

Mawson Taylor Limited

Company Number 478496

Directors' Report for the Year Ended 31st December 2003

Administration

On 1 October 2001, the Company's ultimate parent undertaking, Federal-Mogul Corporation and its subsidiaries in the United States voluntarily filed for financial restructuring under Chapter 11 of the US Bankruptcy Code. In addition, the majority of Federal-Mogul subsidiaries in the United Kingdom, the Company's parent company, but not the Company, filed jointly for Chapter 11 and Administration under the UK Insolvency Act 1986.

Activities

The Company has not traded during the year. The directors do not recommend a dividend (2002: £nil).

Directors

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

S P Arnold, resigned 1st October 2004
J H Devonald
A G Holmes

Directors' Interests

There are no directors' interests requiring disclosure under the Companies Act 1985.

On behalf of the Board



Director

Date: 29/11/04



MAWSON TAYLOR 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.

MAWSON TAYLOR LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2003

	Notes	2003 £000	2002 £000
<u>Creditors: due after more than one year</u>	4	(407)	(407)
Total liabilities		<u>(407)</u>	<u>(407)</u>
<u>Capital and Reserves</u>			
Called up share capital	5	155	155
Share Premium account		95	95
Profit & loss account		(657)	(657)
Shareholders' funds - equity		<u>(407)</u>	<u>(407)</u>

- a) For the year ended 31st December 2003 the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985.
- b) Members have not required the Company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.
- c) The directors acknowledge their responsibility for:
- ensuring the Company keeps accounting records which comply with section 221, and
 - preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

The financial statements on pages 3 to 5 were approved by the Board on 29 November 2004 and were signed on its behalf by:-



Director

MAWSON TAYLOR LIMITED

NOTES FORMING PART OF THE ACCOUNTS

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) Fundamental Uncertainty

On 1 October 2001, the Company's ultimate parent undertaking, Federal-Mogul Corporation and its subsidiaries in the United States voluntarily filed for financial restructuring under Chapter 11 of the US Bankruptcy Code. In addition, the majority of Federal-Mogul subsidiaries in the United Kingdom, the Company's parent company, but not the Company, filed jointly for Chapter 11 and Administration under the UK Insolvency Act 1986.

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the outcome of the above proceedings. The directors of Federal-Mogul Corporation have stated that the actions are intended to preserve the companies' businesses and allow a reorganisation of their assets while protecting them from actions by creditors and asbestos claimants. It is likely that the final outcome will not be known for some time. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

The financial statements do not include any adjustments that would result if the outcome of the proceedings was that the Company was unable to continue as a going concern. The directors do not consider it possible to determine the effects on the financial statements with reasonable accuracy, but adjustments would have to be made to reduce the value of assets to their realisable amount and to provide for any further liabilities which might arise.

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 for the year.

MAWSON TAYLOR LIMITED

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

3. DIRECTORS

The directors have not received any remuneration for services to the Company during the year (2002: £nil).

4. CREDITORS: amounts due after
more than one year

	2003 £000	2002 £000
Loan from parent undertaking	407	407

5. CALLED UP SHARE CAPITAL

	2003 £000	2002 £000
Authorised 300,000 Ordinary shares of £1 each	300	300
Issued and fully paid, 155,430 Ordinary shares of £1 each	155	155

6. ULTIMATE PARENT COMPANY

The Company's parent company is T&N Limited which is registered in England and Wales. The ultimate parent company and controlling party 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 Investor Relations, 26555 Northwestern Highway, Southfield, MI 48034, USA.