

Federal-Mogul UK Investments Limited

Company Number SC020152

Strategic Report for the year ended 31 December 2017

The directors of Federal-Mogul UK Investments Limited ("the Company") present the strategic report for the year ended 31 December 2017.

Strategy

The Company is a member of a large multi-national group. The strategy of the group is determined by the high-level group management.

The group strategy is designed to create sustainable profitable growth by leveraging existing and developing new competitive advantages. This strategy consists of the following primary elements:

- Provide value-added products to customers in all markets served through leading technology and innovation;
- Utilize our leading technology resources to develop advanced and innovative products, processes and manufacturing capabilities;
- Expand our coverage in existing product lines and add new product lines which are critical to maintaining our leadership position;
- Continue to invest in product innovation to support our premium brands and to enhance our marketing initiatives to more effectively communicate the value proposition of our branded products to end customers;
- Aggressively pursue cost competitiveness by continuing to drive productivity in operations and rationalizing business resources and infrastructure.

Review of the business

The principal activity is that of a holding company.

There are no key performance indicators relevant to the Company.

The Company made a profit after tax of £37,373,008 (2016: profit £194,815,758). The Company released provisions against investments of £44,266,493 in the previous year. There was no change to provisions against investments in the current year.

On 27 July 2017 the Company received a dividend of £5,462,242 from one of its subsidiary undertakings, Federal-Mogul Japan KK and on 31 October 2017, a dividend of £2,661,344.

On 31 October 2017 the Company received a dividend of £28,843,800 from one of its subsidiary undertakings, Federal-Mogul (T&N) Hong Kong Limited. Payment for this dividend took the form of a promissory note on which the Company will receive interest.

On 14 September 2017, the Company received a dividend of £51,730 from its trade investment, Federal-Mogul TPR (India) Limited.

The directors consider that the period end financial position of the Company was satisfactory.

Post year end announcement from Tenneco

On 10 April 2018, Tenneco Inc. announced that it had signed a definitive agreement to acquire Federal-Mogul LLC, the lead company of the Federal-Mogul Group. The acquisition is expected to close in the second half of 2018. At this point in time we cannot measure nor ascertain what effect this acquisition will have on the Company or its subsidiaries.

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Federal-Mogul UK Investments Limited

Company Number SC020152

Strategic Report for the year ended 31 December 2017 (continued)

Principal risks and uncertainties

The principal risk and uncertainty faced by the Company is a possible fall in the value in use of its investments that could lead to the recording of an impairment charge. The most significant variable elements of the value in use calculation are:

- The profitability of a subsidiary or sub-subsidiary as represented by its EBITDA;
- The exchange rates used to convert the results of any of those companies that operate overseas;
- The discount rates applied to the cash flow projections to derive the value in use.

The principal risks and uncertainties faced by its subsidiaries and sub-subsidiaries that could affect EBITDA are:

Adverse conditions in the automotive market

The revenues of the Company's operations are closely tied to global OE vehicle sales, production levels, and independent aftermarket parts replacement activity. The OE market is characterised by short-term volatility, with overall expected long-term growth in global vehicle sales and production. Automotive production in the local markets served by the Company can be affected by macro-economic factors such as interest rates, fuel prices, consumer confidence and employment trends. A variation in the level of vehicle production would not only affect sales to OE customers but, depending on the reasons for the change, could impact demand from aftermarket customers. The Company's results of operations and financial position could be adversely affected if the Company fails to respond in a timely and appropriate manner to changes in the demand for its products.

Competitiveness of automotive industry

The Company operates in an extremely competitive industry, driven by global vehicle production volumes and part replacement trends. Business is typically awarded to the supplier offering the most favourable combination of cost, quality, technology and service. In addition, customers continue to require periodic price reductions that require the Company to continually assess, redefine and improve its operations, products and manufacturing capabilities to maintain and improve profitability. In addition, the Company's competitors' efforts to increase their market share could exert additional downwards pressure on product pricing and margins. The Company's management continues to develop and execute initiatives to meet the challenges of the industry, however, there can be no assurance that the Company will be able to compete effectively in the automotive market.

Brexit

The United Kingdom referendum vote to leave the European Union naturally introduces new uncertainties into an already challenging marketplace. In the short-term, this has led to economic uncertainty. However, it will be some time before the longer-term effects of the vote become clear and at this point the Company has no reason to think that the going concern assumption has been affected by the vote.

