

COMPANY REGISTRATION NUMBER: 2058784

**Cummins Power Generation (UK) Limited**

**Annual Report**

**For the year ended  
31 December 2020**



**Cummins Power Generation (UK) Limited**

**Annual Report**

**Year ended 31 December 2020**

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<b>Contents</b>	<b>Page</b>
Officers and professional advisers	1
Strategic report	2
Directors' report	3
Independent auditors' report to the members	5
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Notes to the financial statements	11

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**Cummins Power Generation (UK) Limited**

**Officers and Professional Advisers**

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**The board of directors**

J Rigler  
E D Smith  
A J Snell

**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 2020**

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**Business review and principal activities**

The principal activity of the company during the year was that of holding investments in subsidiaries of Cummins Inc.

The loss for the financial year was £4,534,000 (2019: £4,000) and the net assets at 31 December 2020 were £nil (2019: £256,000). During the year the company recognised an impairment loss on its investment in its subsidiary of £4,500,000.

On 2 March 2020 the company issued 4,277,801 shares at nominal value to its current shareholders in line with their current ownership proportions.

On the same day the company repaid its loan from Cummins International Holdings Cooperatief U.A. of £4,500,165 plus accrued interest.

**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.

The outbreak of COVID-19 spread throughout the world and became a global pandemic with the resultant economic impacts evolving into a worldwide recession. The pandemic triggered a significant downturn in the group's markets globally, which continued to unfavourably impact market conditions throughout 2020.

While the impacts of the pandemic and the resulting global recession are expected to be temporary, the duration of the production and supply chain disruptions, and related financial impacts, are difficult to estimate at this time. If the distribution and the effectiveness of the vaccine are consistent with current government and health organization estimates, it is anticipated that the vaccine will mitigate the spread of the virus by the end of 2021 and allow a return to more normal operations in the second half of the year.

The carrying values of the company's investments have been assessed at the balance sheet date, however, should the duration of the pandemic and its associated disruptions continue longer than expected there could be a further impact on the company's subsidiaries and therefore the carrying value of the company's investments in those subsidiaries.

**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 24 June 2021 and signed on behalf of the board by:

*Joseph Rigler*

Joseph Rigler Jun 24, 2021 16:35 GMT+1

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 2020**

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The directors present their report and the audited financial statements of the company for the year ended 31 December 2020.

#### **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	
E D Smith	
A J Snell	(Appointed 20 February 2020)
C A V Leitao	(Resigned 20 February 2020)

#### **Dividends**

No dividends were paid or declared in the year (2019: £nil).

#### **Future developments**

The company has ceased trading and there are no plans in place to trade in 2020.

#### **Financial risk management**

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

#### **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 2020**

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This report was approved by the board of directors on 24 June 2021 and signed on behalf of the board by:

*Joseph Rigler*  
Joseph Rigler (Jun 24, 2021 16:35 GMT+1)

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 2020

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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 2020 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 2020; the statement of comprehensive income and 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

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.

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.

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

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

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' 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 our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

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## Cummins Power Generation (UK) Limited

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

Year ended 31 December 2020

#### 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 2020 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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to misstate the financial statements and management bias in manipulation of accounting estimates, such as the carrying value of investments. Audit procedures performed included:

- Discussions with Management including consideration of known or suspected instances of non-compliance with laws, regulation and fraud
- Review of Board minutes
- Testing any unusual journal entries made to the statutory accounts
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the carrying value of investments

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' 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 2020

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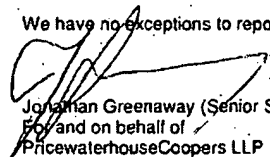
## Other required reporting

### Companies Act 2006 exception reporting

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

- we have not obtained 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

24 June 2021

**Cummins Power Generation (UK) Limited**

**Statement of Comprehensive Income**

**Year ended 31 December 2020**

	Note	2020 £000	2019 £000
Administrative expenses		(20)	—
Operating (loss)/result		(20)	—
Amounts written off investments	6	(4,500)	—
Interest payable and similar expenses		(14)	(4)
Loss before taxation		(4,534)	(4)
Tax on loss	7	—	—
Loss for the financial year and total comprehensive expense		<u>(4,534)</u>	<u>(4)</u>

All of the results relate to discontinued activities.

The notes on pages 11 to 14 form part of these financial statements.

