

Federal-Mogul UK Investments Limited

Company Number SC020152

**Annual Report and Financial Statements
For the year ended 31 December 2022**

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Company Number SC020152

Strategic Report for the year ended 31 December 2022

The directors of Federal-Mogul UK Investments Limited (“the Company”) present the strategic report for the year ended 31 December 2022.

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 leading technology resources to develop advanced and innovative products, processes and manufacturing capabilities;
- Expand coverage in existing product lines and add new product lines which are critical to maintaining leadership position;
- Continue to invest in product innovation to support premium brands and to enhance marketing initiatives to more effectively communicate the value proposition of 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 £12,380,502 (2021: Profit £1,746,821). The Company made provisions against investments in the current year of £X (2021: £50,637,937).

On 15 June 2022 the Company received a dividend of £7,694,539 (2021: £7,097,655) from one of its subsidiary undertakings, Federal-Mogul Japan KK.

On 12 September 2022, the Company received a dividend of £59,840 (2021: £50,518) from its trade investment, Federal-Mogul TPR (India) Limited.

On 15 June 2021, the Company received a dividend £41,668,203 from one of its subsidiary undertakings, Federal-Mogul Germany Investments Holding GmbH.

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

Federal-Mogul UK Investments Limited

Company Number SC020152

Strategic Report for the year ended 31 December 2022 (continued)

Section 172 statement

The directors of the Company set out below how they have performed their individual and collective duty, whilst acting in good faith, under Section 172 of the Companies Act 2006, in promoting the success of the Company for the benefit of its members as a whole, encompassing all stakeholder interests.

The key decision of the board during the year related to the most effective way to use a loan repayment received early. The board considered how it could be used in the best interests of the Company and decided that it was appropriate to pay a dividend to the Company's sole shareholder. Whilst making that key decision the board also took into account the effect it would have on all of the Company's stakeholders. Key decisions made were consistent with the Company's business strategy.

The Company does not have any employees, customers or suppliers and therefore the directors did not need to consider these groups of potential stakeholders whilst performing their duties and making their decisions.

Going concern

The directors believe it to be appropriate to prepare the financial statements on the going concern basis.

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 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 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. Results of operations and financial position could be adversely affected through failure to respond in a timely and appropriate manner to changes in the demand for products.

Federal-Mogul UK Investments Limited

Company Number SC020152

Strategic Report for the year ended 31 December 2022 (continued)

Principal risks and uncertainties (continued)

Competitiveness of automotive industry

The automotive sector is 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 necessitate their suppliers to continually assess, redefine and improve operations, products and manufacturing capabilities to maintain and improve profitability. In addition, efforts by competitors to increase their market share could exert additional downwards pressure on product pricing and margins. Management continues to develop and execute initiatives to meet the challenges of the industry with the aim of continuing to compete effectively in the automotive market.

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 to minimise external hedging of currency exposure whether related to intra-group transactions or third party transactions.

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. Management endeavours to ensure that products meet the requirements of these new technologies and continually develops leading edge technologies, both in respect of product and process in order to remain competitive and to continually strive for market leadership.

Raw material and other cost fluctuations

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

Federal-Mogul UK Investments Limited

Company Number SC020152

Strategic Report for the year ended 31 December 2021 (continued)

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 loans receivable are either at a fixed rate or at rates which vary with market rates and so mitigates 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 credit risk is assessed by a central treasury department.

On behalf of the Board

Christoph Narten

C. Narten

Director

Date: 28/9/2023

Company Number SC020152

Directors' Report for the Year Ended 31 December 2022

The directors present their report and financial statements for the year ended 31 December 2022.

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 £12,380,502 (2021: profit £1,746,821).

In August 2022 the Company paid an interim dividend of £94,600,000 to its parent, FDML Holdings Limited (2021: £49,653,281) and in November 2022 paid an interim dividend of £8,000,000. The directors do not recommend a final dividend (2021 :£nil).

Directors

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

E. J. Milner, resigned 31 January 2022

C. Narten

F. Shujaat, appointed 26 January 2022, resigned 29 August 2023

Streamlined Energy and Carbon Reporting

The Company's energy and carbon information is not disclosed as the Company is a low energy user.

Going concern

The directors believe it to be appropriate to prepare the financial statements on the going concern basis.

