

F-M Trademarks Limited

Company Number 305253

Director's Report for the Year Ended 31st December 2012

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COMPANIES HOUSE

The Director presents his report and financial statements for the year ended 31 December 2012

Principal activities, review of the business and future developments

The business of the Company was to deal with intellectual property matters. On 1 April 2011, the Company transferred all its rights, title and interest in the Goetze family of trademarks to Federal-Mogul Limited for a consideration of £9,758,138 which was an amount equal to their carrying value in the Company's accounts.

Results for the year can be found on page 6. The Company made a profit after tax of £70,200 (2011 £584,753)

An interim dividend of £1,768,397 (2011 £25,000,000) was paid to its then parent company, AE Limited, on 31 December 2012. The director does not recommend payment of a final dividend (2011 £nil)

Treasury Policies

Financial Instruments

The Company's financial instruments comprise of balances with group undertakings. These financial instruments are used to fund the Company's operations. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken.

Foreign Currency Risk

Prior to the transfer of the Goetze family of trademarks in 2011 the majority of the Company's transactions were in foreign currency. However, the Company now has no foreign currency balances outstanding therefore there is no foreign currency risk. Any gains and losses arising previously were reflected in the profit and loss account as they arose.

Interest Rate Risk

There are no loans on which interest is paid or received, therefore there is no interest rate risk.

Parent Undertaking

On 10 January 2013, the Company's immediate parent company became Federal-Mogul Limited, a company registered in England and Wales.

F-M Trademarks Limited

Company Number 305253

Director's Report for the Year Ended 31st December 2012 (continued)

Director

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

A G Holmes

Auditors

On 31 August 2012, Ernst & Young LLP resigned as auditors of the Company and Grant Thornton UK LLP were appointed in their place

Disclosure of information to Auditors

In accordance with s 418(2) of the Companies Act 2006 the director

- is not aware of any relevant audit information of which the Company's auditors are unaware,
- and
- has taken all 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

On behalf of the Board



A G Holmes
Director

Date 22/5/13

F-M TRADEMARKS 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF F-M TRADEMARKS LIMITED

We have audited the financial statements of F-M Trademarks Limited for the year ended 31 December 2012 which comprise the Profit & Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 12. 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).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 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 and express an opinion on 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 (APB's) Ethical Standards for Auditors.

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. In addition, we read all the financial and non-financial information in the Directors Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF F-M
TRADEMARKS LIMITED (CONTINUED)

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

Grant Thornton UK LLP

Stuart Muskett
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester

22 May

2013

F-M TRADEMARKS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2012

| | Notes | 2012 £ | 2011 £ |
|---|-------|---------------|------------------|
| Bank fees and charges | | - | (135) |
| Other operating income | 2 | 37,072 | 616,462 |
| Operating income | | <u>37,072</u> | <u>616,327</u> |
| Operating profit | 2 | 37,072 | 616,327 |
| Net interest receivable | 3 | - | 76,590 |
| Profit on ordinary activities before taxation | | <u>37,072</u> | <u>692,917</u> |
| Tax on profit on ordinary activities | 5 | <u>33,128</u> | <u>(108,164)</u> |
| Retained profit on ordinary activities after taxation | 10 | <u>70,200</u> | <u>584,753</u> |

A reconciliation of movements in shareholders' funds is given in Note 10 of the financial statements

All results have been derived from continuing activities

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the profits for the years ended 31 December 2012 and 31 December 2011

F-M TRADEMARKS LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2012

| | Notes | 2012 £ | 2011 £ |
|---|-------|---------------|------------------|
| <u>Current Assets</u> | | | |
| <u>Debtors</u> amounts falling due within one year | 6 | - | 91,033 |
| <u>Debtors</u> amounts falling due after more than one year | 7 | 24,000 | 1,680,335 |
| | | <u>24,000</u> | <u>1,771,368</u> |
| <u>Creditors</u> amounts falling due within one year | 8 | - | (49,171) |
| Net Assets | | <u>24,000</u> | <u>1,722,197</u> |
| <u>Capital and Reserves</u> | | | |
| Called up share capital | 9 | 24,000 | 24,000 |
| Profit and loss account | 10 | <u>-</u> | <u>1,698,197</u> |
| Shareholders' funds – equity | | <u>24,000</u> | <u>1,722,197</u> |

The financial statements on pages 6 to 12 were approved by the Board on 22nd May 2013 and were signed on its behalf by -



A G Holmes
Director

F-M TRADEMARKS LIMITED

NOTES FORMING PART OF THE ACCOUNTS

1 ACCOUNTING POLICIES

The principal accounting policies of the Company remain unchanged from previous years and are set out below

(a) Basis of accounting

The financial statements have been prepared in accordance with applicable UK Accounting Standards and under the historical cost convention

(b) Deferred taxation

Deferred taxation 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 a right to pay less or to receive more, tax, with the following exceptions

Deferred tax assets are recognised only to the extent that the director considers 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 an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

(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 of Federal-Mogul Corporation, a company which prepares a consolidated cashflow statement

(d) Foreign Currencies

Transactions in foreign currency are recorded at the rate ruling at the date of transaction. Any monetary 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.

