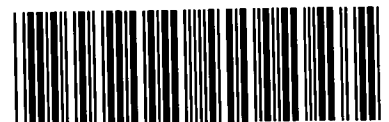


**Cummins Power Generation (UK) Limited**

**Annual Report**

**For the year ended  
31 December 2017**

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**Cummins Power Generation (UK) Limited**

**Annual Report**

**Year ended 31 December 2017**

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## **Cummins Power Generation (UK) Limited**

### **Officers and Professional Advisers**

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**The board of directors**

J Rigler  
C A V Leitaó  
A Ngoshi  
E D Smith

**Company secretary**

J Rigler

**Registered office**

49-51 Gresham Road  
Staines  
Middlesex  
TW18 2BD

**Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Central Square South  
Orchard Street  
Newcastle upon Tyne  
NE1 3AZ

# Cummins Power Generation (UK) Limited

## Strategic Report

Year ended 31 December 2017

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### **Business review and principal activities**

The company ceased trading in 2015 and did not trade during the year.

Turnover for the year was £nil (2016: £4,000). The loss for the financial year was £6,000 (2016: profit of £51,000) and the net assets at 31 December 2017 were £4,759,000 (2015: £4,765,000).

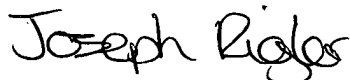
### **Principal risks and uncertainties**

Due to the nature of the company, the directors do not consider there to be any significant operational risks other than financial risks discussed in the directors' report.

### **Key performance indicators**

Key performance indicators are not used to manage the business given its limited transactions.

This report was approved by the board of directors on 28 June 2018 and signed on behalf of the board by:



J Rigler  
Director

Registered office:  
49-51 Gresham Road  
Staines  
Middlesex  
TW18 2BD

## Cummins Power Generation (UK) Limited

### Directors' Report

#### Year ended 31 December 2017

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

#### Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

J Rigler	
C A V Leita	
A Ngoshi	(Appointed 11 May 2017)
E D Smith	(Appointed 11 May 2017)
A Whitehead	(Resigned 11 May 2017)

#### Dividends

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

#### Future developments

The company has ceased trading and there are no plans in place to trade in 2018.

#### Financial risk management

The company is not exposed to significant price risk, credit risk, liquidity risk or cash flow risk.

#### Directors' indemnities

The company's ultimate parent company Cummins Inc., maintains liability insurance for its directors and officers. Cummins Inc. has also provided an indemnity for its directors and the company secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006 and was in force during the financial year and also at the date of approval of the financial statements.

#### Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland", 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 the profit or loss of the company for that period.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;

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.

The directors 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.

#### Statement of disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be reappointed will be proposed at the annual general meeting.

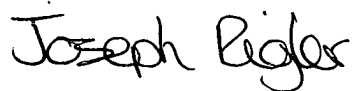
**Cummins Power Generation (UK) Limited**

**Directors' Report (*continued*)**

**Year ended 31 December 2017**

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This report was approved by the board of directors on 28 June 2018 and signed on behalf of the board by:



J Rigler  
Director

Registered office:  
49-51 Gresham Road  
Staines  
Middlesex  
TW18 2BD

## **Cummins Power Generation (UK) Limited**

### **Independent Auditors' Report to the Members of Cummins Power Generation (UK) Limited**

**Year ended 31 December 2017**

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#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, Cummins Power Generation (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 31 December 2017; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

##### **Conclusions relating to going concern**

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

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

##### **Reporting on other information**

The other information comprises all of 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. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 as applied to company have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

**Cummins Power Generation (UK) Limited**

**Independent Auditors' Report to the Members of Cummins Power Generation (UK) Limited (*continued*)**

**Year ended 31 December 2017**

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***Strategic Report and Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

**Responsibilities for the financial statements and the audit**

***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

***Auditors' 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 auditors' 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 FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

***Use of this report***

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



**Cummins Power Generation (UK) Limited**

**Independent Auditors' Report to the Members of Cummins Power Generation (UK) Limited (*continued*)**

**Year ended 31 December 2017**

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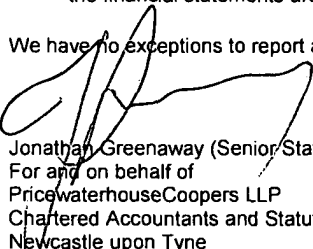
**Other required reporting**

**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Jonathan Greenaway (Senior Statutory Auditor)  
For and on behalf of  
PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Newcastle upon Tyne

28 June 2018

**Cummins Power Generation (UK) Limited****Statement of Income and Retained Earnings****Year ended 31 December 2017**

	Note	2017 £000	2016 £000
Turnover	4	—	4
Cost of sales		—	76
Gross profit		—	80
Distribution costs		—	(29)
Administrative expenses		(6)	—
Operating (loss)/profit	5	(6)	51
(Loss)/profit before taxation		(6)	51
Tax on (loss)/profit	8	—	—
(Loss)/profit for the financial year and total comprehensive income		(6)	51
Retained earnings at the start of the year		4,505	4,454
Retained earnings at the end of the year		4,499	4,505

All the activities of the company are from continuing operations.

The notes on pages 10 to 13 form part of these financial statements.

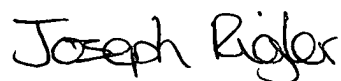
**Cummins Power Generation (UK) Limited**

**Statement of Financial Position**

**As at 31 December 2017**

	Note	2017 £000	2016 £000
<b>Current assets</b>			
Debtors	10	–	1,514
Cash at bank and in hand		4,759	3,861
		<u>4,759</u>	<u>5,375</u>
<b>Creditors: amounts falling due within one year</b>	11	–	(610)
<b>Net current assets</b>		<u>4,759</u>	<u>4,765</u>
<b>Total assets less current liabilities</b>		<u>4,759</u>	<u>4,765</u>
<b>Capital and reserves</b>			
Called up share capital	12	260	260
Profit and loss account	13	4,499	4,505
<b>Total shareholders' funds</b>		<u>4,759</u>	<u>4,765</u>

The financial statements on page 8 to 13 were approved by the board of directors and authorised for issue on 28 June 2018, and are signed on behalf of the board by:



J Rigler  
Director

Company registration number: 2058784

The notes on pages 10 to 13 form part of these financial statements.

