

Registered no 04509708

Coltec Finance Company Limited

Annual report and financial statements
For the year ended 31 December 2009

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Coltec Finance Company Limited

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Coltec Finance Company Limited

Directors and advisers

Directors

Robert D Rehley
William Dries
Donald G Pomeroy

Secretaries

Robert P McKinney
Stephanie C Williams

Registered Office

55 Colmore Row
Birmingham
West Midlands
B3 2AS

Independent auditors

PricewaterhouseCoopers LLP
Chartered accountants and statutory auditors
Benson House
33 Wellington Street
Leeds
LS1 4JP

Solicitors

Ward Hadaway Solicitors
Sandgate House
102 Quayside
Newcastle Upon Tyne
NE1 3DX

Bankers

Bank of America
Harcourt Building
Harcourt Street
Dublin 2
Ireland

Coltec Finance Company Limited

Directors' report for the year ended 31 December 2009

The directors present their report and the audited financial statements of the company for the year ended 31 December 2009

Principal activities

The company's principal activity during the year was the global management of cash for affiliates of the company, all of whom have the same ultimate parent undertaking, EnPro Industries, Inc in the United States. The global management of cash includes a multilateral netting program, which was launched in December 2002, to simplify the settlement of inter-company transactions between affiliates of the company, and a European cross-border cash pooling program, which was launched in January 2003 to concentrate funds to provide better investment returns, to reduce the need for individual affiliates of the company to borrow from financial institutions, to increase visibility and to control cash reserves

Review of business and future developments

It is expected that the netting program and the cash pooling program will continue to be the primary focus of the company in the foreseeable future

Results

The company's profit for the financial year is £1,198,359 (2008 £518,463). There were no dividends paid or proposed during the year (2008 £nil)

Directors

The directors of the company, all of whom have been directors for the whole year and up to the date of signing the financial statements, are as listed on page 1

Key Performance Indicators

Given the relatively simple nature and structure of the business, the directors believe that analysis using financial and non-financial KPIs is not necessary for an understanding of the development, performance or position of the business

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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

Coltec Finance Company Limited

Directors' report for the year ended 31 December 2009 (continued)

Statement of directors' responsibilities (continued)

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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

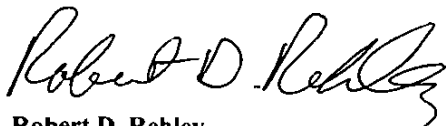
Disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers UK, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



Robert D. Rehley
Director
28 September 2010

Coltec Finance Company Limited

Independent auditors' report to the members of Coltec Finance Company Limited

We have audited the financial statements of Coltec Finance Company Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 and 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Randal Casson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

30 September 2010

Coltec Finance Company Limited

Profit and loss account for the year ended 31 December 2009

	Note	2009 £	2008 £
Interest receivable and similar income	6	2,602,666	3,504,854
Interest payable and similar charges	7	(834,418)	(2,151,716)
Other finance charges		(103,861)	(633,050)
Profit on ordinary activities before taxation	4	1,664,387	720,088
Tax on profit on ordinary activities	11	(466,028)	(201,625)
Retained profit for the financial year	13	1,198,359	518,463

The results shown in the profit and loss account above derive solely from continuing operations

The company has no recognised gains and losses other than those included in the retained profit above, and therefore no separate statement of total recognised gains and losses has been presented

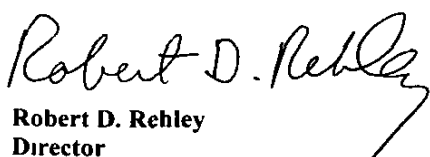
There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents

Coltec Finance Company Limited

Balance sheet as at 31 December 2009

	Note	2009 £	2008 £
Current assets			
Debtors	8	78,070,293	49,483,374
Current asset investments	9	17,682,563	11,383,077
Cash at bank and in hand		887,931	1,834,095
		96,640,787	62,700,546
Creditors – Amounts falling due within one year	10	(93,615,507)	(60,873,625)
Net current assets		3,025,280	1,826,921
Net assets		3,025,280	1,826,921
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	13	3,025,180	1,826,821
Equity shareholders' funds	14	3,025,280	1,826,921

The financial statements on pages 5 to 11 were approved by the board of directors on 28 September 2010 and were signed on its behalf by


Robert D. Rehley
Director

Registered no: 04509708

Coltec Finance Company Limited

Notes to the financial statements for the year ended 31 December 2009

(continued)

1 Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. The principal accounting policies which have been applied consistently throughout the year are set out below.

