

Aeroplane & Motor Aluminium Castings Limited (In Administration)

Company Number 315630

Directors' Report for the Year Ended 31st December 2001

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, including the Company, filed jointly for Chapter 11 and Administration under the UK Insolvency Act 1986. The affairs, business and property of the Company are being managed by Kroll Buchler Phillips, the administrators.

Activities

The Company has not traded during the year. It has incurred a loss on the restatement of an intra-group account and has made a profit on the restatement of an overseas deposit account. Its net result is £nil (2000: £nil). The directors do not recommend a dividend (2000: £nil).

Directors

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

S P Arnold, resigned 6th August 2001
J H Devonald, resigned 6th August 2001
A G Holmes, resigned 6th August 2001
D M Sherbin, appointed 1st August 2001
J Zamoyski, appointed 1st August 2001

Directors' Interests

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

On behalf of the Board

DM Sherbin

D M Sherbin

Director

Date:

12/12/02



AEROPLANE & MOTOR ALUMINIUM CASTINGS LIMITED (IN ADMINISTRATION)

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AEROPLANE & MOTOR
ALUMINIUM CASTINGS LIMITED (IN ADMINISTRATION)

We have audited the Company's financial statements for the year ended 31 December 2001 which comprise Profit and Loss Account, Balance Sheet and the related notes 1 to 8. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

This report has been prepared for the members of the company pursuant to Section 235 of the Companies Act 1985 (the "Act") and for no other purpose.

No person is entitled to rely on this report unless such person:

- i) is a person who is entitled to rely on this report by virtue of and for the purposes of the Act; or
- ii) has been expressly authorized to do so by our prior written consent

Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AEROPLANE & MOTOR
ALUMINIUM CASTINGS LIMITED (IN ADMINISTRATION) (continued)

Basis of audit opinion (continued)

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.

Fundamental uncertainty

In forming our opinion we have considered the adequacy of the disclosures made in note 1 to the financial statements regarding the filing by the Company for financial restructuring under Chapter 11 of the U.S Bankruptcy Code and for Administration under the U.K. Insolvency Act of 1986. The financial statements are prepared on the going concern basis, the validity of which depends on the outcome of these proceedings. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Adverse opinion

Included in the balance sheet is an amount of £200,000 representing the Company's investments in Federal-Mogul group companies which are the subject of an Administration Order under the Insolvency Act 1986 and/or a filing under Chapter 11 of the Bankruptcy Code. In our opinion the Company is unlikely to realise full value from these investments and a provision of up to £200,000 should have been made, reducing profit before tax and net assets by up to that amount.

In view of the effect of the absence of this provision, in our opinion the financial statements do not give a true and fair view of the state of the Company's affairs as at 31 December 2001 and of its loss for the year then ended. In all other respects, in our opinion, the financial statements have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Manchester

24/1/03

AEROPLANE & MOTOR ALUMINIUM CASTINGS LIMITED (IN ADMINISTRATION)

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2001

	Notes	2001 £	2000 £
Foreign Exchange Profit		11	-
Foreign Exchange (Loss)		(11)	-
		<hr/>	<hr/>
Operating profit		-	-
		<hr/>	<hr/>
Profit on ordinary activities before Taxation		-	-
Tax on profit on ordinary activities		-	-
		<hr/>	<hr/>
Profit on ordinary activities after Taxation		-	-
		<hr/>	<hr/>
Profit attributable to shareholders	7	-	-
		<hr/>	<hr/>

There is no difference between the result as disclosed above and the result given by an unmodified historical cost basis.

A reconciliation in movements in shareholders' funds is given in note 7 of the financial statements.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the result for the period.

All results have been derived from continuing operations.

AEROPLANE & MOTOR ALUMINIUM CASTINGS LIMITED (IN ADMINISTRATION)

BALANCE SHEET

AS AT 31ST DECEMBER 2001

	Notes	2001 £	2000 £
<u>Fixed Assets</u>			
Investments	4	200,000	200,000
<u>Current Assets</u>			
Cash at bank		<u>689</u>	<u>-</u>
		689	-
Creditors: amounts falling due within one year	5	<u>(689)</u>	<u>-</u>
Net current assets		-	-
Net assets		<u>200,000</u>	<u>200,000</u>
<u>Capital and Reserves</u>			
Called up share capital	6	<u>200,000</u>	<u>200,000</u>
Shareholder's funds - equity	7	<u>200,000</u>	<u>200,000</u>

The Company was dormant throughout the financial year.

The financial statements on pages 5 to 9 were approved by the Board on 12/12/2002 and were signed on its behalf by:-


Director

AEROPLANE & MOTOR ALUMINIUM CASTINGS LIMITED (IN ADMINISTRATION)

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, including 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 considerable 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.

(c) 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.

(d) 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.

AEROPLANE & MOTOR ALUMINIUM CASTINGS LIMITED (IN ADMINISTRATION)

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

2. PROFIT AND LOSS ACCOUNT

The Company has not traded during the year. It has incurred a loss on the restatement of an intra-group account and has made a profit on the restatement of an overseas deposit account. Its net result is £nil (2000: £nil). The directors do not recommend a dividend (2000: £nil).

3. DIRECTORS

The directors have not received any remuneration for services to the Company during the year (2000: £nil).

4. INVESTMENTS

Loan to fellow subsidiary undertaking

	£
At 31st December 2001	200,000
	<hr/>
At 31st December 2000	200,000
	<hr/>

5. <u>CREDITORS</u> : amounts falling due within one year	2001 £	2000 £
Amounts owed to ultimate parent company	<hr/> 689	<hr/> -

6. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised, issued and fully paid 1,000,000 shares of 20p each	<hr/> 200,000	<hr/> 200,000

AEROPLANE & MOTOR ALUMINIUM CASTINGS LIMITED (IN ADMINISTRATION)

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

7. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share Capital £	Profit & loss account £	Total £
At 1 January and 31 December 2000	200,000	-	200,000
Result for the year	-	-	-
At 31 December 2001	200,000	-	200,000

8. ULTIMATE PARENT COMPANY

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