Post Balance Sheet Events

Details of post balance sheet events are set out in note 17 to the financial statements.

Directors Indemnities

The Company maintained throughout the year and at the date of approval of the financial statements, liability insurance for its directors and officers, this is a qualifying provision for the purposes of the Companies Act 2006.

Disclosure of information to Auditors

The directors confirm that :

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and,
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the Board

Christoph Narten

C. Narten

Director

Date: 28/9/2023

DIRECTORS' RESPONSIBILITIES STATEMENT

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 and 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 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.

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 2022, 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 2022 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as increases in raw material costs and energy costs, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. 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.

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 themselves. 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.

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

As explained more fully in the directors' responsibilities statement set out in page 6, 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.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company, and the industry in which it operates, and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.
- We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making enquiries of management, and those charged with governance of the entity. We corroborated our enquiries through our review of board minutes and correspondence received from regulatory bodies.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included: evaluation of the processes and controls established to address the risks related to irregularities; and fraud and testing of journal entries, in particular entries relating to management estimates, large or unusual transactions;
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the industry in which the client operates in and understanding of, and practical experience through training and participation with audit engagements of a similar nature; and
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

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

Use of our report

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.

Grant Thornton UK LLP

Paul Bamber MA FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester
Date: 29/9/2023

FEDERAL-MOGUL UK INVESTMENTS LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Foreign exchange profit		519	1,899
Other expenses		(18)	
Operating income excluding exceptional items		501	1,899
Exceptional item – provision against investments	6	-	(50,637,937)
Operating income/(expense)		<u>501</u>	<u>(50,636,038)</u>
Operating profit/(loss)	6	501	(50,636,038)
Income from shares in subsidiary undertakings		7,694,539	48,765,858
Income from shares in trade investment		59,840	50,518
Net interest receivable	7	4,631,606	5,022,395
Profit on ordinary activities before taxation		<u>12,386,486</u>	<u>3,202,733</u>
Tax on profit on ordinary activities	8	<u>(5,984)</u>	<u>(1,455,912)</u>
Profit for the financial year attributable to the parent company		12,380,502	1,746,821
Profit and loss account at 1 January		206,722,943	254,629,403
Dividends paid	9	<u>(102,600,000)</u>	<u>(49,653,281)</u>
Profit and loss account at 31 December		<u>116,503,445</u>	<u>206,722,943</u>

FEDERAL-MOGUL UK INVESTMENTS LIMITEDBALANCE SHEETAS AT 31 DECEMBER 2022

	Notes	2022 £	2021 £
<u>Fixed Assets</u>			
Investments	10	<u>216,224,695</u>	<u>216,224,695</u>
<u>Current Assets</u>			
<u>Debtors</u> : Amounts falling due within one year	11	7,916	13,101
<u>Debtors</u> : Amounts falling due after more than one year	12	28,843,800	123,467,029
		<u>28,851,716</u>	<u>123,480,130</u>
Cash at bank and in hand		<u>8,138,291</u> <u>36,990,007</u>	<u>3,729,375</u> <u>127,209,505</u>
Net current assets		<u>36,990,007</u>	<u>127,209,505</u>
Net assets		<u>253,214,702</u>	<u>343,434,200</u>
<u>Capital and Reserves</u>			
Called up share capital	13	20,159	20,159
Share Premium Account	14	136,691,098	136,691,098
Profit & loss account	14	<u>116,503,445</u>	<u>206,722,943</u>
Shareholders' funds – equity		<u>253,214,702</u>	<u>343,434,200</u>

The accounts on pages 11 to 19 were approved by the Board on 28/9/2023
signed on its behalf by:

and were

Christoph Narten

C. Narten
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 6&7, Queens Terrace, Aberdeen, AB10 1XL, 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 since 18 November 2022 is Apollo Global Management Inc., a company incorporated in the USA and listed on the New York Stock Exchange. For the whole of 2021 and until 17 November 2022 the Company's ultimate parent undertaking was Tenneco Inc. which is incorporated in the USA and until 17 November 2022 was listed on the New York Stock Exchange. For the year 2022, the Company is included in the consolidated financial statements of Tenneco Inc. which are available from its website www.tenneco.com and then in the consolidated financial statements of Apollo Global Management Inc. which are available from its website www.apollo.com. Consequently, the Company has taken advantage of the exemptions available, under the terms of FRS102, from preparing a cash flow statement and from disclosures in relation to financial instruments.