**Cummins Power Generation (UK) Limited**

**Statement of Financial Position**

**As at 31 December 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Investments	8	—	4,500
<b>Current assets</b>			
Cash at bank and in hand		—	261
<b>Creditors: amounts falling due within one year</b>	9	—	(4,505)
<b>Net current liabilities</b>		—	(4,244)
<b>Total assets less current liabilities and net assets</b>		—	256
<b>Capital and reserves</b>			
Called up share capital	10	4,538	260
Profit and loss account	11	(4,538)	(4)
<b>Total shareholders' funds</b>		—	256

The financial statements on pages 8 to 14 were approved by the board of directors and authorised for issue on 24 June 2021, and are signed on behalf of the board by:

Joseph Rigler  
Joseph Rigler (Jun 24, 2021 16:33 GMT+1)

J Rigler  
Director

Company registration number: 2058784

The notes on pages 11 to 14 form part of these financial statements.

**Cummins Power Generation (UK) Limited****Statement of Changes in Equity****Year ended 31 December 2020**

	Called up share capital £000	Profit and loss account £000	Total £000
<b>At 1 January 2019</b>	260	—	260
Loss for the year	—	(4)	(4)
<b>Total comprehensive expense for the year</b>	—	(4)	(4)
<b>At 31 December 2019</b>	260	(4)	256
Loss for the year	—	(4,534)	(4,534)
<b>Total comprehensive expense for the year</b>	—	(4,534)	(4,534)
Issue of shares	4,278	—	4,278
<b>Total investments by and distributions to owners</b>	4,278	—	4,278
<b>At 31 December 2020</b>	<u>4,538</u>	<u>(4,538)</u>	<u>—</u>

The notes on pages 11 to 14 form part of these financial statements.

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

### **Notes to the Financial Statements**

**Year ended 31 December 2020**

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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 during the year was that of holding investments in subsidiaries of Cummins Inc.

#### **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 13. 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**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Significant judgements**

In preparing the financial statements, management have not relied upon any significant judgements.

##### **Key sources of estimation uncertainty**

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

##### **Carrying value of investments**

The directors perform impairment reviews on the carrying value of investments, however, this involves significant judgement and involves the use of estimates and assumptions, particularly in relation to future forecasts and events.

##### **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.

##### **Investments in subsidiary undertakings**

The company's investment in subsidiary undertakings is stated at historic cost, or nominal value of shares issued, adjusted for the value of any subsequent capital contribution, less provision for impairment. The directors perform impairment reviews where they identify indicators of impairment.

**Cummins Power Generation (UK) Limited**

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

**Year ended 31 December 2020**

**4. Auditors' remuneration**

	2020 £000	2019 £000
Fees payable for the audit of the financial statements	4	4

The audit fee was borne by Cummins Ltd.

**5. Staff costs**

The company did not have any employees during the year (2019: 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. Amounts written off investments**

	2020 £000	2019 £000
Impairment of investments	4,500	—

This comprises of the impairment in the value of the investment in Cummins Deutschland GmbH.

**7. Tax on loss**

No tax was payable in the year (2019: £nil).

**Reconciliation of tax income**

The tax assessed on the loss before taxation is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020 £000	2019 £000
Loss before taxation	(4,534)	(4)
Loss before taxation multiplied by rate of tax	(861)	(1)
Effect of expenses not deductible for tax purposes	855	—
Unused tax losses	6	—
Group losses not paid for	—	1
Tax on loss	—	—

**8. Investments**

	Shares in group undertakings £000
<b>Cost</b>	
At 1 January 2020 and 31 December 2020	4,500
<b>Impairment</b>	
At 1 January 2020	—
Impairment losses	4,500
At 31 December 2020	4,500
<b>Carrying amount</b>	
At 31 December 2020	—
At 31 December 2019	4,500

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

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

**Year ended 31 December 2020**

### **8. Investments (continued)**

At the year end the company owned 10.1% of the share capital of Cummins Deutschland GmbH with its registered address at Peter-Traiser-Strabe 1, 64521, Gross-Gerau, Germany.

The company's investment in subsidiary undertakings is stated at historic cost, or nominal value of shares issued, adjusted for the value of any subsequent capital contribution, less provision for impairment. The directors perform impairment reviews where they identify indicators of impairment.

### **9. Creditors: amounts falling due within one year**

	2020	2019
	£000	£000
Amounts owed to group undertakings	—	4,505

Amounts owed to group undertakings in the prior year included an unsecured loan of £4,500,165 owed to Cummins International Holdings Cooperatief U.A. Interest was charged on this loan at US prime rate minus 2.859%. This loan was repaid during the year.

### **10. Called up share capital**

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	4,538,219	4,538,219	260,418	260,418

During the year the company issued 4,277,801 shares to its current shareholders in proportion of their previous ownership for total consideration of £4,277,803. The excess of consideration over nominal value has been credited to share premium.

### **11. Profit and loss account**

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

### **12. 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 (2019: none).

**Cummins Power Generation (UK) Limited**

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

**Year ended 31 December 2020**

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**13. 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.