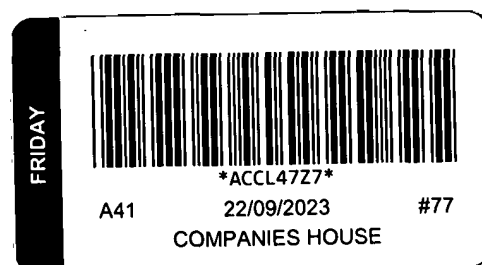


**Company Registration No. 06661961**

**Kohler Uninterruptible Power  
(Holdings) Limited**

**Annual report and financial statements**

**31 December 2022**



**Kohler Uninterruptible Power (Holdings) Limited**

**Annual report and financial statements 2022**

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**Kohler Uninterruptible Power (Holdings) Limited**

**Officers and professional advisors**

**Directors**

H V Kohler (deceased 3 September 2022)  
T Adler  
Natalie Maciolek (appointed 1 August 2022)

**Registered office**

Woodgate  
Bartley Way  
Bartley Wood Business Park  
Hook  
Hampshire  
RG27 9XA

**Solicitors**

Cleary, Gottlieb, Steen & Hamilton  
City Place House  
55 Basinghall Street  
London  
EC2V 5EH

**Bankers**

Bank of America  
2 King Edward Street  
London  
EC1A 1HQ

**Independent auditors**

Pricewaterhouse Coopers LLP  
Chartered Accountants and Statutory Auditors  
2 Glass Wharf  
Bristol  
BS2 0FR

## **Kohler Uninterruptible Power (Holdings) Limited**

### **Strategic report**

The directors present their strategic report, together with the directors' report, the financial statements and independent auditors' report for Kohler Uninterruptible Power (Holdings) Limited ("the company") and its subsidiaries (together "the group") for the year ended 31 December 2022.

Kohler Uninterruptible Power (Holdings) Limited is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Woodgate, Bartley Wood Business Park, Barley Way, Hook, Hampshire, RG27 9XA.

### **Principal activities**

The company's principal activity during the year was that of a holding company and it is a wholly owned subsidiary of Kohler Co., which is a large private US company.

The company continues to benefit from being part of the Kohler Co., with the consolidated company complementing its existing global power protection division which manufactures diesel generators and engines worldwide.

The consolidated group's principal activity is the supply, installation and maintenance of secure electrical power systems, UPS systems, batteries and standby generators. There have been no significant changes in the company or the group's principal activities in the year under review. The directors are planning to liquidate the company in 2023 to simplify the group structure, but the rest of the group will continue to trade unchanged. This will have no impact on the group's activities in the year ahead.

### **Strategic review**

The consolidated statement of comprehensive income is set out on page 10. The group performed in line with the directors' expectations. Turnover in the year increased by 9% with the group well placed to take advantage of strong market demand. This continued growth built on a successful 2021 and meant that our Operating Profit grew by 6%. Costs remained in line with the volume changes and demonstrates the group's ability to match quickly its cost base in line with prevailing market conditions.

The directors anticipate that following a strong year, revenue and profit will continue to grow due to the critical nature of the solutions provided to the group's growing customer base.

**Kohler Uninterruptible Power (Holdings) Limited****Strategic report (continued)****Key performance indicators**

The group uses a number of KPIs to monitor its performance. The two main financial KPIs are turnover and operating profit which indicate the volume of business and profitability of the work undertaken.

	2022	2021
	£	£
Turnover	28,759,635	26,383,574
Operating profit	3,503,210	3,432,122

These results further strengthen the financial position of the group. The consolidated balance sheet shown on page 12 reflects the financial position of the group.

**Employees**

The average monthly number of staff employed by the group during the financial year was:

	2022	2021
	Number	Number
Sales	16	15
Service	68	66
Marketing	4	5
Administration	15	14
	<hr/>	<hr/>
	103	100
	<hr/>	<hr/>

**Principal risks and uncertainties**

The principal risks and uncertainties facing the group are described below.

*Economic environment*

Continuing economic uncertainty may cause the group's customers to postpone or reduce the spend on existing or future projects. Inflationary cost pressures may impact both growth and margins.

*Business continuity*

The risk that in the event of an adverse occurrence the business operations will not be able to operate. Main areas of risk are the failure of IT systems and the recruitment and retention of key staff.

*Financial / commercial risk*

The risk of performance falling short of expectations. This includes reputational risk linked to the quality of both the products we supply and work we undertake.

The group's directors and senior management regularly review these risks and their potential impact on the group and take mitigating action as necessary.

