

Registration number: 2594307

Caterpillar Tunnelling Europe Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020



Caterpillar Tunnelling Europe Limited

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Caterpillar Tunnelling Europe Limited

Company Information

Directors	J Sandoval K A L Zaduck
Company secretary	M S Wahiwala
Registered office	C/o Perkins Engines Company Limited Eastfield Frank Perkins Way Peterborough PE1 5FQ
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Chamberlain Square Birmingham B3 3AX

Caterpillar Tunnelling Europe Limited
Strategic Report for the Year Ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020.

Business review

The principal activity of the company was the provision of consultancy services on tunnelling machinery, but the company has now ceased trading.

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 accounting policies section of these financial statements.

Financial key performance indicators

As the company has ceased trading, the company's directors are of the opinion that analysis, using key performance indicators, is no longer necessary.

Principal risks and uncertainties

The company is not exposed to any significant risks or uncertainties as trading has now ceased.

Approved by the Board on 14 December 2021 and signed on its behalf by:



.....
K A L Zaduck
Director

Caterpillar Tunnelling Europe Limited

Directors' Report for the Year Ended 31 December 2020

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

Directors of the company

The directors who held office during the year were as follows:

N J Burroughs (resigned 31 January 2021)

J Sandoval

The following director was appointed after the year end:

K A L Zaduck (appointed 31 January 2021)

The directors above served during the year, and up to the date of signing the financial statements, unless otherwise stated.

Principal activity

The principal activity of the company was the provision of consultancy services on tunnelling machinery. In 2013 the directors decided to exit the tunnelling business and all business activity has now ceased. There were no transactions required to be recorded in the company's accounting records in 2020 and the company is expected to be liquidated in the near future.

Dividends

There were no dividends paid in the financial year under review (2019 - £Nil).

The directors recommend that no dividend be proposed or declared for the year ended 31 December 2020 (2019 - £Nil).

Cash pooling / cash funding

The company is part of the Caterpillar Inc. group's cash pooling / funding arrangements. This is administered by Caterpillar Corporate Treasury, who ensure the company receives the funds it requires in order to meet its obligations.

This 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. No adjustments were necessary in these financial statements to reduce assets to their realisable value or to provide for liabilities arising from this decision.

Caterpillar Tunnelling Europe Limited

Directors' Report for the Year Ended 31 December 2020 (continued)

Financial risk management

Objectives and policies

The company is exposed to a variety of financial risks. The company's overall risk management programme seeks to minimise potential risks for the company. Management reviews and agrees policies for managing risks. The most important components of financial risk affecting the company are liquidity risk.

Liquidity risk

The company actively ensures that it has sufficient funds for the wind up of the company so it can be moved to a dormant status.

Future developments

Caterpillar Tunnelling Europe Limited has ceased trading. The directors expect to liquidate this company in the near 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 of the directors.

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, 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;
- 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;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Caterpillar Tunnelling Europe Limited

Directors' Report for the Year Ended 31 December 2020 (continued)

Directors' confirmations

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

Approved by the Board on 14 December 2021 and signed on its behalf by:



.....
K A L Zaduck
Director

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 2020 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 and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2020; 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 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

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 on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of Caterpillar Tunnelling Europe Limited (continued)

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.

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 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.

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 Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 manipulation of accounting estimates which could be subject to management bias or posting of unusual journals. Audit procedures performed by the engagement team included:

Independent auditors' report to the members of Caterpillar Tunnelling Europe Limited (continued)

- Understanding and evaluating the key elements of the company's internal control related to estimates
- Reviewing accounting estimates for bias and validating the support behind the assumptions and judgements made by management including challenging against possible alternatives
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations
- Reviewing legal expense accounts, board minutes and in-house legal counsel documentation
- Reading the minutes of the Board meetings to identify any inconsistencies with other information provided by management
- Substantive testing of journal entries, particularly focused around journals which have unexpected account relationships
- Incorporating elements of unpredictability.

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. 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.

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.

J. Khela

Jas Khela (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Birmingham

15 December 2021

Caterpillar Tunnelling Europe Limited

Statement of Comprehensive Income for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Administrative expenses		-	(66)
Operating result/(loss)	8	-	(66)
Interest payable and similar expenses	9	-	(6)
Result/(loss) before tax		-	(72)
Result/(loss) for the financial year		-	(72)
Other comprehensive income		-	-
Total comprehensive expense for the year		-	(72)

All amounts relate to discontinued operations.

As explained in Note 3 (Accounting Policies) to the financial statements (page 13), the directors have taken the decision to cease activities and liquidate the company at some point in the near future. As a consequence these financial statements have been prepared on a basis other than going concern.

