

Federal-Mogul Bradford Limited (formerly known as AE Goetze Automotive Limited)

Company Number 106848

Directors' Report for the Year Ended 31st December 1998

Activities

The Company's principal activity is the manufacture and sale of piston products as an agent for T&N Limited (formerly T&N plc).

Change of Name

The Company changed its name to Federal-Mogul Bradford Limited on 4 January 1999.

Directors

The following served as Directors during (and, unless otherwise indicated, throughout) the year:-

A Beckwith, resigned 31/12/98
N B Casson
B Moncur
A Page
T A Welsh, resigned 1/5/98



Directors' Interests

The interests, all beneficial, of the Directors in the share capital of T&N Limited (formerly T&N plc) comprise:-

	Ordinary Shares	
	31.12.98	31.12.97
A Beckwith	-	-
N B Casson	-	-
B Moncur	-	-
A Page	-	-

	Number of options		Exercise Price	Market price on date exercised	Date of Grant	Date from which exercisable	Expiry Date
	Granted during year	Exercised during year					
	1.1.98	31.12.98					
N B Casson	10,166	-	226.2	260p	12.4.94	12.4.97	11.4.2004
	20,333	-	207.5	260p	6.10.94	6.10.97	5.10.2004
	10,000	-	159.0	260p	10.5.95	10.5.98	9.5.2005
	2,538	-	135.9	260p	1.7.95	1.7.2000	31.12.2000
	2,215	-	155.7	260p	3.5.96	1.7.2001	31.12.2001
	45,252	-	45,252	-			
B Moncur	20,000	-	157.5	260p	2.9.97	1.9.2000	2.9.2007

(1) These options have been granted under the Savings-Related Scheme. All other options have been granted under the Executive Scheme.

Mr A Beckwith and Mr A Page have no options.

On 6 March 1998, T&N Limited (formerly T&N plc) was acquired by Federal-Mogul Corporation. As a result, all outstanding options became exercisable.

Federal-Mogul Bradford Limited (formerly known as AE Goetze Automotive Limited)

Directors' Report for the Year Ended 31st December 1998


The following directors have registered interests in the share capital of Federal-Mogul Corporation in the form of options:

	Shares		Options	
	31.12.98	31.12.97 (or date of appointment)	31.12.98	31.12.97 (or date of appointment)
N B Casson	-	-	1,000	-
B Moncur	-	-	1,000	-
A Page	-	-	1,000	-

Employees

It is the company's policy to endeavour to provide employment for disabled persons (including those who become disabled whilst in its employ), commensurate with their skills, and where appropriate, to make available training facilities to enable them to better use their skills.

By Order of the Board


N B Casson 27/10/1999
Director

FEDERAL-MOGUL BRADFORD LIMITED

(FORMERLY KNOWN AS AE GOETZE AUTOMOTIVE LIMITED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- * select suitable accounting policies and then apply them consistently;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- * make judgements and estimates that are reasonable and prudent;
- * 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

FEDERAL-MOGUL BRADFORD LIMITED

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AUDITORS' REPORT TO THE MEMBERS OF
FEDERAL-MOGUL BRADFORD LIMITED

We have audited the financial statements on pages 5 to 8 which have been prepared under the historical cost convention and in accordance with the accounting policies on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the Company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 1998 and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Ernst & Young
Registered Auditor
Manchester

28/10/98

FEDERAL-MOGUL BRADFORD LIMITED
(FORMERLY KNOWN AS AE GOETZE AUTOMOTIVE LIMITED)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1998

The Company has not traded during this year and the comparative year, has received no income and incurred no expenditure and consequently has made neither a profit nor a loss.

The Company had no recognised gains or losses for the year.

FEDERAL-MOGUL BRADFORD LIMITED
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BALANCE SHEET

AS AT 31ST DECEMBER 1998

	Notes	1998 £000	1997 £000
<u>Fixed Assets</u>			
Investments	3	332	332
Net assets		<u>332</u>	<u>332</u>
<u>Capital and Reserves</u>			
Called up share capital	4	250	250
Profit and loss account		82	82
Shareholder's funds - equity	5	<u>332</u> =====	<u>332</u> =====

The Company was dormant throughout the financial year.

The financial statements on pages 5 to 8 were approved by the Board on 27th Oct. 1999 and were signed on its behalf by:-


Director

FEDERAL-MOGUL BRADFORD LIMITED

(FORMERLY KNOWN AS AE GOETZE AUTOMOTIVE LIMITED)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost convention.

(b) Cash Flow Statement

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

2. DIRECTORS

The directors have not received any remuneration for services to the Company during the year (1997: £nil).

3. INVESTMENTS

Loan to fellow subsidiary undertaking	£000
At 31st December 1997 and 1998	332
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FEDERAL-MOGUL BRADFORD LIMITED

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)

	1998	1997
	£000	£000
4. <u>CALLED UP SHARE CAPITAL</u>		
Authorised, issued and fully paid		
500,000 ordinary shares of 50p	250	250
	=====	=====

5. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

There has been no movement in shareholder's funds in this year or in the comparative year.

6. ULTIMATE PARENT COMPANY

The Company's parent company is AE PLC which is registered in England and Wales. the ultimate parent company is Federal-Mogul Corporation which is incorporated in the United States of America. Copies of the Federal-Mogul Corporation Annual Report and Accounts can be obtained from Federal-Mogul Investor Relations, 26555 Northwestern Highway, Southfield, MI 48034, USA.