

**COMPANY REGISTRATION NUMBER: 00506282**

**Cummins Turbo Technologies Limited**

**Annual Report**

**For the year ended  
31 December 2019**



**Cummins Turbo Technologies Limited**

**Annual Report**

**Year ended 31 December 2019**

---

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

---

**Cummins Turbo Technologies Limited**

**Officers and Professional Advisers**

---

**The board of directors**

E D Smith  
A J Snell  
J M Rigler

**Company secretary**

J M Rigler

**Registered office**

St Andrews Road  
Huddersfield  
West Yorkshire  
HD1 6RA

**Independent auditors**

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

## **Cummins Turbo Technologies Limited**

### **Strategic Report**

**Year ended 31 December 2019**

---

#### **Business review**

The principal activity of the company is that of an investment company, owning 50% of the share capital of Cummins Technologies India Private Limited, a company registered and operating in India, which acts as a manufacturer of turbochargers. Cummins Turbo Technologies Limited ceased trading activities in 2011.

The net assets at 31 December 2019 were £1,496,000 (2018: £55,260,000).

#### **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.

As highlighted in the subsequent events note the COVID-19 pandemic could have significant impacts on the company's subsidiaries and therefore the carrying value of the company's investments in those subsidiaries. As the situation is still developing, management considers it impracticable to provide a quantitative estimate of the potential impact of the pandemic on the company.

#### **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 19 June 2020 and signed on behalf of the board by:

*Edward Smith*

E D Smith  
Director

Registered office:  
St Andrews Road  
Huddersfield  
West Yorkshire  
HD1 6RA

## **Cummins Turbo Technologies Limited**

### **Directors' Report**

#### **Year ended 31 December 2019**

---

The directors present their report and the audited financial statements of the company for the year ended 31 December 2019.

#### **Directors**

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

E D Smith  
P J Fertleman  
A Ngoshi (Resigned 31 December 2019)

P J Fertleman resigned as a director on 20 February 2020.  
J M Rigler was appointed as a director on 20 February 2020.  
A J Snell was appointed as a director on 20 February 2020.

#### **Dividends**

Dividends of £53,765,149 were paid in the year (2018: £nil).

#### **Future developments**

The company will continue to act as an investment company in the future.

#### **Financial risk management**

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

#### **Events after the end of the reporting period**

Particulars of events after the reporting date are detailed in note 13 to the financial statements.

#### **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 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;
- 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 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.

**Cummins Turbo Technologies Limited**

**Directors' Report (continued)**

**Year ended 31 December 2019**

---

**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 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.

This report was approved by the board of directors on 19 June 2020 and signed on behalf of the board by:

*Edward Smith*

E D Smith  
Director

Registered office:  
St Andrews Road  
Huddersfield  
West Yorkshire  
HD1 6RA

**Cummins Turbo Technologies Limited**

**Independent Auditors' Report to the Members of Cummins Turbo Technologies Limited**

**Year ended 31 December 2019**

---

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

**Opinion**

In our opinion, Cummins Turbo Technologies 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 profit 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 2019; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

**Basis for opinion**

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

**Independence**

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

**Conclusions relating to going concern**

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

**Reporting on other information**

The other information comprises all of the information 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.

**Cummins Turbo Technologies Limited**

**Independent Auditors' Report to the Members of Cummins Turbo Technologies Limited (*continued*)**

**Year ended 31 December 2019**

---

***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](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 Turbo Technologies Limited**

**Independent Auditors' Report to the Members of Cummins Turbo Technologies Limited (continued)**

**Year ended 31 December 2019**

---

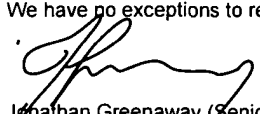
**Other required reporting**

**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

19 June 2020

**Cummins Turbo Technologies Limited****Statement of Comprehensive Income****Year ended 31 December 2019**

	<b>Note</b>	<b>2019 £000</b>	<b>2018 £000</b>
Other interest receivable and similar income		1	—
<b>Profit before taxation</b>		<u>1</u>	<u>—</u>
Tax on profit	6	—	—
<b>Profit for the financial year and total comprehensive income</b>		<u><u>1</u></u>	<u><u>—</u></u>

All of the results relate to discontinued activities.

---

The notes on pages 11 to 13 form part of these financial statements.

**Cummins Turbo Technologies Limited****Statement of Financial Position****As at 31 December 2019**

	<b>Note</b>	<b>2019 £000</b>	<b>2018 £000</b>
<b>Fixed assets</b>			
Investments	<b>8</b>	1,493	1,493
<b>Current assets</b>			
Debtors	<b>9</b>	—	53,051
Cash at bank and in hand		676	716
		<u>676</u>	<u>53,767</u>
<b>Creditors: amounts falling due within one year</b>	<b>10</b>	(673)	—
<b>Net current assets</b>		<u>3</u>	<u>53,767</u>
<b>Total assets less current liabilities</b>		<u>1,496</u>	<u>55,260</u>
<b>Capital and reserves</b>			
Called up share capital	<b>11</b>	250	250
Other reserves	<b>12</b>	—	5,700
Profit and loss account	<b>12</b>	1,246	49,310
<b>Total shareholders' funds</b>		<u>1,496</u>	<u>55,260</u>

The financial statements on pages 8 to 13 were approved by the board of directors and authorised for issue on 19 June 2020, and are signed on behalf of the board by:



E D Smith  
Director

Company registration number: 00506282

The notes on pages 11 to 13 form part of these financial statements.