## **Kohler Uninterruptible Power (Holdings) Limited**

### **Strategic report (continued)**

#### **Financial risk management objectives and policies**

The board of directors is responsible for assessing and monitoring the major risks that face the business. Through regular, scheduled review meetings with responsible members of management, appropriate policies are put in place to manage key areas of uncertainty and ensure that the organisation's financial objectives are delivered. The key financial risks, and the measures taken to manage them, are as follows:

##### *Exchange rate risk*

The group purchases its main products in a foreign currency and reports its financial statements in GBP. Management reviews the company's exposure to currency rate movements on a regular basis and use financial instruments to hedge the company's exposure to such risks.

##### *Credit risk*

The group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The group has no significant concentration of credit risk, with exposure spread over a large number of customers.

##### *Interest rate risk*

The group has now repaid all its interest bearing intercompany loans and therefore no longer has any significant exposure to interest rate risk.

Approved by the Board and signed on its behalf by:

DocuSigned by:



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T. Adler

Director

15 September 2023

## **Kohler Uninterruptible Power (Holdings) Limited**

### **Directors' report**

The directors present their annual report and the audited financial statements of the group and company for the year ended 31 December 2022

#### **Going concern**

As noted in the strategic report the group has operating profit of £3,503,210 (2021: £3,432,122) and a net assets position of £20,051,718 (2021: £17,372,972).

The group's business activities and principal risks and uncertainties are detailed above. Having considered the risks facing the group and the current uncertain economic environment, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the group financial statements.

As explained on page 2, the director's expect to liquidate the company in the foreseeable future. Therefore the company financial statements have been prepared on a basis other than going concern as explained in the accounting policies on page 16.

#### **Financial risk management objectives and policies**

The board of directors is responsible for assessing and monitoring the major risks that face the business. Through regular, scheduled review meetings with responsible members of management, appropriate policies are put in place to manage key areas of uncertainty and ensure that the organisation's financial objectives are delivered. The key risks are discussed in the strategic report.

#### **Results and dividends**

The profit for the financial year, after taxation, amounted to £2,550,764 (2021: £2,365,220).

No dividend was received from its subsidiary during the year (2021: £4,500,000). No dividends were paid to its parent undertaking in the year (2021: £4,500,000).

#### **Directors**

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

H V Kohler (deceased 3 September 2022)

T Adler

N Maciolek (appointed 1 August)

#### **Future Developments**

The directors have every reason to believe that the company will continue its good trading performance in the coming year. The company is well placed as it operates across a wide range of industry sectors and is not dependant on one customer or industry sector. Its trading strength is underpinned by its strong service customer base. The business continues to operate in its strong traditional markets of data processing, healthcare, and process control.

#### **Qualifying third party indemnity provisions**

The company maintains cover under a qualifying third-party indemnity for all directors and officers against liabilities which may be incurred by them whilst acting as directors or officers.

## **Kohler Uninterruptible Power (Holdings) Limited**

### **Directors' report (continued)**

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the group and company financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice and applicable law) including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). 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 group and company and of the profit or loss of the group and 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, including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments 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 and group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Disclosure of information to independent auditors**

Each of the persons who is a director at the date of approval of this report confirms that

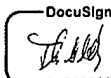
- so far as the director is aware, there is no relevant audit information of which the group and company independent auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the group and company's independent auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

#### **Independent auditors**

The independent auditors PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Approved by the Board and signed on its behalf by:

DocuSigned by:  
  
P. Adler

Director

15 September 2023



# Independent auditors' report to the members of Kohler Uninterruptible Power (Holdings) Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Kohler Uninterruptible Power (Holdings) Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2022 and of the group's profit and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 Consolidated and Company balance sheets as at 31 December 2022; the Consolidated statement of comprehensive income, the Statements of changes in equity and the Consolidated statement of cash flows for the year then ended; the notes to the consolidated statement of cash flows; 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 group 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 – company financial statements prepared on a basis other than going concern

In forming our opinion on the company financial statements, which is not modified, we draw attention to note 1 to the financial statements which describes the directors' reasons why the company financial statements have been prepared on a basis other than going concern.

### Conclusions relating to going concern – group financial statements

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 group'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 group financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the group financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group'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.

### **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 2022 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 group and company and their 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, 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 group's and 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 group or 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 group and industry, we identified that the principal risks of non-compliance with laws and regulations related to those with a direct impact on the financial statements, for example UK tax legislation and the 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 the posting of manual journal entries. Audit procedures performed by the engagement team included:

- Discussions with management, including the consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- identifying and testing unusual journal entries, in particular those posted to unusual account combinations;
- incorporating unpredictable procedures into our audit testing.

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.