Foreign currency translation

All monetary assets and liabilities denominated in a foreign currency are translated using the closing rate and all profit and loss account items are translated at the rate of exchange ruling at the date of the transaction. The exchange gain or loss is reported as part of the profit for the year from ordinary activities.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Financial Support

The ultimate parent undertaking, EnPro Industries, Inc., will not seek repayment of the intercompany payable due from CFCL unless CFCL has sufficient working capital to enable it to keep trading.

2 Cash flow statement and related party disclosures

The company is a wholly-owned subsidiary of Coltec Industries, Inc. which is a wholly-owned subsidiary of EnPro Industries, Inc. and is included in the consolidated financial statements of EnPro Industries, Inc., which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the EnPro Industries, Inc. group or investees of the EnPro Industries group. There are no other related party transactions.

3 Segmental reporting

The company's activities consist solely of the global management of cash.

4 Profit before tax

The profit before tax for the year was stated after charging a net foreign exchange gain of £57,554 (2008 loss of £475,996).

Auditors' remuneration of £13,657 (2008 £14,148) for audit services will be paid by the ultimate parent undertaking, EnPro Industries, Inc. and was included in the profit before tax.

Coltec Finance Company Limited
Notes to the financial statements for the year ended 31 December 2009
(continued)

5 Employee information

The company has no employees working within the UK. Most of the day-to-day activity is outsourced, with various cash management and accounting functions handled by employees of the ultimate parent undertaking, EnPro Industries, Inc. The costs associated with those employees are absorbed by the ultimate parent undertaking.

The directors received no emoluments in either year for the services to the company.

6 Interest receivable and similar income

	2009	2008
	£	£
Short-term investments interest receivable	29,435	264,618
Interest receivable on amounts due from group undertakings	2,573,231	3,240,236
	2,602,666	3,504,854

7 Interest payable and similar charges

	2009	2008
	£	£
Interest payable on amounts due to group undertakings	829,380	2,124,817
Bank interest payable	5,038	26,899
	834,418	2,151,716

8 Debtors

	2009	2008
	£	£
Amounts due from group undertakings	77,921,399	49,378,930
Taxation	70,476	104,148
Other debtors	78,418	296
	78,070,293	49,483,374

All amounts due from group undertakings are repayable on demand, carry no security and interest is charged at 3.25% plus the one month LIBOR rate for the functional currency of the loan, e.g. the one month EURIBOR plus 3.25% for a loan valued in the Euro.

Coltec Finance Company Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

9 Current asset investments

	2009	2008
	£	£
Cash reserve funds	-	-
Overnight time deposits	17,682,563	11,383,077
	17,682,563	11,383,077

The market value of the investments is not materially different from their carrying amount

10 Creditors – Amounts falling due within one year

	2009	2008
	£	£
Amounts due to group undertakings	93,024,390	60,526,077
Taxation and social security	374,784	168,496
Other creditors	216,333	179,052
	93,615,507	60,873,625

Amounts due to group undertakings are repayable on demand, carry no security and interest is charged at the one month LIBOR rate for the functional currency of the loan, e.g. the one month EURIBOR for a loan valued in the Euro

11 Taxation on the profit for the year

	2009	2008
	£	£
Current tax		
UK corporation tax on profit of the period	466,028	201,625
Tax on profits on ordinary activities	466,028	201,625

The tax assessed for the year is the same as the standard rate of corporation tax in the UK 28% (2008 – 28%) The differences are explained below

Profit on ordinary activities before taxation	1,664,387	720,088
Profit on ordinary activities multiplied by standard rate of corporation tax for the company	466,028	201,625

Coltec Finance Company Limited
Notes to the financial statements for the year ended 31 December 2009
(continued)

Effects of

Permanent differences

Total current tax charge	466,028	201,625
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A number of changes to the UK corporation tax system were announced in the June 2010 Budget Statement. The Finance Act (No 2) 2010 includes legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 24% by 1 April 2014.

12 Called up share capital

	2009	2008
	£	£
Authorised, allotted and fully paid	100	100

13 Reserves

	Profit and loss account
	£
1 January 2009	1,826,821
Profit for the year	1,198,359
31 December 2009	3,025,180

14 Reconciliation of movements in equity shareholders' funds

	£
Profit for the year	1,198,359
Opening equity shareholders' funds	1,826,921
Closing equity shareholders' funds	3,025,280

15 Ultimate parent undertaking

The ultimate parent undertaking and controlling party is EnPro Industries, Inc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of EnPro Industries, Inc consolidated financial statements can be obtained by visiting our website, www.enproindustries.com, or by calling +1 704-731-1522.