Caterpillar Tunnelling Europe Limited

(Registration number: 2594307)

Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Current assets			
Debtors	11	<u>368</u>	<u>368</u>
Capital and reserves			
Called up share capital	12	100	100
Retained earnings		<u>268</u>	<u>268</u>
Total equity		<u>368</u>	<u>368</u>

The financial statements on pages 9 to 16 were authorised for issue by the Board of Directors and were signed on its behalf on 14 December 2021 by:



.....
K A L Zaduck
Director

Caterpillar Tunnelling Europe Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Called up share capital £	Retained earnings £	Total equity £
At 1 January 2020 and at 31 December 2020	<u>100</u>	<u>268</u>	<u>368</u>

	Called up share capital £	Retained earnings £	Total equity £
At 1 January 2019	100	340	440
Loss for the year	<u>-</u>	<u>(72)</u>	<u>(72)</u>
Total comprehensive expense	<u>-</u>	<u>(72)</u>	<u>(72)</u>
At 31 December 2019	<u>100</u>	<u>268</u>	<u>368</u>

Caterpillar Tunnelling Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 General information

The company is a private company limited by shares, incorporated in United Kingdom and registered in England.

The address of its registered office is:
C/o Perkins Engines Company Limited
Eastfield
Frank Perkins Way
Peterborough
PE1 5FQ

The principal activity was to provide consultancy services on tunnelling machinery sold by Caterpillar group companies, but the company has now ceased trading.

These financial statements were authorised for issue by the Board on 14 December 2021.

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 Companies Act 2006.

3 Accounting policies

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

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

The company's functional and presentation currency is pounds sterling.

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.

(All amounts in £ unless otherwise stated).

Caterpillar Tunnelling Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

3 Accounting policies (continued)

Summary of 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 2020 and these financial statements may be obtained from the Secretary at Caterpillar Inc., 510 Lake Cook Road, Suite 100, Deerfield, Illinois, 60015, USA.

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. No adjustments were necessary in these financial statements to reduce assets to their realisable value or to provide for liabilities arising from this decision.

Finance costs

Finance costs are charged to profit and loss 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 financial instrument.

Tax

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.

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.

Cash pooling / cash funding

The company is part of the Caterpillar Inc. group's cash pooling / funding arrangements. This is administered by Caterpillar Corporate Treasury, who ensure the company receives the funds it requires in order to meet its obligations.

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

Share capital

Ordinary shares are classified as equity.

Caterpillar Tunnelling Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

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 the balance sheet date and the amounts reported for revenues 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.

The company has ceased trading and is now dormant. 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.

Judgements

Going concern

The company has ceased trading and is now dormant. 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.

Key sources of estimation uncertainty

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

5 Staff costs

The company has no employees (2019 - Nil). In order to operate a distinct legal entity, the company receives free of charge support for any services it may require, of whatever nature, from the employees of other Caterpillar subsidiary undertakings, for which no charges, or recharges, are paid or payable, by the company (2019 - £Nil). This extends to, but is not limited to all necessary compliance, accounting, legal, secretarial, taxation and administrative assistance and services that the company needs.

6 Directors' remuneration

None of the directors received any emoluments for their services to the company during the year (2019 - £Nil). 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 services of these directors (2019 - £Nil).

7 Auditors' remuneration

Fees payable for the audit of the financial statements of £4,000 (2019 - £4,000) are borne by a fellow group company, for which no recharge is made, nor payable (2019 - £Nil).

Caterpillar Tunnelling Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

8 Operating loss

The operating loss is stated after charging:

	2020	2019
	£	£
Finance charges	<u>-</u>	<u>66</u>

9 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and borrowings	<u>-</u>	<u>6</u>

10 Tax on loss

The tax assessed for the year is the same as the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020	2019
	£	£
Result/(loss) before tax	<u>-</u>	<u>(72)</u>
Result/(loss) before tax multiplied by standard rate of corporation tax	-	(14)
Deferred tax not recognised	-	13
Group relief / other reliefs	<u>-</u>	<u>1</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

11 Debtors

	2020	2019
	£	£
Amounts owed by group undertakings	<u>368</u>	<u>368</u>

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

12 Called up share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Caterpillar Tunnelling Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

13 Commitments under operating leases

The company has no commitments under non-cancellable operating leases as at the balance sheet date.

14 Parent and ultimate parent undertaking

The company's immediate parent is Caterpillar Tunnelling Canada Corporation, incorporated in Canada.

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

The most senior parent entity producing publicly available financial statements is Caterpillar Inc.. These financial statements are available upon request from the Secretary at Caterpillar Inc., 510 Lake Cook Road, Suite 100, Deerfield, Illinois, 60015, USA.

The parent of the largest group in which these financial statements are consolidated is Caterpillar Inc..

The parent of the smallest group in which these financial statements are consolidated is Caterpillar Inc..