

Registered number: 2594307

CATERPILLAR TUNNELLING EUROPE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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CATERPILLAR TUNNELLING EUROPE LIMITED

COMPANY INFORMATION

DIRECTORS	N J Burroughs J Sandoval (appointed 16 April 2019)
COMPANY SECRETARY	M S Wahiwala (appointed 22 May 2020)
REGISTERED NUMBER	2594307
REGISTERED OFFICE	C/o Perkins Engines Company Limited Eastfield Peterborough PE1 5FQ
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Chamberlain Square Birmingham B3 3AX

CATERPILLAR TUNNELLING EUROPE LIMITED

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CATERPILLAR TUNNELLING EUROPE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

INTRODUCTION

The directors present their strategic report for the year ended 31 December 2019.

BUSINESS REVIEW

The principal activity of the company was the provision of consultancy services on tunnelling machinery.

The company is being wound up that it can become dormant and then eventually liquidated.

The results for the financial year show a loss before tax of £72 (2018: £552 loss) and net assets of £368 (2018: £440).

The directors believe that the going concern basis of accounting is no longer appropriate due to the directors decision to wind up the company and liquidate in the future. The financial statements have therefore been prepared on a basis other than going concern, as described in note 3.3 to the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The company is exposed to risks and uncertainty relating to the termination of the business, but these are considered to be minor.

COVID-19 Risk

The company has currently not seen any impact to business or results, due to the Coronavirus Pandemic, but the full magnitude of this Pandemic, including the extent of any impact on the company's business, financial position, or results of operations cannot be reasonably estimated at this time due to the rapid development and fluidity of the situation. It will be determined by the duration of the Pandemic, its geographic spread, business disruptions and overall impact on the global economy, but no impact is currently expected as trading has stopped and the company is being wound up.

FINANCIAL KEY PERFORMANCE INDICATORS

As trading has finished, the company's directors are of the opinion that analysis using key performance indicators is not required.

This report was approved by the board and signed on its behalf.


.....
N J Burroughs
Director

Date: 14th September 2020

CATERPILLAR TUNNELLING EUROPE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the audited financial statements for Caterpillar Tunnelling Europe Limited for the year ended 31 December 2019.

DIRECTORS

The directors who served during the year, and up to the date of signing the financial statements, unless otherwise stated, were as follows:

N J Burroughs
B D McDonald (resigned 1 April 2019)
J Sandoval (appointed 16 April 2019)

M S Wahiwala was appointed as Company Secretary 22 May 2020

PRINCIPAL ACTIVITY

The principal activity of the company was the provision of consultancy services on tunnelling machinery. Trading has now stopped and the company is being wound up so the company can become dormant and eventually liquidated.

RESULTS AND DIVIDENDS

The loss for the financial year amounted to £72 (2018: loss £552).

There were no dividends paid in the financial year under review (2018: £0).

The directors recommend that no dividend be proposed or declared for the year ended 31 December 2019 (2018: £0).

CASH POOLING / CASH FUNDING

The company is part of the Caterpillar Group's cash pooling / funding arrangements.

The cash funding pool is administered by Caterpillar Corporate Treasury, who ensure the company receives the funds it requires in order to meet its obligations.

GOING CONCERN

The directors have taken the decision to move the company to a dormant status and liquidate at some point in the near future. As a result, the directors do not believe the going concern basis to be appropriate for the preparation of the financial statements and accordingly have prepared these on a basis other than going concern.

FUTURE DEVELOPMENTS

Caterpillar Tunnelling Europe Limited has ceased trading and is expecting the company to be dormant in 2020. This will enable the directors to liquidate this company in the future.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

At the time this report is approved, and during the financial year, a qualifying third party indemnity provision was in place for the benefit of one or more directors.

CATERPILLAR TUNNELLING EUROPE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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 of the profit or loss of the company for that period.

In preparing these 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 United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006.

DIRECTORS' CONFIRMATIONS

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

- 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 in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors after these financial statements were sent to members or after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

14 th Septemeber 2020

This report was approved by the board and signed on its behalf.



