (Thailand) Limited	Eastern Seaboard Industrial Estate, 64/9 Moo 4, Tambon Pluakdaeng, Amphur Pluakdaeng, Rayong 21140, Thailand	Ordinary
GKN Driveline Manufacturing Ltd	Eastern Seaboard Industrial Estate, 64/9 Moo 4, Tambon Pluakdaeng, Amphur Pluakdaeng, Rayong 21140, Thailand	Ordinary
Fokker Elmo Havacilik Sanayi Ve Ticaret Limited Sirketi	Ege Serbest Bölgesi, SADI Sok. No:10, 35410 Gaziemir, Izmir, Turkey	Ordinary
GKN Eskisehir Automotive Products Manufacture and Sales A.S.	Organize Sanayi Bolgesi 20, Cadde No: 17, 26110, Eskisehir, Turkey	Ordinary
A. P. Newall & Company Limited *	Brodies LLP, 15 Atholl Crescent, Edinburgh, Scotland, EH3 8HA, United Kingdom	Ordinary
FAD (UK) Limited *	PO Box 55, Ipsley House, Ipsley Church Lane, Redditch, Worcestershire, B98 0TL, England	Ordinary
GKN Investments LP ^(a)	15 Atholl Crescent, Edinburgh, EH3 8HA, United Kingdom	Registered investment
GKN Overseas Holdings Limited *	PO Box 55, Ipsley House, Ipsley Church Lane, Redditch, Worcestershire, B98 0TL, England	Ordinary
GKN UK Investments Limited	PO Box 55, Ipsley House, Ipsley Church Lane, Redditch, Worcestershire, B98 0TL, England	Ordinary
GKN U.S. Investments Limited *	PO Box 55, Ipsley House, Ipsley Church Lane, Redditch, Worcestershire, B98 0TL, England	Ordinary
GKN USD Investments Limited *	PO Box 55, Ipsley House, Ipsley Church Lane, Redditch, Worcestershire, B98 0TL, England	Ordinary
Aerotron AirPower Inc	456 Aerotron Parkway, LaGrange, 30240 GA, United States	Common stock
Fokker Aerostructures Inc	GTH Corporate Services LLC, 1201 Pacific Ave Ste 2100, Tacoma WA 98401, United States	Common stock
Fokker Elmo Inc	CT Corporation Systems, 1201 Peachtree St NE, Atlanta GA 30361, United States	Common stock
GENIL, Inc	CSC - Lawyers Incorporating Service, 2710 Gateway Oaks Drive, Suite 150 N, Sacramento CA 95833, United States	Ordinary
GKN Aerospace Aerostructures, Inc	Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware, 19808, USA	Ordinary
GKN Aerospace Bandy Machining, Inc	CSC - Lawyers Incorporating Service, 2710 Gateway Oaks Drive, 150 N, Sacramento CA 95833, United States	Ordinary
GKN Aerospace Camarillo, Inc	CSC - Lawyers Incorporating Service, 2710 Gateway Oaks Drive, Suite 150 N, Sacramento CA 95833, United States	Ordinary
GKN Aerospace Chem-tronics Inc	CSC - Lawyers Incorporating Service, 2710 Gateway Oaks Drive, 150 N, Sacramento CA 95833, United States	Ordinary
GKN Aerospace Cincinnati, Inc	CSC-Lawyers Incorporating Service, 50 West Broad Street, Suite 1300, Columbus OH 43215, United States	Ordinary
GKN Aerospace Florida, Inc	2711 Centerville Road, Suite 400, Wilmington DE 19808, United States	Ordinary
GKN Aerospace Monitor, Inc	Corporation Service Company, 80 State Street, Albany NY 12207, United States	Ordinary
GKN Aerospace Muncie, Inc	Corporation Service Company, 251 East Ohio Street, Suite 500, Indianapolis IN 46204, United States	Ordinary

Notes to the Financial Statements (continued)