## **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 company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Paul Nott (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Bristol

15 September 2023

**Kohler Uninterruptible Power (Holdings) Limited****Consolidated statement of comprehensive income****Year ended 31 December 2022**

	Notes	2022 £	2021 £
<b>Turnover</b>	2	28,759,635	26,383,574
Cost of sales		(13,281,309)	(11,599,703)
<b>Gross profit</b>		15,478,326	14,783,871
Administrative expenses		(10,304,606)	(9,681,242)
Amortisation of goodwill		(1,670,510)	(1,670,507)
<b>Operating profit</b>	3	3,503,210	3,432,122
Interest receivable and similar income	6	43,792	12,989
<b>Profit before taxation</b>		3,547,002	3,445,111
Tax on profit	7	(996,237)	(1,079,891)
<b>Profit for the financial year</b>		2,550,765	2,365,220
Other comprehensive income/(expense) for the year			
- Currency translation differences		127,982	(65,705)
<b>Total comprehensive income for the year</b>		2,678,747	2,299,515

All results derive from continuing operations


**Kohler Uninterruptible Power (Holdings) Limited****Consolidated balance sheet  
As at 31 December 2022**

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	8	55,127	69,695
Goodwill	8	9,378,270	11,048,780
Tangible assets	9	2,907,534	3,033,488
		<hr/>	<hr/>
		12,340,931	14,151,963
<b>Current assets</b>			
Stocks	11	2,853,241	1,998,240
Debtors - amounts falling due within one year	12	7,283,593	4,422,335
Cash at bank and in hand		7,606,231	5,379,585
		<hr/>	<hr/>
		17,743,065	11,800,160
<b>Creditors: amounts falling due within one year</b>	13	(10,013,127)	(8,571,656)
		<hr/>	<hr/>
<b>Net current assets</b>		7,729,938	3,228,504
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		20,070,869	17,380,467
<b>Provisions for liabilities</b>	14	(19,151)	(7,496)
		<hr/>	<hr/>
<b>Net assets</b>		20,051,718	17,372,971
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	16	1,000	1,000
Share premium account		5,648,622	5,648,622
Capital contribution reserve		16,500,000	16,500,000
Accumulated losses		(2,097,904)	(4,776,651)
		<hr/>	<hr/>
<b>Total equity</b>		20,051,718	17,372,971
		<hr/>	<hr/>

The notes on pages 16 to 26 form an integral part of these financial statements

The finance statements of Kohler Uninterruptible Power (Holdings) Limited, registered number 06661961 on pages 10 to 26 were approved by the Board of Directors and authorised for issue on 15 September 2023

Signed on behalf of the Board of Directors

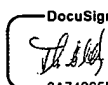
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 9A74265DA71342D...  
 T. Adler  
 Director

**Kohler Uninterruptible Power (Holdings) Limited****Company balance sheet  
As at 31 December 2022**

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Investments	10	22,351,191	22,351,191
<b>Current assets</b>			
Cash at bank and in hand		5,068	5,872
		5,068	5,872
<b>Creditors: amounts falling due within one year</b>	13	(117)	(117)
<b>Net current assets</b>		4,951	5,755
<b>Total assets less current liabilities</b>		22,356,142	22,356,946
<b>Net assets</b>		22,356,142	22,356,946
<b>Capital and reserves</b>			
Called up share capital	16	1,000	1,000
Share premium account		5,648,622	5,648,622
Capital contribution reserve		16,500,000	16,500,000
Retained earnings		206,520	207,324
<b>Total equity</b>		22,356,142	22,356,946

The financial statements of Kohler Uninterruptible Power (Holdings) Limited, registered number 06661961 were approved by the Board of Directors and authorised for issue on 15 September 2023

Signed on behalf of the Board of Directors

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 T. Adler  
 Director

**Kohler Uninterruptible Power (Holdings) Limited****Statements of changes in equity  
Year ended 31 December 2022****Company**

	<b>Called up share capital £</b>	<b>Share premium account £</b>	<b>Retained earnings £</b>	<b>Capital contribution reserve £</b>	<b>Total equity £</b>
Balance as at 1 January 2021	1,000	5,648,622	208,094	16,500,000	22,357,716
Loss for the financial year	-	-	(770)	-	(770)
Balance as at 31 December 2021	1,000	5,648,622	207,324	16,500,000	22,356,946
Loss for the financial year	-	-	(804)	-	(804)
Balance as at 31 December 2022	1,000	5,648,622	206,520	16,500,000	22,356,142

The capital contribution reserve represents a realised profit for the purposes of assessing distributable reserves.