Currency fluctuations

The Company is exposed to a risk of gain or loss from changes in foreign exchange rates whenever the Company enters into a purchase, sales or intra-group loan agreement in a currency other than sterling. The Company is a member of a multi-national group and it is group policy not to hedge currency exposure whether it is on intra-group transactions or third party transactions.

Federal-Mogul UK Investments Limited

Company Number SC020152

Strategic Report for the year ended 31 December 2017 (continued)

Principal risks and uncertainties (continued)

New Technologies

Increased fuel economy and decreased vehicle emissions are of great importance to OEM's as legislators and customers continue to demand more efficient and cleaner operating vehicles. Increasingly stringent fuel economy standards and environmental regulations are driving OEM's to focus on new technologies including downsized, higher output and turbocharged petrol engines, diesel and turbocharged diesel, bio-mass and hybrid diesel applications and hybrid, electric and alternative energy engines. Also, vehicle safety continues to receive industry attention by OEM's as customers view safety as a fundamental driver in consumer purchasing decisions and legislation looks on improved vehicle safety as a public health issue. The Company strives to ensure that its products meet the requirements of these new technologies and continually develops leading edge technologies, both in respect of product and process, to allow the Company to remain competitive and to continually strive for market leadership.

Raw material cost fluctuations

In recent periods there have been significant fluctuations in the prices of raw materials and energy which have had and may continue to have an unfavourable impact on the Company's business. Competitive and marketing pressures may limit the Company's ability to pass some of the material cost increases on to the Company's customers. Furthermore, the Company's customers are generally not obligated to accept price increases that the Company may desire to pass along to them. This inability to pass on price increases to customers when material prices increase rapidly or to a significantly higher than historic levels could adversely affect the Company's operating margins and cash flow, possibly resulting in lower operating income and profitability.

Treasury Policies

Financial Instruments

The Company's financial instruments comprise cash at bank and balances with group undertakings. These financial instruments are used to fund the Company's operations. It is Company policy that no trading in financial instruments be undertaken.

Interest Rate Risk

There are no bank borrowings so interest rate risk arises only from those intra-group loans which bear interest. The Company's interest bearing loan receivable is at a fixed rate and therefore there is no interest rate risk.

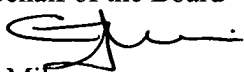
Foreign currency risk

As a member of a multi-national group, the Company does not hedge currency exposure. It is not considered appropriate to do so in connection with intra-group loans or intra-group transactions. Foreign currency is held for only short periods, the general policy being to convert all cash transactions to sterling as soon as possible.

Credit Risk

The Company's objective is to reduce the risk of financial loss due to a counterparty's failure to honour its obligations. In respect of intra-group loans resulting from Federal-Mogul Group's policy to use cash surpluses in one area of the business to meet funding requirements in another, credit risk is assessed by a central treasury department.

On behalf of the Board



E. J. Milner

Director

Date: 27 September 2018

Federal-Mogul UK Investments Limited

Company Number SC020152

Directors' Report for the Year Ended 31st December 2017

The directors present their report and financial statements for the year ended 31 December 2017.

Principal activities, results, dividends and future developments

The principal activity is that of a holding company and it is not envisaged that this will change in the foreseeable future.

The Company made a profit after tax of £37,373,008 (2016: profit £194,815,758).

The directors do not recommend payment of a dividend. (2016: £Nil).

Directors

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

E. J. Milner
C. Narten

Going concern

The directors believe it to be appropriate to prepare the accounts on the going concern basis due to the continued financial support provided by Federal-Mogul Global Growth Limited, a fellow group company.

