

Federal-Mogul Bradford Limited

Company Number 106848

Directors' Report for the Year Ended 31st December 1999

Activities

The principal activity of the Company is the manufacture and sale of piston products as agent for T&N Limited. The Company has not traded during the year, has received no income and incurred no expenditure, and consequently made neither a profit nor a loss. The Directors do not recommend a dividend (1998: £nil).

Directors

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

N B Casson
B Moncur
A Page

Directors' Interests

None of the directors had any interest in the share capital of the Company at 31st December 1999 or at the date of appointment.

Employees

It is the company's policy to endeavour to provide employment for disabled persons (including those who become disabled whilst in its employ), commensurate with their skills, and where appropriate, to make available training facilities to enable them to better use their skills.

Auditors

A resolution to re-appoint Ernst & Young will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



N B Casson
Director

Date: 23. 10. 2000



FEDERAL-MOGUL BRADFORD 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 BRADFORD LIMITED

AUDITORS' REPORT TO THE MEMBERS OF
FEDERAL-MOGUL BRADFORD LIMITED

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you. Our responsibilities, as independent auditors, are established by United Kingdom statute, the Auditing Practices Board and by our profession's ethical guidance.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 1999 and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Ernst & Young
Registered Auditor
Manchester

23 October 2000

FEDERAL-MOGUL BRADFORD LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1999

The Company has not traded during this year and the comparative year, 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.

FEDERAL-MOGUL BRADFORD LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 1999

	Notes	1999 £000	1998 £000
<u>Fixed Assets</u>			
Investments	3	332	332
Net assets		<u>332</u>	<u>332</u>
<u>Capital and Reserves</u>			
Called up share capital	4	250	250
Profit and loss account		82	82
Shareholder's funds - equity	5	<u>332</u> =====	<u>332</u> =====

The Company was dormant throughout the financial year.

The financial statements on pages 4 to 7 were approved by the Board on 23 October 2000 and were signed on its behalf by:-


Director

FEDERAL-MOGUL BRADFORD 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.

(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.

2. DIRECTORS

The directors have not received any remuneration for services to the Company during the year (1998: £nil).

3. INVESTMENTS

Loan to fellow subsidiary undertaking	£000
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At 31st December 1998 and 1999	332
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FEDERAL-MOGUL BRADFORD LIMITED

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

	1999 £000	1998 £000
4. <u>CALLED UP SHARE CAPITAL</u>		
Authorised, issued and fully paid 500,000 ordinary shares of 50p	250 =====	250 =====

5. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

There has been no movement in shareholder's funds in this year or in the comparative year.

6. ULTIMATE PARENT COMPANY

The Company's parent company is AE PLC 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.