# Cummins Power Generation (UK) Limited

## Notes to the Financial Statements

Year ended 31 December 2017

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### 1. General information

Cummins Power Generation (UK) Limited is a private company limited by shares which is incorporated in England, United Kingdom. The address of the registered office is given in the company information on page 1. The principal activity of the company was the sale of AC generating sets into the marine and commercial vehicle sectors. On 1 April 2015 the company sold its trade and the majority of its assets to Cummins Power Generation Limited.

### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and the reduced disclosure framework set out in that standard was applied and also in accordance with the Companies Act 2006.

### 3. Accounting policies

#### Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the entity and rounded to the nearest £000. The significant accounting policies consistently applied in the preparation of these financial statements are set out below.

#### Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Cummins Inc. which can be obtained from the address in note 15. As such, advantage has been taken of the disclosure exemptions available under paragraph 1.12 of FRS 102 and no cash flow statement has been presented for the company.

#### Judgements and key sources of estimation uncertainty

Given the nature of the business, the directors do not consider there to be any significant judgements or estimation uncertainty.

#### Revenue recognition

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### Taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling of the transaction. All differences are taken to the profit and loss account.

#### Tangible assets

Tangible fixed assets are stated at cost, less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and buildings	-	Over the length of the lease
Plant and machinery	-	20% straight line
Fixtures and fittings	-	15% and 20% straight line
Computer equipment	-	20% and 30% straight line

**Cummins Power Generation (UK) Limited****Notes to the Financial Statements (continued)****Year ended 31 December 2017****4. Turnover**

Turnover arises from:

	2017 £000	2016 £000
Sale of goods	—	4

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

**5. Operating (loss)/profit**

Operating (loss)/profit is stated after charging/(crediting):

	2017 £000	2016 £000
Foreign exchange differences	39	24
Cost of stock recognised as an expense	—	(98)

**6. Auditors' remuneration**

	2017 £000	2016 £000
Fees payable for the audit of the financial statements	7	—

**7. Staff costs**

The company did not have any employees during the year (2016: none).

The emoluments of the directors are paid by Cummins Ltd. The directors' services to this company and to a number of fellow subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their service to Cummins Ltd.

**8. Tax on (loss)/profit****Reconciliation of tax income**

The tax assessed on the loss for the year is higher than (2016: lower than) the standard rate of corporation tax in the UK of 19.25% (2016: 20%).

	2017 £000	2016 £000
(Loss)/profit before taxation	(6)	51
(Loss)/profit by rate of tax	(1)	10
Group losses not paid for	1	(10)
Tax on (loss)/profit	—	—

**Factors that may affect future tax expense**

On 6 September 2016 the Finance Bill 2016 was substantively enacted. As a result, the standard rate of corporation tax in the UK reduced from 20% to 19% with effect from 1 April 2017 and will be reduced to 17% from 1 April 2020.

**Cummins Power Generation (UK) Limited**

**Notes to the Financial Statements (continued)**

**Year ended 31 December 2017**

**9. Tangible assets**

	Land and buildings £000	Plant and machinery £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>Cost</b>					
At 1 January 2017	53	18	9	13	93
Disposals	(53)	(18)	(9)	(13)	(93)
<b>At 31 December 2017</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Depreciation</b>					
At 1 January 2017	53	18	9	13	93
Disposals	(53)	(18)	(9)	(13)	(93)
<b>At 31 December 2017</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Carrying amount</b>					
<b>At 31 December 2017</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2016	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**10. Debtors**

	2017 £000	2016 £000
Amounts owed by group undertakings	<u>-</u>	<u>1,514</u>

Amounts owed by group undertakings are expected to be recovered in less than one year and are interest free.

**11. Creditors: amounts falling due within one year**

	2017 £000	2016 £000
Amounts owed to group undertakings	<u>-</u>	<u>610</u>

Amounts owed to group undertakings are unsecured, repayable on demand and interest free.

**12. Called up share capital**

**Issued, called up and fully paid**

	2017		2016	
	No.	£000	No.	£000
Ordinary shares of £1 each	<u>260,418</u>	<u>260</u>	<u>260,418</u>	<u>260</u>

**13. Profit and loss account**

Profit and loss account - this reserve records retained earnings and accumulated losses net of dividends and other adjustments.

**14. Related party transactions**

As a subsidiary undertaking of Cummins Inc. the company has taken advantage of the exemption under paragraph 33.1A from the provisions of section 33 of FRS 102, Related party disclosures, from disclosing transactions with other members of the group headed by Cummins Inc.

There were no other related party transactions in the year (2016: none).

**Cummins Power Generation (UK) Limited**

**Notes to the Financial Statements *(continued)***

**Year ended 31 December 2017**

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**15. Controlling party**

The company's ultimate parent company and ultimate controlling party is Cummins Inc., incorporated in the state of Indiana, USA. The smallest and largest group in which the results of the company are consolidated is Cummins Inc., the consolidated financial statements of which are available to the public and may be obtained from the following address:

Executive Director - Investor and Public Relations  
Cummins Inc.,  
(Mail Code 60915)  
Box 3005  
Columbus  
Indiana, 47202-3005  
United States of America

The company's immediate parent company is Cummins Power Generation Inc.