As stated above, the Company and all of its subsidiary undertakings are included either in the consolidated financial statements of Tenneco Inc. or Apollo Global Management Inc. The ultimate parent company accounts are 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 financial statements on the going concern basis.

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.

As at 31 December 2022 the carrying amounts of the fixed asset investments are:

	£
Subsidiary Undertakings	237,952,740 (2021: £237,952,740)
Trade Investments	135,298 (2021: £135,298)

FEDERAL-MOGUL UK INVESTMENTS LIMITED

NOTES FORMING PART OF THE ACCOUNTS

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

All debtors are measured at transaction price, less any impairment.

Cash at bank and in hand

Cash at bank and in hand is measured at transaction price.

Creditors

Short term creditors are measured at the transaction price.

Foreign currencies

Transactions in foreign currency are recorded at the rate ruling at the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rate prevailing at that date. Exchange differences are recognised in the profit and loss account in the period in which they arise.

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.

NOTES FORMING PART OF THE ACCOUNTS

4. ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

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. 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 (2021: £Nil).

There are no employees of the Company (2021: Nil).

6. OPERATING PROFIT/(LOSS)

(a) Exceptional item – provision against investments

Following an impairment review of the Company's investments it was decided that no provision was required in the current year (2021: Provision £50,637,937).

(b) The audit fees of £20,000 (2021: £10,000) 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 £224,304 (2021: £228,361).

FEDERAL-MOGUL UK INVESTMENTS LIMITEDNOTES FORMING PART OF THE ACCOUNTS

7.	<u>NET INTEREST RECEIVABLE</u>	2022	2021
		£	£
	Interest receivable on bank accounts	165,198	39,795
	Interest receivable from subsidiary undertaking	2,088,291	2,088,291
	Interest receivable from fellow group company	2,378,117	2,894,309
		<u>4,631,606</u>	<u>5,022,395</u>

8 TAXATION

<u>(a) Analysis of charge in the period</u>	2022	2021
	£	£
Current tax:	-	-
Foreign tax	5,984	1,455,912
Total current tax (note 8(b))	<u>5,984</u>	<u>1,455,912</u>

(b) Factors affecting tax charge for period

The tax assessed on the profit on the ordinary activities for the year is lower than (2021: higher than) the standard rate of corporation tax in the UK of 19 % (2021: 19%). The differences are explained below:

	2022	2021
	£	£
Profit on ordinary activities before taxation	<u>12,386,486</u>	<u>3,202,733</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	2,353,432	608,519
Effect of:		
Income not taxable	(1,473,331)	(9,275,111)
Effect of overseas tax	5,984	1,455,912
Advance Corporation Tax utilised	(880,101)	(954,616)
Non-taxable provision against investments	-	9,621,208
Current tax charge for period (note 8(a))	<u>5,984</u>	<u>1,455,912</u>

(c) Factors that may affect future tax charges

The Company has non-trade deficits carried forward of £2,860,311 (2021: £2,860,311).

The Company has unrecognised ACT carried forward of £4,764,179 (2021: £5,644,280) the future recoverability of which is uncertain.

Finance Act 2022, which received Royal Assent on 10 June 2022, increased the Corporation Tax rate from the current 19% rate to 25% from 1 April 2023.

FEDERAL-MOGUL UK INVESTMENTS LIMITED**NOTES FORMING PART OF THE ACCOUNTS**

9. <u>DIVIDENDS</u>	2022 £	2021 £
First interim	94,600,000	49,653,281
Second interim	8,000,000	-
	<u>102,600,000</u>	<u>49,653,281</u>

10. INVESTMENTS

	Subsidiary Undertakings Equity £	Trade Investments Equity £	Total £
<u>Cost</u>			
At 1 January 2022	415,546,860	135,298	415,682,158
At 31 December 2022	<u>415,546,860</u>	<u>135,298</u>	<u>415,682,158</u>
<u>Provisions</u>			
At 1 January 2022	(199,457,463)	-	(199,457,463)
Increase in provision	-	-	-
At 31 December 2022	<u>(199,457,463)</u>	<u>-</u>	<u>(199,457,463)</u>
<u>Net book value</u>			
At 31 December 2022	<u>216,089,397</u>	<u>135,298</u>	<u>216,224,695</u>
At 31 December 2021	<u>216,089,397</u>	<u>135,298</u>	<u>216,224,695</u>

Details of all investments held by the Company are disclosed below.

