

Federal-Mogul Camshafts Limited (formerly Weyburn-Bartel Limited)

Company Number 306023

Directors' Report for the Year Ended 31st December 1998

Activities

The principal activity of the Company is in the field of precision engineering and involves the manufacture of components for truck, tractor, automobile, marine and stationary engines, as agent for T&N Limited (formerly T&N plc).

Change of name

The Company changed its name to Federal-Mogul Camshafts Limited on 8 July 1998.

Directors

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

M Lee
S P Northedge

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		
M Lee						-		-	
S P Northedge						-		-	
						-		-	
		Number of options			Exercise	Market			
		Granted	Exercised		Price	price		Date from	
		during year	during year			on date	Date of	which	Expiry
						exercised	Grant	exercisable	Date
	1.1.98		31.12.98						
M Lee	20,333	-	20,333	-	226.2	260p	12.4.94	12.4.97	11.4.2004
	20,333	-	20,333	-	207.5	260p	6.10.94	6.10.97	5.10.2004
	10,000	-	10,000	-	159.0	260p	10.5.95	10.5.98	9.5.2005
	5,000	-	5,000	-	134.5	260p	2.10.96	2.10.99	1.10.2006
	55,666	-	55,666	-					
S Northedge(1)	5,077	-	5,077	-	135.9	260p	1.7.95	1.7.2000	31.12.2000
(1)	7,615	-	7,615	-	135.9	260p	2.5.97	1.7.2002	31.12.2002
	23,753	-	23,753	-					

(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:

M Lee: ,400

By Order of the Board

S P Northedge 20 October 1999
S Northedge
Director



FEDERAL-MOGUL CAMSHAFTS LIMITED

(FORMERLY KNOWN AS WEYBURN-BARTEL 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 CAMSHAFTS LIMITED

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BALANCE SHEET

AS AT 31ST DECEMBER 1998

	Notes	1998 £000	1997 £000
<u>Fixed Assets</u>			
Investments	5	8,747	8,747
<u>Current Assets</u>			
Cash at Bank and in Hand		1	1
Total Assets		8,748	8,748
<u>Creditors: due after more than one year</u>	6	(6,248)	(6,248)
Net Assets		2,500	2,500
<u>Capital and Reserves</u>			
Called up equity share capital	7	2	2
Shareholder's funds			
- equity		2	2
- non equity		2,498	2,498
Total shareholder's funds	8	2,500	2,500

The Company was dormant throughout the financial year.

The financial statements on pages 3 to 6 were approved by the Board on
and were signed on its behalf by:-

1999

M. St. John 29 October 1999

Director

FEDERAL-MOGUL CAMSHAFTS LIMITED

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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.

(c) Group Accounts

The Company is exempt under s228 of the Companies Act 1985 from preparing group accounts as it is an intermediate holding company. The ultimate UK parent company is Federal-Mogul Global Growth Limited which is registered in England and Wales. These financial statements present information about Federal-Mogul Camshafts Limited as an individual undertaking and not about its group.

2. PROFIT AND LOSS ACCOUNT

The Company has traded during the year only as agent for T&N Limited. It has not traded in its own account 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.

3. DIRECTORS

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

4. EMPLOYEES

The average number of persons employed by the Company during the year was 175 (1997: 181). All costs relating to these employees are paid directly by T&N Limited, on whose behalf they are employed.

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

5. INVESTMENTS

Loan to ultimate UK parent undertaking	£000
At 31st December 1997 and 1998	8,747

In addition to the above loan, the Company has a wholly owned subsidiary, E D Parts Limited. The investment is included in the accounts at £2, representing the original cost of two £1 ordinary shares

6. <u>CREDITORS: amounts due after more than one year</u>	1998 £000	1997 £000
Loan from parent undertaking	6,248	6,248
	6,248	6,248
7. <u>CALLED UP SHARE CAPITAL</u>	1998 £000	1996 £000
Authorised, issued and fully paid		
4,875 ordinary shares of 50p each	2	2
4,995,000 deferred shares of 50p each	2,498	2,498
	2,500	2,500

8. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

There has been no movement in shareholders' funds in the year or in the comparative year.

9. ULTIMATE PARENT COMPANY

The Company's immediate parent company is Cranhold 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 Annual Report and Accounts can be obtained from Federal-Mogul Corporation, 26555 Northwestern Highway, Southfield, MI 48034, USA.

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

10. COMPOSITE CROSS-GUARANTEE

The Company and certain of its fellow subsidiaries in the UK have entered into a composite cross-guarantee in relation to the facilities provided by its principal UK banker.