N. Burroughs
Director

Date: 14th September 2020

CATERPILLAR TUNNELLING EUROPE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CATERPILLAR TUNNELLING EUROPE LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Caterpillar Tunnelling Europe Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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 and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2019; 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.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 3.3 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

CATERPILLAR TUNNELLING EUROPE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CATERPILLAR TUNNELLING EUROPE LIMITED

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 the responsibilities described above 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 2019 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, 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. This description forms part of our auditors' report.

CATERPILLAR TUNNELLING EUROPE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CATERPILLAR TUNNELLING EUROPE LIMITED

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.

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.



Jas Khela (Senior Statutory Auditor)

For and on behalf of
PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

One Chamberlain Square
Birmingham
B3 3AX

Date: 14th September 2020

CATERPILLAR TUNNELLING EUROPE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Administrative expenses		(66)	(552)
Operating loss	5	(66)	(552)
Interest payable and similar expenses	9	(6)	-
Loss before tax		(72)	(552)
Tax on loss	10	-	-
Loss for the financial year		(72)	(552)
Other comprehensive income		-	-
Total comprehensive expense for the year		(72)	(552)

The notes on pages 10 to 14 form an integral part of these financial statements.

All amounts relate to discontinued operations.

CATERPILLAR TUNNELLING EUROPE LIMITED
REGISTERED NUMBER: 2594307

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Current assets			
Debtors	11	368	430
Cash at bank and in hand		-	10
		<u>368</u>	<u>440</u>
Total assets less current liabilities		<u>368</u>	<u>440</u>
Net current assets		<u>368</u>	<u>440</u>
Capital and reserves			
Called up share capital	12	100	100
Retained earnings		268	340
Total equity		<u>368</u>	<u>440</u>

The financial statements on pages 7 to 14 were authorised for issue by the board of directors on 15 July 2020 and were signed on its behalf by:

.....
N J Burroughs
 Director

Date: 14th September 2020

The notes on pages 10 to 14 form an integral part of these financial statements.

CATERPILLAR TUNNELLING EUROPE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Retained earnings £	Total equity £
At 1 January 2018	100	892	992
Loss for the financial year	-	(552)	(552)
Total comprehensive expense for the year	-	(552)	(552)
Total transactions with owners recognised directly in equity	-	-	-
At 31 December 2018 and 1 January 2019	100	340	440
Loss for the financial year	-	(72)	(72)
Total comprehensive expense for the year	-	(72)	(72)
Total transactions with owners recognised directly in equity	-	-	-
At 31 December 2019	100	268	368

The notes on pages 10 to 14 form an integral part of these financial statements.

CATERPILLAR TUNNELLING EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

Caterpillar Tunnelling Europe Limited is a private company limited by shares, incorporated in the United Kingdom and registered in England. The address of the registered office is C/o Perkins Engines Company Limited, Eastfield, Frank Perkins Way, Peterborough, PE1 5FQ.

Caterpillar Tunnelling Europe Limited provided consultancy services on tunnelling machinery sold by Caterpillar group companies until the business was wound up so it could become dormant and eventually liquidated.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Companies Act 2006.

3. ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION

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

No adjustments were necessary in these financial statements to reduce assets to their realisable value or to provide for liabilities arising from the decision. The preparation of financial statements, in compliance with FRS 102, requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

The following principal accounting policies have been consistently applied to all years presented, unless otherwise stated.

(All amounts in £ unless otherwise stated).

3.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Caterpillar Inc. as at 31 December 2019 and these financial statements may be obtained from the Secretary at Caterpillar Inc., 510 Lake Cook Road, Suite 100, Deerfield, Illinois, 60015, USA.

CATERPILLAR TUNNELLING EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. ACCOUNTING POLICIES (CONTINUED)

3.3 GOING CONCERN

The directors have taken the decision to move the company to a dormant status and liquidate at some point in the near future. As a result, the directors do not believe the going concern basis to be appropriate for the preparation of the financial statements and accordingly have prepared these on a basis other than going concern.