Name of Company	Registered office	Holding	Proportion of voting rights and shares held %	Nature of Business
Federal-Mogul Japan KK	Nisseki Yokohama Building 18F 1-1-8 Sakuragi-cho, Nakaku Yokohama, 231-0062 Japan	Ordinary shares	100	Composites
Federal-Mogul (T&N) Hong Kong Limited	Rooms 610-611 Block 2, 6 th Floor, Lippo Centre, 89 Queensway, Admiralty, Hong Kong	Ordinary shares	100	Holding Company
Federal-Mogul SAS	Place Paul Bert, 45141, Saint Jean de la Ruelle, France	Ordinary shares	100	Holding Company
Federal-Mogul Germany Investment Holdings GmbH	251 Stielstraße 11, 65201 Wiesbaden, Germany	Ordinary shares	100	Holding Company

NOTES FORMING PART OF THE ACCOUNTS10. INVESTMENTS(CONTINUED)

In accordance with FRS102, the directors have compared the carrying value of investments to their value in use to the Company. The exercise undertaken at 31 December 2022 indicated that no investments were impaired and no impairment charge was required (2021: Provision £50,637,937).

The value in use has been derived from discounted cash flow projections using a nominal discount rate ranging from 14% to 17.5% (2021:13%) on a pre-tax basis. Long-term growth rates of either 0% or 3% (2021: 1%) have been assumed.

11. <u>DEBTORS: amounts falling due within one year</u>	2022 £	2021 £
Amount owed by fellow group company	<u>7,916</u>	<u>13,101</u>
	<u>7,916</u>	<u>13,101</u>

The amount owed by fellow group company represents a balance arising in the normal course of intercompany transactions, bears no interest and is receivable in the month following invoice date.

12. <u>DEBTORS: amounts falling due after more than one year</u>	2022 £	2021 £
Amount owed by fellow group company	-	94,623,229
Amount owed by subsidiary undertaking	<u>28,843,800</u>	<u>28,843,800</u>
	<u>28,843,800</u>	<u>123,467,029</u>

The amount owed by fellow group company in 2021 consisted of a loan with a maturity date of 31 December 2023. The loan was repaid in full during the current year. The loan bore interest at a rate of 1 month GBP LIBOR plus 3.5% per annum.

The amount owed by subsidiary undertaking consists of a loan with a maturity date of 31 October 2027. The loan bears interest at a rate of 7.24% per annum.

13. <u>CALLED UP SHARE CAPITAL</u>	2022 £	2020 £
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>

There is a single class of ordinary shares. There are no restrictions on dividends nor on the repayment of capital.

FEDERAL-MOGUL UK INVESTMENTS LIMITEDNOTES FORMING PART OF THE ACCOUNTS14. RESERVESCalled 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. During 2019 the Company undertook a reduction of capital which reduced share premium by £200,000,000 and transferred an equivalent sum into the profit and loss account.

Profit and loss account

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

15. DEFERRED TAXUnprovided assets

	2022	2021
	£	£
Losses	715,078	715,078
Surplus ACT	4,764,179	5,644,280
	<u>5,479,257</u>	<u>6,359,358</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.

There are no other related party transactions.

17. POST BALANCE SHEET EVENTS

On 30 May 2023, the Company paid a dividend of £9,000,000 to its parent company.

18. PARENT AND ULTIMATE PARENT COMPANY

The Company's immediate parent company is FDML Holdings Limited, a company registered in England and Wales. Since 18 November 2022, the ultimate parent company and controlling party is Apollo Global Management Inc., a company registered in the USA. For the whole of 2021 and until 17 November 2022, the ultimate parent company and controlling party was Tenneco Inc. registered in the USA. The 2022 group accounts of Tenneco Inc. and the 2022 group accounts of Apollo Global Management Inc. are the smallest and largest group accounts in which the Company is included. Accounts of these companies may be obtained from www.tenneco.com and www.apollo.com respectively.