

Federal-Mogul Camshafts Limited

Company Number 306023

Director's Report for the Year Ended 31st December 2010

The director presents his report and financial statements for the year ended 31 December 2010.

Activities

The principal activity of the Company was in the field of precision engineering and involved the manufacture of components for truck, tractor, automobile, marine and stationary engines, as agent for Federal-Mogul Limited from its factory at Elstead. The factory at Elstead has now closed. Production finished in November 2008. The result for the year was £nil (2009 was £nil). The director does not recommend a dividend (2009: £nil).

Treasury Policies

Exposure to price, credit, currency, liquidity and cash flow risks is not material to the assessment of the financial position of the Company.

Director

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

L D Hangran

*On behalf of the Board*



L D Hangran

Director

Date 27 May 2011



## FEDERAL-MOGUL CAMSHAFTS LIMITED

### 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed,
- 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

FEDERAL-MOGUL CAMSHAFTS LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2010

	Notes	2010 £	2009 £
<u>Fixed Assets</u>			
Investments	4	2,187,452	2,187,452
		<hr/>	<hr/>
Net assets		2,187,452	2,187,452
		<hr/>	<hr/>
<u>Capital and Reserves</u>			
Called up equity share capital	5	2,499,938	2,499,938
Profit and loss account	6	(312,486)	(312,486)
		<hr/>	<hr/>
Total shareholders' funds	6	2,187,452	2,187,452
		<hr/>	<hr/>

The Company did not trade during the year

For the year ending 31 December 2010 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

Directors' responsibilities

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts
- these accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements on pages 3 to 5 were approved by the Board on 27 May 2011 and were signed on its behalf by -



L. D. Hangran  
Director

## FEDERAL-MOGUL CAMSHAFTS LIMITED

### NOTES FORMING PART OF THE ACCOUNTS

#### 1 ACCOUNTING POLICIES

##### (a) Basis of Accounting

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention

##### (b) Cash Flow Statement

Under Financial Reporting Standard 1 (Revised 1996), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of Federal-Mogul Corporation, a company which has prepared a consolidated cash flow statement

##### (c) Foreign currencies

Transactions in foreign currency are recorded at the rate ruling at the date of transaction. Any assets or liabilities denominated in foreign currency are retranslated at the year end rate. Exchange differences on transactions in foreign currencies are included in the profit and loss account.

##### (d) Deferred Taxation

The taxation charge is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax with the following exceptions:

- Provision is made for gains on disposals of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets,
- Deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

##### (e) Related Parties

The Company has taken advantage of the exemption in FRS8 Related Party Disclosures from disclosing transactions with related parties that are part of the Icahn Enterprises group, of which the ultimate parent undertaking is Icahn Enterprises L P.

##### (f) Fundamental Accounting Concept

The directors believe it to be appropriate to prepare the accounts on the going concern basis due to the continued financial support provided by Federal-Mogul Limited, its parent company.

FEDERAL-MOGUL CAMSHAFTS LIMITED

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

2 DIRECTOR

The director has not received any remuneration for services to the Company during the year (2009: £nil)

3 EMPLOYEES

The average number of persons employed by the Company during the year was nil (2009: 1). All costs relating to these employees are paid directly by Federal-Mogul Limited, on whose behalf they are employed.

4 INVESTMENTS

Loan to parent undertaking £  
At 31 December 2009 and 31 December 2010 2,187,452

	2010 £	2009 £
5 <u>CALLED UP SHARE CAPITAL</u>		
Authorised, issued and fully paid		
4,875 ordinary shares of 50p each	2,438	2,438
4,995,000 deferred shares of 50p each	<u>2,497,500</u>	<u>2,497,500</u>
	<u>2,499,938</u>	<u>2,499,938</u>

The deferred shares carry reduced dividend rights and carry no voting rights at meeting. On winding up of the Company, the deferred shareholders rank secondly behind the ordinary shareholders in respect of the amount paid up on the shares.

6 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share Capital £	Profit and loss Account £	Total £
At 1 December 2009	2,499,938	(312,486)	2,187,452
Result for the year 2009	-	-	-
At 31 December 2009	<u>2,499,938</u>	<u>(312,486)</u>	<u>2,187,452</u>
Result for the year 2010	-	-	-
At 31 December 2010	<u>2,499,938</u>	<u>(312,486)</u>	<u>2,187,452</u>

7 ULTIMATE PARENT COMPANY

The Company's parent company is Federal-Mogul Limited which is registered in England and Wales. The ultimate parent company and controlling party is Icahn Enterprises L P, which is registered in the USA. Copies of the Icahn Enterprises L P Annual Report and Accounts can be obtained from Icahn Enterprises L P, 767 Fifth Avenue, Suite 4700, New York, NY 10153, USA.

8 COMPOSITE CROSS-GUARANTEE

Contingent liabilities exist in respect of cross-guarantees given by the Company and certain of its fellow UK subsidiaries to support some of the UK banking facilities. At the year-end these facilities amounted to £nil (2009: £nil).