**Cummins Turbo Technologies Limited****Statement of Changes in Equity****Year ended 31 December 2019**

	Note	Called up share capital £000	Other reserves £000	Profit and loss account £000	Total £000
<b>At 1 January 2018</b>		250	5,700	49,310	55,260
Result for the year		-	-	-	-
<b>At 31 December 2018</b>		250	5,700	49,310	55,260
Profit for the year		-	-	1	1
<b>Total comprehensive income for the year</b>		-	-	1	1
Issue of bonus shares		5,700	(5,700)	-	-
Dividends paid and payable	7	-	-	(53,765)	(53,765)
Capital reduction		(5,700)	-	5,700	-
<b>Total investments by and distributions to owners</b>		-	(5,700)	(48,065)	(53,765)
<b>At 31 December 2019</b>		<u>250</u>	<u>-</u>	<u>1,246</u>	<u>1,496</u>

The notes on pages 11 to 13 form part of these financial statements.

**Cummins Turbo Technologies Limited****Notes to the Financial Statements****Year ended 31 December 2019****1. General information**

Cummins Turbo Technologies Limited is a private company limited by shares incorporated, domiciled and registered in England, United Kingdom. The address of the registered office is given in the company information on page 1. The company's principal activity is that of an investment company, owning 50% of the share capital of Cummins Technologies India Private Limited, a company registered and operating in India, which acts as a manufacturer of turbochargers. Cummins Turbo Technologies Limited ceased trading activities in 2011.

**2. Statement of compliance**

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

**3. Accounting policies****Basis of preparation**

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

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

**Disclosure exemptions**

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

**Consolidation**

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 401 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its ultimate parent undertaking is not established under the law of an EEA State.

**Judgements and key sources of estimation uncertainty**

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

**Investments in joint ventures**

The investments in joint ventures are stated at cost less provision for impairment. Dividends from fixed asset investments are recognised when received. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

**4. Auditors' remuneration**

	2019	2018
	£000	£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 (2018: 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**

No tax was payable in the current or prior year.

**Cummins Turbo Technologies Limited****Notes to the Financial Statements (continued)****Year ended 31 December 2019****7. Dividends**

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

	2019	2018
	£000	£000
Interim paid: 2019: £215.06 per £1 share (2018: £nil)	53,765	—

**8. Investments**

	Shares in group undertakings £000
<b>Cost</b>	
At 1 January 2019 and 31 December 2019	1,493
<b>Impairment</b>	
At 1 January 2019 and 31 December 2019	—
<b>Carrying amount</b>	
At 31 December 2019	1,493
At 31 December 2018	1,493

The company has a 50% interest in the equity share capital of Cummins Technologies India Private Limited, a company registered office at Cummins India Office Campus, Tower A, 2nd, 4th and 8th Floor, Survey No. 21, Balewadi Pune, Pune, MH 411045, India, which acts as a manufacturer of turbochargers. Cummins Technologies India Private Limited prepares financial statements to 31 March every year. At 31 March 2019 its profit before tax for the year was £97.5m (2018: £72.8m)

The directors believe that the carrying value of the investments is supported by their underlying net assets.

**9. Debtors**

	2019	2018
	£000	£000
Amounts owed by group undertakings	—	53,051

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

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

	2019	2018
	£000	£000
Amounts owed to group undertakings	673	—

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

**11. Called up share capital****Issued, called up and fully paid**

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	250,000	250,000	250,000	250,000

On 17 September 2019 the company undertook a bonus issue, cancelling the £5,700,000 capital contribution reserve and issuing 5,700,000 ordinary £1 shares to the sole shareholder. Following the bonus issue, the company undertook a capital reduction, cancelling 5,700,000 ordinary £1 shares and transferring £5,700,000 from share capital to its profit and loss reserve.

**Cummins Turbo Technologies Limited**

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

**Year ended 31 December 2019**

---

**12. Reserves**

Other reserves - this represents a capital contribution received from shareholders for which no shares were issued in return.

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

**13. Events after the end of the reporting period**

The COVID-19 pandemic has triggered significant disruption for the Cummins group including reduced customer demand and the closure or partial closure of certain office, manufacturing and distribution facilities around the world.

Management considers this outbreak to be a non-adjusting post balance sheet event.

If this disruption continues for an extended period of time there could be a material impact on the company's subsidiaries and therefore on the carrying value of the company's investments in those subsidiaries. As the situation is still developing, management considers it difficult to provide a quantitative estimate of the longer term impact of the pandemic on the company. As this is a non-adjusting event for the year ended 31 December 2019, the impact will be considered in the financial statements for the year ended 31 December 2020. The directors have also assessed the liquidity requirements for the coming 12 months, taking into account the potential impact of COVID-19 and have not identified any matters which would impact going concern.

**14. Related party transactions**

As a subsidiary undertaking of Cummins Inc., the company has taken advantage of the exemption in FRS 102, from disclosing transactions with other members of the group headed by Cummins Inc.

There were no other related party transactions in the year (2018: none).

**15. Controlling party**

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

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

The company's immediate parent company is Cummins Ltd.