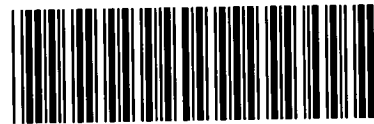


**Cummins Power Generation (UK) Limited**

**Annual Report**

**For the year ended  
31 December 2018**

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**Cummins Power Generation (UK) Limited**

**Annual Report**

**Year ended 31 December 2018**

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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 Leitao  
A Ngoshi  
E D Smith

**Company secretary**

J Rigler

**Registered office**

3rd Floor  
10 Eastbourne Terrace  
Paddington  
London  
W2 6LG

**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 2018**

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**Business review and principal activities**

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

The result for the financial year was £nil (2017: loss for the financial year of £6,000) and the net assets at 31 December 2018 were £260,000 (2017: £4,759,000).

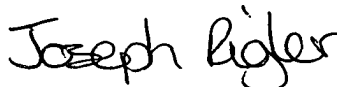
**Principal risks and uncertainties**

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 25 June 2019 and signed on behalf of the board by:



J Rigler  
Director

Registered office:  
3rd Floor  
10 Eastbourne Terrace  
Paddington  
London  
W2 6LG

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

### **Directors' Report**

**Year ended 31 December 2018**

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The directors present their report and the audited financial statements of the company for the year ended 31 December 2018.

#### **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  
E D Smith

#### **Dividends**

Dividends of £4,499,000 were paid in the year (2017: £nil).

#### **Future developments**

The company has ceased trading and there are no plans in place to trade in 2019.

#### **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.

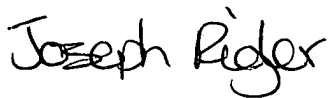
**Cummins Power Generation (UK) Limited**

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

**Year ended 31 December 2018**

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This report was approved by the board of directors on 25 June 2019 and signed on behalf of the board by:



J Rigler  
Director

Registered office:  
3rd Floor  
10 Eastbourne Terrace  
Paddington  
London  
W2 6LG

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

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

**Year ended 31 December 2018**

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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 2018 and of its result 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 2018; the statement of income and retained earnings 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**

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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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

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

**Year ended 31 December 2018**

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#### **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 or, 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 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.

#### **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 2018 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 Directors' Responsibilities Statement 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 these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



**Cummins Power Generation (UK) Limited**

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

**Year ended 31 December 2018**

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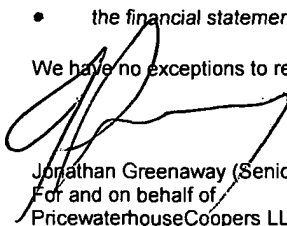
**Other required reporting**

**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

25 June 2019

**Cummins Power Generation (UK) Limited**  
**Statement of Income and Retained Earnings**  
**Year ended 31 December 2018**

	<b>Note</b>	<b>2018 £000</b>	<b>2017 £000</b>
Administrative expenses		—	(6)
<b>Operating result/(loss)</b>	<b>4</b>	—	(6)
<b>Result/(loss) before tax</b>		—	(6)
Tax on result/(loss)	<b>6</b>	—	—
<b>Loss for the financial year and total comprehensive result/(loss)</b>		—	(6)
Dividends paid and payable	<b>7</b>	(4,499)	—
<b>Retained earnings at the start of the year</b>		<u>4,499</u>	<u>4,505</u>
<b>Retained earnings at the end of the year</b>		<u>—</u>	<u>4,499</u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 12 form part of these financial statements.

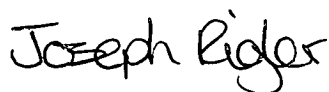
**Cummins Power Generation (UK) Limited**

**Statement of Financial Position**

**As at 31 December 2018**

	Note	2018 £000	2017 £000
<b>Current assets</b>			
Cash at bank and in hand		260	4,759
<b>Net current assets</b>		260	4,759
<b>Total assets less current liabilities</b>		260	4,759
<b>Capital and reserves</b>			
Called up share capital	8	260	260
Profit and loss account	9	—	4,499
<b>Total shareholders' funds</b>		260	4,759

The financial statements on pages 8 to 12 were approved by the board of directors and authorised for issue on 25 June 2019, and are signed on behalf of the board by:



J Rigler  
Director

Company registration number: 2058784

*The notes on pages 10 to 12 form part of these financial statements.*

# Cummins Power Generation (UK) Limited

## Notes to the Financial Statements

Year ended 31 December 2018

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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 11. 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.

#### 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.

### 4. Operating result/(loss)

Operating result/(loss) is stated after charging:

	2018	2017
	£000	£000
Foreign exchange differences	-	39
Fees payable for the audit of the financial statements	-	7
	<u>-</u>	<u>7</u>

The audit fee was borne by Cummins Ltd.

## Cummins Power Generation (UK) Limited

### Notes to the Financial Statements (continued)

Year ended 31 December 2018

#### 5. Staff costs

The company did not have any employees during the year (2017: 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.

#### 6. Tax on result/(loss)

##### Reconciliation of tax income

The tax assessed on the result for the year is the same as (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%).

	2018 £000	2017 £000
Result/(loss) before taxation	—	(6)
Result/(loss) by rate of tax	—	(1)
Group losses not paid for	—	1
Tax on loss	—	—

##### Factors that may affect future tax expense

On 15 March 2018 the Finance Bill 2018 was substantively enacted. As a result, the standard rate of corporation tax in the UK remained at 19% and will be reduced to 17% from 1 April 2020.

#### 7. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2018 £000	2017 £000
Interim paid: 2018 £17.28 per £1 share (2017: nil)	4,499	—

#### 8. Called up share capital

##### Issued, called up and fully paid

	2018		2017	
	No.	£000	No.	£000
Ordinary shares of £1 each	260,418	260	260,418	260

#### 9. Profit and loss account

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

#### 10. 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 (2017: none).

**Cummins Power Generation (UK) Limited**

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

**Year ended 31 December 2018**

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**11. 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.