

# The Washington Chemical Company Limited

Company Number 166702

Directors' Report for the Year Ended 31st December 1998

## Activities

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

## Directors

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

S P Arnold, appointed 15/12/98  
H F Baines, resigned 6/1/99  
J H Devonald  
D W Finnett, resigned 15/12/98  
A G Holmes, appointed 6/1/99

## 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	
S P Arnold						-		5,675	
H F Baines						-		-	
J H Devonald						-		-	
						-		5,675	
		Number of options							
		Granted	Exercised			Exercise	Market	Date from	Expiry
		during year	during year			Price	price	which	Date
							on date	exercisable	
							exercised		
		1.1.98	31.12.98						
SP Arnold(1)	3,267	-	3,267	-	158.4	260p	11.05.93	1.7.98	31.12.1998
H F Baines	50,000	-	50,000	-	159.0	260p	10.5.95	10.5.98	9.5.2005
	75,000	-	75,000	-	157.5	260p	2.10.96	2.9.2000	1.9.2007
(1)	5,077	-	5,077	-	135.9	260p	2.9.97	1.7.2000	31.12.2000
		130,077	130,077						
J H Devonald	10,457	-	10,457	-	127.1	260p	11.9.92	11.9.95	11.9.2002
	12,548	-	12,548	-	172.1	260p	15.4.93	15.4.96	14.4.2003
	10,166	-	10,166	-	226.2	260p	12.4.94	12.4.97	11.4.2004
	10,166	-	10,166	-	207.5	260p	6.10.94	6.10.97	5.10.2004
	20,000	-	20,000	-	159.0	260p	10.5.95	10.5.98	9.5.2005
	10,000	-	10,000	-	134.5	260p	2.10.96	2.10.99	1.10.2006
	30,000	-	30,000	-	157.5	260p	2.9.97	2.9.2000	1.9.2007
		103,337	103,337	-					

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

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.

The directors have the following registered interests in the share capital of Federal-Mogul Corporation, in the form of options as at 31.12.98:

S P Arnold : 500 - J H Devonald: 800

By Order of the Board



Mrs P J Robinson

Secretary

29/10/99



THE WASHINGTON CHEMICAL COMPANY 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.

THE WASHINGTON CHEMICAL COMPANY LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 1998

	Notes	1998 £000	1997 £000
<u>Fixed Assets</u>			
Investments	4	2,785	2,785
Total assets		<u>2,785</u>	<u>2,785</u>
<u>Capital and Reserves</u>			
Called up share capital	5	2,785	2,785
Shareholder's funds - equity		<u>2,785</u> =====	<u>2,785</u> =====

The Company was dormant throughout the financial year.

The financial statements on pages 3 and 4 were approved by the Board on 26th October 1999 and were signed on its behalf by:-



Director

THE WASHINGTON CHEMICAL COMPANY 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.

2. PROFIT AND LOSS ACCOUNT

The Company has not traded during the year, has received no income and incurred no expenditure and consequently has made neither a profit nor a loss. There were no recognised gains or losses during the year.

3. DIRECTORS

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

4. INVESTMENTS

Loan to parent undertaking

£000

At 31st December 1997 and 1998

2,785

5. CALLED UP SHARE CAPITAL

1998  
£000

1997  
£000

Authorised

3,000,000 ordinary shares of £1 each

3,000

3,000

Issued and fully paid

2,785,000 ordinary shares of £1 each

2,785

2,785

6. ULTIMATE PARENT COMPANY

The Company's parent company is Fleetside Investments Limited which is registered in England and Wales. The ultimate parent company is Federal-Mogul Corporation which is registered 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.