Disclosure of information to Auditors

In accordance with s.418(2) of the Companies Act 2006 each of the directors:

- 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



E. J. Milner
Director

Date: 27 September 2018

FEDERAL-MOGUL UK INVESTMENTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and 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), including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 FEDERAL-MOGUL UK INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Federal-Mogul UK Investments Limited (the 'Company') for the year ended 31 December 2017 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FEDERAL-MOGUL UK INVESTMENTS LIMITED (CONTINUED)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Strategic Report and Directors' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FEDERAL-MOGUL UK INVESTMENTS LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



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

27 September 2018

FEDERAL-MOGUL UK INVESTMENTS LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31ST DECEMBER 2017

	Notes	2017 £	2016 £
Foreign exchange profit		1	335,895
Other expenses		(1,040)	(36,135)
Operating (expense)/income excluding exceptional items		(1,039)	299,760
Exceptional item – provision against investments written back	6	-	44,266,493
Operating (expense)/income		<u>(1,039)</u>	<u>44,566,253</u>
Operating (loss)/profit	6	(1,039)	44,566,253
Profit on disposal of shares in associated undertakings		-	107,059,480
Income from shares in subsidiary undertaking		36,967,386	12,820,513
Income from shares in associated undertakings		-	35,819,846
Income from shares in trade investment		51,730	-
Net interest receivable	7	354,931	63,556
Profit on ordinary activities before taxation		<u>37,373,008</u>	<u>200,329,648</u>
Tax on profit on ordinary activities	8	<u>-</u>	<u>(5,513,890)</u>
Profit for the financial year attributable to the parent company		37,373,008	194,815,758
Profit and loss account at 1 January		<u>(51,031,852)</u>	<u>(245,847,610)</u>
Profit and loss account at 31 December		<u>(13,658,844)</u>	<u>(51,031,852)</u>

FEDERAL-MOGUL UK INVESTMENTS LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2017

	Notes	2017 £	2016 £
<u>Fixed Assets</u>			
Investments	9	<u>383,306,675</u>	<u>383,306,675</u>
<u>Current Assets</u>			
<u>Debtors</u> : Amounts falling due within one year	10	354,775	-
<u>Debtors</u> : Amounts falling due after more than one year	11	28,843,800	-
		<u>29,198,575</u>	<u>-</u>
Cash at bank and in hand		<u>162,691</u>	<u>500</u>
		<u>29,361,266</u>	<u>500</u>
<u>Creditors</u> : Amounts falling due within one year	12	<u>(89,615,528)</u>	<u>(97,627,770)</u>
Net current liabilities		<u>(60,254,262)</u>	<u>(97,627,270)</u>
Net assets		<u>323,052,413</u>	<u>285,679,405</u>
<u>Capital and Reserves</u>			
Called up share capital	13	20,159	20,159
Share Premium Account	14	336,691,098	336,691,098
Profit & loss account	14	<u>(13,658,844)</u>	<u>(51,031,852)</u>
Shareholders' funds – equity		<u>323,052,413</u>	<u>285,679,405</u>

The accounts on pages 9 to 17 were approved by the Board on 27 September 2018 and were signed on its behalf by:-



E. J. Milner
Director

FEDERAL-MOGUL UK INVESTMENTS LIMITED

NOTES FORMING PART OF THE ACCOUNTS

1. COMPANY INFORMATION

Federal-Mogul UK Investments Limited is a limited liability company incorporated in Scotland. Its registered office is at 1 Exchange Crescent, Conference Square, Edinburgh EH3 8UL, Scotland. Its principal place of business is Manchester International Office Centre, Styal Road, Manchester M22 5TN, England.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS102") and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Sterling (£) (the Company's functional currency).

The Company's ultimate parent undertaking is Icahn Enterprises L.P., a company incorporated in the USA and listed on the New York Stock Exchange. The Company is included in the consolidated financial statements of Icahn Enterprises L.P., which are available from Icahn Enterprises L.P., 767 Fifth Avenue, Suite 4700, New York, NY10153. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS102.

As stated above, the Company and all of its subsidiary undertakings are included in the consolidated financial statements of Icahn Enterprises L.P. drawn up to the same date in the same financial year and in accordance with the provisions of the Seventh Directive (83/349/EEC) or in a manner equivalent to consolidated accounts and consolidated annual reports so drawn up. Accordingly the Company, in accordance with the exemption in s.401 of the Companies Act, has not prepared consolidated financial statements. The financial statements therefore contain information about Federal-Mogul UK Investments Limited as an individual company and not as a group.

The directors believe it to be appropriate to prepare the accounts on the going concern basis due to the continued financial support provided by Federal-Mogul Global Growth Limited, a fellow group company.