(e) Related parties

The Company has taken advantage of the exemption in FRS 8 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

F-M TRADEMARKS LIMITED

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

2 OPERATING PROFIT

| | 2012 £ | 2011 £ |
|------------------------------------|---------------|----------------|
| <u>Is stated after crediting</u> | | |
| Trademark royalties – current year | <u>37,072</u> | <u>616,462</u> |

The audit fees of £2,080 (2011 £3,000) were borne by a fellow group company during the period

On 1 April 2011, the Company transferred all its rights, title and interest in the Goetze family of trademarks to Federal-Mogul Limited for a consideration of £9,758,138 which was an amount equal to their carrying value in the Company's accounts. There was therefore no profit or loss on the transfer.

3 NET INTEREST RECEIVABLE

| | 2012 £ | 2011 £ |
|--|-----------|---------------|
| Interest receivable from group company | - | 76,590 |
| Net interest receivable | <u>-</u> | <u>76,590</u> |

4 DIRECTOR AND EMPLOYEES

The director has not received any remuneration for services to the Company during the year (2011 £nil)

There are no employees of the Company (2011 nil)

5 TAXATION

(a) Analysis of (credit) / charge in the period

| | 2012 £ | 2011 £ |
|--|-----------------|----------------|
| Current tax | | |
| UK corporation tax @ 24.5% (2011 26.5%) on profit of the period | - | 322,240 |
| Adjustments in respect of previous periods | (42,772) | 29,124 |
| Advanced Corporation Tax | - | (243,200) |
| Double taxation relief | - | (29,778) |
| | <u>(42,772)</u> | <u>78,386</u> |
| Foreign Tax | | |
| Current year | <u>9,644</u> | <u>29,778</u> |
| Total current tax (note 5(b)) and tax on profit on ordinary activities | <u>(33,128)</u> | <u>108,164</u> |

F-M TRADEMARKS LIMITED

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

5 TAXATION (continued)

(b) Factors affecting tax (credit) / charge for period

The tax assessed on the profit on ordinary activities for the year is lower than (2011 lower than) the standard rate of corporation tax in the UK of 24.5% (2011 26.5%). The differences are explained below

| | 2012 £ | 2011 £ |
|--|-----------------|----------------|
| Profit on ordinary activities before taxation | <u>37,072</u> | <u>692,917</u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.5% (2011 26.5%) | 9,083 | 183,623 |
| Effect of | | |
| UK UK transfer pricing adjustment | 14,945 | 139,125 |
| ACT utilised | - | (243,200) |
| Group relief received for nil payment | (21,665) | (508) |
| Double tax relief expensed | (2,363) | - |
| Foreign tax charge | 9,644 | - |
| Adjustments in respect of previous periods | <u>(42,772)</u> | <u>29,124</u> |
| Current tax (credit) / charge for period (note 5(a)) | <u>(33,128)</u> | <u>108,164</u> |

(c) Factors that may affect future tax charges

Capital losses of approximately £33,093 (2011 £33,093) are carried forward for utilisation against future capital gains

The Company has unrelieved ACT carried forward of £1,059,562 (2011 £897,167) the recovery of which is uncertain

In his budget of 20 March 2013, the Chancellor of the Exchequer announced certain tax changes which have an effect on the Company's future tax position. The 2013 Finance Bill contains proposals to reduce the corporation tax rate to 21% from 1 April 2014 and to 20% from 1 April 2015

The rate changes would impact the amount of any future cash tax payments made by the Company. The effect of the proposed changes to the UK tax system will be reflected in the financial statements in future years once the proposals have been substantively enacted

F-M TRADEMARKS LIMITED

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

| | | | |
|---|---|-----------|-----------|
| 6 | <u>DEBTORS</u> Amounts falling due within one year | 2012 £ | 2011 £ |
| | Accrued income | - | 91,033 |
| 7 | <u>DEBTORS</u> amounts falling due after more than one year | 2012 £ | 2011 £ |
| | Amounts owed by fellow subsidiary undertaking | 24,000 | 1,680,335 |
| 8 | <u>CREDITORS</u> Amounts falling due within one year | 2012 £ | 2011 £ |
| | UK Corporation Tax | - | 49,171 |
| 9 | <u>CALLED UP SHARE CAPITAL</u> | 2012 £ | 2011 £ |
| | Authorised 25,000 ordinary shares of £1 each | 25,000 | 25,000 |
| | Allotted, called up and fully paid 24,000 ordinary shares of £1 each | 24,000 | 24,000 |

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | Share Capital £ | Profit & Loss Account £ | Total £ |
|--------------------------|--------------------|-------------------------------|--------------|
| At 1 January 2011 | 24,000 | 26,113,444 | 26,137,444 |
| Profit for the year 2011 | - | 584,753 | 584,753 |
| Interim dividend paid | - | (25,000,000) | (25,000,000) |
| At 31 December 2011 | 24,000 | 1,698,197 | 1,722,197 |
| Profit for the year 2012 | - | 70,200 | 70,200 |
| Interim dividend paid | - | (1,768,397) | (1,768,397) |
| At 31 December 2012 | 24,000 | - | 24,000 |

F-M TRADEMARKS LIMITED

NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

11 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS8, para 3c, not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent

Included in trademark royalty income is £nil (2011 £60,447) from Anqing TP Goetze Piston Ring Company Limited At 31 December 2012 Anqing TP Goetze Piston Ring Company Limited owed £nil to the Company (2011 £68,636) A fellow group company owns 35.7% of the ordinary shares in that company

There are no other material related party transactions

12 ULTIMATE PARENT COMPANY

The Company's immediate parent company is Federal-Mogul 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