

Federal-Mogul Friction Products Limited

Company Number 447826

Director's Report for the Year Ended 31st December 2009

The director presents his report and financial statements for the year ended 31 December 2009

Activities

The principal activity of the Company is the manufacture and sale of automotive and industrial friction materials as agent for Federal-Mogul Limited and will continue to be so for the foreseeable future. The result for the year was £nil (2008: £nil). The directors do not recommend a dividend (2008: £nil).

Treasury Policies

Exposure to price, credit, currency, liquidity and cash flow risks is not material to the assessment of assets, liabilities and profit or loss of the Company.

Directors

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

E McAlexander, resigned 20 January 2009

P H Ramczyk, resigned 20 January 2009

P. S Varnsberry, appointed 20 January 2009, resigned 15 January 2010

D. A. Redman was appointed 15 January 2010

On behalf of the Board

DA Redman

D. A. Redman
Director

Date. *17th June 2010*

WEDNESDAY



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COMPANIES HOUSE

FEDERAL-MOGUL FRICTION PRODUCTS 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 FRICTION PRODUCTS LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2009

	Notes	2009 £	2008 £
<u>Fixed Assets</u>			
Investments	4	31,180	31,180
<u>Current Liabilities</u>			
<u>Creditors</u> amounts falling due within one year	5	(2,109)	(2,109)
Current liabilities		(2,109)	(2,109)
Net Assets		29,071	29,071
<u>Capital and Reserves</u>			
Called up Share Capital	6	6,620,000	6,620,000
Profit and loss account	7	(6,590,929)	(6,590,929)
Shareholders' funds – equity	7	29,071	29,071

For the year ending 31 December 2009 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 6 were approved by the Board on 17th June 2010 and were signed on its behalf by -



D A Redman
Director

FEDERAL-MOGUL FRICTION PRODUCTS 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) Group Accounts

The Company and all of its subsidiary undertakings are included in consolidated accounts for a larger group, Federal-Mogul Corporation, drawn up to the same date in the same financial year and those accounts are drawn up in accordance with the provisions of the Seventh Directive (83/349/EEC) or in a manner equivalent to consolidated accounts and consolidated annual reports so drawn up. Accordingly the Company, in accordance with the exemption in s 401 of the Companies Act, has not prepared consolidated financial statements. The financial statements therefore contain information about Federal-Mogul Friction Products Limited as an individual company and not as a group.

(e) 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 directors consider 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.

FEDERAL-MOGUL FRICTION PRODUCTS LIMITED

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(f) Fundamental Accounting Concept

The directors believe it to be appropriate to prepare the financial statements on the going concern basis due to the continued financial support provided by Federal-Mogul Limited, an intermediary holding company

(g) 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

2 DIRECTORS

The directors have not received any remuneration for services to the Company during the year (2008 £nil)

3 EMPLOYEES

The average number of persons employed by the Company during the year was 476 (2008 588) All costs relating to these employees are paid directly by Federal-Mogul Limited, a fellow subsidiary, on whose behalf they are employed

4 INVESTMENTS

	Subsidiary Undertaking Shares £	Loan to Parent Undertaking £	Total £
At 31 December 2008 and 31 December 2009	-	31,180	31,180
The Company's subsidiary is	<u>% Holding</u>	<u>Country of Registration</u>	<u>Nature of Business</u>
Ferodo Limited	100%	England	Dormant

5 CREDITORS amounts falling due within one year

	2009 £	2008 £
Amounts owed to fellow subsidiary undertaking	2,109	2,109

FEDERAL-MOGUL FRICTION PRODUCTS LIMITED

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

6	<u>CALLED UP SHARE CAPITAL</u>	2009 £	2008 £
	Authorised, 7,000,000 ordinary shares of £1 each	<u>7,000,000</u>	<u>7,000,000</u>
	Issued and fully paid, 6,620,000 ordinary shares of £1 each	<u>6,620,000</u>	<u>6,620,000</u>

7 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share Capital £	Profit and loss Account £	Total £
At 1 January 2008	6,620,000	(6,590,929)	29,071
Result for the year 2008	-	-	-
At 31 December 2008	6,620,000	(6,590,929)	29,071
Result for the year 2009	-	-	-
At 31 December 2009	6,620,000	(6,590,929)	29,071

8 ULTIMATE PARENT COMPANY

The Company's parent company is Fleetside Investments 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

9. 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 (2008 £nil)