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The most significant judgement made in the preparation of these accounts is the impairment review of the Company's fixed asset investments where the carrying value of investments has been compared to their value in use and an impairment charge recorded where individual investments are considered to be impaired, or where a previous impairment loss has subsequently reversed, a credit has been recorded.

The value in use is derived from discounted future cash flow projections using nominal discount rates consistent with each applicable global industry sector. A material adjustment could occur if the actual cash flows were significantly different from those used in the impairment review.

FEDERAL-MOGUL UK INVESTMENTS LIMITED

NOTES FORMING PART OF THE ACCOUNTS

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES (CONTINUED)

As at 31st December 2017 the carrying amounts of the fixed asset investments are:

	£
Subsidiary Undertakings	383,171,377
Trade Investments	135,298

4. ACCOUNTING POLICIES

The principal accounting policies of the Company have remained unchanged from the prior year and are set out below.

Investments

Fixed asset investments are stated at cost less provision for any impairment.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at the transaction price.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

FEDERAL-MOGUL UK INVESTMENTS LIMITED

NOTES FORMING PART OF THE ACCOUNTS

4. ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the group has a legally enforceable right to set off current tax assets against current tax liabilities, and,
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

5. DIRECTORS AND EMPLOYEES

The directors have not received any remuneration for services to the Company during the year (2016: £nil).

There are no employees of the Company (2016: Nil).

6. OPERATING (LOSS)/PROFIT

(a) Exceptional item – provision against investments written back

Following an impairment review of the Company's investments it was decided in the previous year that provisions of £44,266,493 were no longer required and accordingly were written back in the profit and loss account in the that year. The conclusion following the impairment review in the current year was that there was no change required to the provisions.

(b) The audit fees of £4,500 (2016: £4,400) were borne by a fellow group company during the year. There were audit fees and fees for other services payable to the Company's auditor and its associates during the year in respect of the Company's subsidiary undertakings amounting to £199,284 (2016: £277,552).

FEDERAL-MOGUL UK INVESTMENTS LIMITED

NOTES FORMING PART OF THE ACCOUNTS

7.	<u>NET INTEREST RECEIVABLE</u>	2017	2016
		£	£
	Interest receivable on bank accounts	208	63,556
	Interest receivable from subsidiary undertaking	354,723	-
		<u>354,931</u>	<u>63,556</u>

8. TAXATION

(a) <u>Analysis of charge in the period</u>	2017	2016
	£	£
Current tax:		
Foreign tax	-	5,513,890
Total current tax (note 8(b))	<u>-</u>	<u>5,513,890</u>

(b) Factors affecting tax charge for period

The tax assessed on the profit on the ordinary activities for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%). The differences are explained below:

	2017	2016
	£	£
Profit on ordinary activities before taxation	<u>37,373,008</u>	<u>200,329,648</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	7,193,024	40,065,930
Effect of:		
Expenses not deductible	200	434
UK: UK transfer pricing adjustment	(461,371)	(559,078)
Group relief surrendered for nil payment	393,059	485,981
Income not taxable	(7,124,912)	(31,139,968)
Non-taxable release of provision against investments	-	(8,853,299)
Foreign tax suffered	-	5,513,890
Current tax charge for period (note 8(a))	<u>-</u>	<u>5,513,890</u>

(c) Factors that may affect future tax charges

The Company has non-trade deficits carried forward of £3,522,571 (2016: £3,522,571).

The Company has unrestricted capital losses available for carry forward of £1,518,450 (2016: £1,518,450).

The Company has unrecognised ACT carried forward of £7,147,941 (2016: £7,147,941) the future recoverability of which is uncertain.

No deferred tax has been provided for tax that may become payable if revalued assets were disposed of for their revalued amounts.

FEDERAL-MOGUL UK INVESTMENTS LIMITED

NOTES FORMING PART OF THE ACCOUNTS

8. TAXATION(CONTINUED)

(c) Factors that may affect future tax charges (continued)

The Finance Act 2017 included changes which affect future tax charges. The rate of corporation tax will reduce to 17% from 1 April 2020. The rate changes will impact the amount of future cash tax payments made by the Company.