3.4 FUNCTIONAL AND PRESENTATIONAL CURRENCY

The company's functional and presentation currency is pounds sterling.
The company does not have any foreign currency transactions or balances.

3.5 FINANCE COSTS

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

3.6 TAXATION

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

3.7 CASH POOLING / CASH FUNDING

The company is part of the Caterpillar Group's cash pooling / funding arrangements.

The cash funding pool is administered by Caterpillar Corporate Treasury, who ensure the company receives the funds it requires in order to meet its obligations.

3.8 DEBTORS

Debtors comprise of amounts owed by group undertakings and are recognised as the recoverable amount, classified as due within one year, as are payable on demand.

3.9 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental cost directly attributable to the issue of ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

CATERPILLAR TUNNELLING EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

The preparation of the financial statements requires the company to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at balance sheet date and the amounts reported for revenue and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgements

Going concern

The company has ceased trading and is expected to be dormant in 2020. The directors are planning to liquidate this company in the future so believe it is correct to prepare these financial statements on a basis other than going concern.

Estimations of uncertainty

There are no critical key sources of estimation uncertainty included within these financial statements.

5. OPERATING LOSS

The operating loss is stated after charging:

	2019 £	2018 £
Legal Fees	-	30
Bank charges	66	69
	<hr/>	<hr/>

6. AUDITORS' REMUNERATION

Fees payable for the audit of the financial statements of £4,000 (2018: £5,000) are borne by a fellow group company, for which no recharge is made, nor payable (2018: £0).

The audit fees reported for 2018 below relate to additional fees for 2017.

	2019 £	2018 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	-	453
	<hr/>	<hr/>

7. EMPLOYEES

The company has no employees (2018: 0). Any work required is performed by employees in fellow group companies for which no charges or recharges are paid, or payable, by the company for the service of these employees (2018: £0).

CATERPILLAR TUNNELLING EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

8. DIRECTORS' REMUNERATION

None of the directors received any emoluments for their services to the company during the year (2018 £0). The directors are remunerated by fellow group companies in their capacity as executives in those companies, as their services to this entity are incidental to their services to the group. No charges or recharges are paid or payable by the company for the service of these directors (2018: £0).

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
Bank interest payable	6	-
	<u>6</u>	<u>-</u>

10. TAX ON LOSS

	2019 £	2018 £
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FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	(72)	(552)
Loss on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(14)	(105)

EFFECTS OF:

Deferred tax not recognised	13	-
Group relief / other reliefs	1	105
TOTAL TAX CHARGE FOR THE YEAR	<u>-</u>	<u>-</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The company's profits for this accounting year are taxed at a rate of 19%. The standard rate of corporation tax was due to fall further to 17% with effect from 1 April 2020 and therefore closing deferred tax balances are stated at 17%. It was announced in the Budget on 11 March 2020 that the reduction to 17% will be reversed but that change was not substantively enacted at the balance sheet date.

CATERPILLAR TUNNELLING EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11. DEBTORS

Amounts falling due within one year

	2019 £	2018 £
Amounts owed by group undertakings	368	430
	<u>368</u>	<u>430</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.
The company also has an £105 unrecognised deferred tax asset.

12. SHARE CAPITAL

	2019 £	2018 £
ALLOTTED, CALLED UP AND FULLY PAID		
100 (2018: 100) Ordinary shares of £1.00 each	100	100
	<u>100</u>	<u>100</u>

13. COMMITMENTS UNDER OPERATING LEASES

The company had no commitments under the non-cancellable operating leases as at the balance sheet date (2018: £0).

14. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent undertaking is Caterpillar Tunnelling Canada Corporation Limited.

The ultimate parent undertaking and controlling party is Caterpillar Inc. which is incorporated in the United States of America.

The smallest group to consolidate these financial statements is Caterpillar Inc.

The largest group to consolidate these financial statements is Caterpillar Inc.

Copies of the Caterpillar Inc. consolidated financial statements can be obtained from the Secretary at Caterpillar Inc., 510 Lake Cook Road, Suite 100, Deerfield, Illinois, 60015, USA.