For the year ended 31 December 2016

15 Subsidiaries and other undertakings (continued)

Name	Registered Office	Class of shares held/interest
GKN Aerospace New England, Inc	Corporation Service Company , 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, USA	Ordinary
GKN Aerospace Newington LLC	Principal place of business is 179 Louis Street , Newington CT 06111, USA	Ordinary
GKN Aerospace North America, Inc	Corporation Service Company , 2711 Centerville Road, Suite 400, Wilmington DE 19808, United States	Common stock
GKN Aerospace Precision Machining, Inc	Corporation Service Company , 2711 Centerville Road, Suite 400, Wilmington DE 19808, United States	Ordinary
GKN Aerospace Services Structures Corporation	Corporation Service Company , 2711 Centerville Road Suite 400, Wilmington DE 19808, United States	Common stock
GKN Aerospace South Carolina, Inc	Corporation Service Company , 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, USA	Common stock
GKN Aerospace Transparency Systems Inc	CSC - Lawyers Incorporating Service, 2710 Gateway Oaks Drive, 150 N, Sacramento CA 95833, United States	Common stock
GKN Aerospace US Holdings LLC	Principal place of business is PO Box 55, Ipsley House, Ipsley Church Lane, Redditch, Worcestershire, B98 0TL, England	Membership interest (no share capital)
GKN Aerospace, Inc	Corporation Services Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware, 19808, USA	Common stock
GKN America Corp *	Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington DE 19808, United States	Common stock
GKN Armstrong Wheels, Inc	Corporation Service Company, 505 5th Avenue, Suite 729, Des Moines IA 50309, United States	Ordinary
GKN Driveline Bowling Green, Inc	Corporation Service Company, 50 West Broad Street, Suite 1330, Columbus OH 43215, United States	Common stock
GKN Driveline Newton LLC	Principal place of business is 1848 GKN Way, Newton NC 28658, USA	Membership interest (no share capital)
GKN Driveline North America, Inc	Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington DE 19808, United States	Common stock
GKN Freight Services, Inc	Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington DE 19808, United States	Common stock
GKN North America Investments Inc	Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware, 19808, USA	Ordinary
GKN North America Services, Inc	Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware, 19808, USA	Common stock
GKN Rockford Inc	Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington DE 19808, United States	Ordinary
GKN Sinter Metals, LLC	Principal place of business is 2200 North Opdyke Road, Auburn Hills MI 48326, USA	Membership interest (no share capital)
GKN Stromag Inc	CSC-Lawyers Incorporating Service, 50 West Broad Street, Suite 1300, Columbus OH 43215, United States	Common stock

Notes to the Financial Statements (continued)

For the year ended 31 December 2016

15 Subsidiaries and other undertakings (continued)

Name	Registered Office	Class of shares held/interest
GKN Walterscheid, Inc	Illinois Corporation Service Company, 801 Adlai Stevenson Drive, Springfield IL 62703, United States	Ordinary
GKN Westland Aerospace, Inc	Corporation Services Company, 2711 Centerville Road, Suite 400, Wilmington DE 19808, United States	Common stock
Hoeganaes Corporation	Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington DE 19808, United States	Common stock
Hoeganaes Specialty Metal Powders LLC (70%)	Principal place of business is 1001 Taylors Lane, Cinnaminson NJ 08077, USA	Membership interest (no share capital)
XIK LLC	Principal place of business is 2715 Davey Road, Suite 300, Woodridge, Illinois, 60517-5064, USA	Membership interest (no share capital)
GKN Driveline Uruguay SA *	Arq. Baldomiro, 2408, Montevideo, Uruguay	Ordinary

*indicates undertakings held directly by the Company, other undertakings are held indirectly through intermediate companies.

(1) The Group owns 100% of the Ordinary Class B shares with a total ownership of 49% in the company.

(a) The Group owns 9% directly with a total effective ownership of 34.5%.

(b) The Company has a direct interest in 71.4 % of the registered investment. The balance registered investment is held by the Company indirectly through intermediate companies.

(c) The Company has a direct interest in 99.99% of the issued share capital. The balance is held by other wholly owned subsidiaries of GKN plc.

(d) The Company has a direct interest in 99.99% of the issued share capital. The balance is held by other wholly owned subsidiaries of GKN plc.

(e) The Company has a direct interest in 99.99% of the issued share capital. The balance is held by other wholly owned subsidiaries of GKN plc.

(f) The Company has a direct interest in 99.99% of the issued share capital. The balance is held by other wholly owned subsidiaries of GKN plc.

(g) The partnership is controlled by and its results are consolidated in the Group accounts of GKN plc, as such advantage has been taken of the exemption set out in regulation 7 of the Partnerships (Accounts) Regulations 2008.

16 Post balance sheet events

On 13 April 2017 the Company acquired 100% of the equity share capital of Tozmetal Ticaret Ve Sanayi AS for an expected consideration of €29,970,000.