9. INVESTMENTS

<u>Cost</u>	Subsidiary Undertakings Equity £	Trade Investments Equity £	Total £
At 1 January 2017	432,959,172	135,298	433,094,470
At 31 December 2017	432,959,172	135,298	433,094,470
<u>Provisions</u>			
At 1 January 2017	(49,787,795)	-	(49,787,795)
At 31 December 2017	(49,787,795)	-	(49,787,795)
<u>Net book value</u>			
At 31 December 2017	383,171,377	135,298	383,306,675
At 31 December 2016	383,171,377	135,298	383,306,675

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital are disclosed below.

Name of Company	Country of incorporation if outside Great Britain	Holding	Proportion of voting rights and shares held %	Nature of Business
Federal-Mogul (Thailand) Ltd	Thailand	Ordinary shares	100	Systems Protection
Federal-Mogul Japan KK	Japan	Ordinary shares	100	Composites
Federal-Mogul (T&N) Hong Kong Limited	Hong Kong	Ordinary shares	100	Holding Company
Federal-Mogul SAS	France	Ordinary shares	100	Holding Company
Federal-Mogul Germany Investment Holdings GmbH	Germany	Ordinary shares	100	Holding Company

In accordance with FRS102, the directors have compared the carrying value of investments to their value in use to the Company and recorded an impairment charge for any individual investments that they considered impaired.

The value in use has been derived from discounted cash flow projections using nominal discount rates consistent with each applicable global industry sector, ranging from 11.0% to 15.75% (2016: 10.5% to 15.0%) on a pre-tax basis. A long-term growth rate of 3.0% has been assumed, for the majority of companies. The exception being those Motorparts companies operating in Asia where a growth rate of 7% is deemed to be appropriate.

FEDERAL-MOGUL UK INVESTMENTS LIMITED

NOTES FORMING PART OF THE ACCOUNTS

10. <u>DEBTORS: amounts falling due within one year</u>	2017 £	2016 £
Amount owed by subsidiary undertaking	354,723	-
Other debtors	52	-
	<u>354775</u>	<u>-</u>

Financial assets are held at amortised cost

11. <u>DEBTORS: amounts falling due after more than one year</u>	2017 £	2016 £
Amount owed by subsidiary undertaking	<u>28,843,800</u>	<u>-</u>

Financial assets are held at amortised cost

12. <u>CREDITORS: amounts falling due within one year</u>	2017 £	2016 £
Amount owed to fellow subsidiary undertakings	<u>89,615,528</u>	<u>97,627,770</u>

Financial liabilities are held at amortised cost

13. <u>CALLED UP SHARE CAPITAL</u>	2017 £	2016 £
Authorised 30,000 ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>
Issued and fully paid 20,159 ordinary shares of £1 each	<u>20,159</u>	<u>20,159</u>

14. RESERVES

Called up share capital

This represents the nominal value of shares that have been issued.

Share premium

This includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium.

Profit and loss account

This includes all current and prior period retained profits and losses.

FEDERAL-MOGUL UK INVESTMENTS LIMITED

NOTES FORMING PART OF THE ACCOUNTS

15. DEFERRED TAX

<u>Unprovided assets</u>	2017	2016
	£	£
Losses	598,837	598,837
Surplus ACT	7,147,941	7,147,941
Capital losses	258,137	258,137
	<u>8,004,915</u>	<u>8,004,915</u>

16. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS102, para 33.1A, 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.

Included in income from shares in associated undertakings is a dividend totalling £nil (2016:£ 35,665,827 nil) from the Company's associated undertakings in Turkey, Federal-Mogul Powertrain Otomotiv A.S. and F-M Motorparts Otomotiv A.S.

There are no other related party transactions.

17. POST BALANCE SHEET EVENTS

On 6 April 2018, the Company received a dividend of £6,647,168 from one of its subsidiary undertakings, Federal-Mogul Japan KK.

On 27 June 2018, the Company received a dividend of £3,183,986 from one of its subsidiary undertakings, Federal-Mogul (Thailand) Limited.

18. PARENT AND ULTIMATE PARENT COMPANY

The Company's immediate parent company is FDML Holdings Ltd, a company registered in England and Wales. The ultimate parent company and controlling party is Icahn Enterprises L.P. registered in the USA. The group accounts of Icahn Enterprises L.P. are the largest group accounts in which the Company is included. Accounts of this company may be obtained from Icahn Enterprises L.P., 767 Fifth Avenue, Suite 4700, New York, NY 10153, USA.