**Group**

	<b>Called up share capital £</b>	<b>Share premium account £</b>	<b>Accumulated losses £</b>	<b>Capital contribution reserve £</b>	<b>Total equity £</b>
Balance as at 1 January 2021	1,000	5,648,622	(2,576,166)	16,500,000	19,573,456
Profit for the financial year	-	-	2,365,220	-	2,365,220
Other comprehensive expense					
- Currency translation differences	-	-	(65,705)	-	(65,705)
Dividends paid in the year	-	-	(4,500,000)	-	(4,500,000)
Balance as at 31 December 2021	1,000	5,648,622	(4,776,651)	16,500,000	17,372,971
Profit for the financial year	-	-	2,550,765	-	2,550,765
Other comprehensive expense					
- Currency translation differences	-	-	127,982	-	127,982
Balance as at 31 December 2022	1,000	5,648,622	(2,097,904)	16,500,000	20,051,718

**Kohler Uninterruptible Power (Holdings) Limited****Consolidated statement of cash flows**  
**Year ended 31 December 2022**

	Notes	2022 £	2021 £
Net cash from operating activities	A	3,290,897	4,864,881
Taxation		(958,809)	(398,865)
<b>Net cash generated from operating activities</b>		<b>2,332,088</b>	<b>4,466,016</b>
Cash flow from investing activities			
Interest received		43,792	12,989
Purchase of tangible and intangible assets		(149,234)	(249,898)
Cash received from disposal of tangible assets		-	10,103
<b>Net cash used in investing activities</b>		<b>(105,442)</b>	<b>(226,806)</b>
Cash flow from financing activities			
Dividend paid to parent company	19	-	(4,500,000)
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(4,500,000)</b>
<b>Net increase/(decrease) in cash</b>		<b>2,226,646</b>	<b>(260,790)</b>
Cash at the beginning of the year		5,379,585	5,640,375
Cash at the end of the year		7,606,231	5,379,585



**Kohler Uninterruptible Power (Holdings) Limited****Notes to the consolidated statement of cash flows**  
**Year ended 31 December 2022****A. Reconciliation of profit to net cash inflow from operating activities**

	2022	2021
	£	£
Profit for the financial year	2,550,765	2,365,220
Tax on profit	996,237	1,079,891
Interest receivable	(43,792)	(12,989)
Operating profit	3,503,211	3,432,122
Depreciation	217,152	227,851
Amortisation	1,744,881	1,745,090
Increase in stocks	(855,001)	(301,453)
(Increase)/Decrease in debtors	(2,830,709)	342,867
Increase/(Decrease) in creditors	1,391,502	(514,450)
Movement on exchange	118,700	(67,068)
Profit on sale of fixed assets	1,162	(78)
Net cash generated from operating activities	3,290,897	4,864,881

## **Kohler Uninterruptible Power (Holdings) Limited**

### **Notes to the financial statements** **Year ended 31 December 2022**

#### **1. Accounting policies**

##### **General Information**

Kohler Uninterruptible Power (Holdings) Limited is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Woodgate, Bartley Wood Business Park, Barley Way, Hook, Hampshire, RG27 9XA. The company's principal activity during the year was that of a holding company. The consolidated group's principal activity is the supply, installation and maintenance of secure electrical power systems, UPS systems, batteries and standby generators.

##### **Statement of Compliance**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2006. The particular accounting policies adopted are described below and have been applied consistently throughout the current and preceding year in dealing with items which are considered material in relation to the company and group's financial statements.

##### **Basis of Preparation**

The financial statements have been prepared under the historical cost convention.

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over ten to twenty years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006. The parent company made a loss for the year of £804. Similarly the company has taken an exemption under FRS 102 from preparing a company only cash flow statement.

##### **Going Concern**

The group's business activities, principal risks and uncertainties and sources of funding are detailed in the strategic report on pages 2 to 4. Having considered these risks, the sources of funding and the current economic environment, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the group financial statements.

The directors expect to liquidate the company in the foreseeable future. Therefore the company financial statements have been prepared on a basis other than going concern. This alternative basis of preparation has not had any impact on the measurement or presentation of assets and liabilities in the balance sheet at 31 December 2022. Since the directors intend to distribute the company's investment in subsidiary to another group company rather than to realise it through sale, they believe that it is appropriate to continue to present it as a fixed asset investment.

##### **Foreign currency policy**

The Company's functional currency is GBP. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. For the purpose of the consolidated financial statements, the results and financial position are presented in GBP.

For each entity, transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

The assets and liabilities of overseas subsidiary undertakings are translated into the presentational currency at the rate of exchange ruling at the balance sheet date. Income and expenses are translated at exchange rates at the average rate for the year. All resulting exchange differences are recognised in other comprehensive

## **Kohler Uninterruptible Power (Holdings) Limited**

### **Notes to the financial statements Year ended 31 December 2022**

#### **1. Accounting policies (continued)**

##### **Turnover**

The turnover shown in the statement of comprehensive income represents the fair value of amounts invoiced during the year, exclusive of Value Added Tax. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is the right to consideration and is recorded at the value of consideration due.

##### **Employee benefits/pensions**

The company operates a defined contribution pension scheme for employees. The annual contributions payable are charged to the statement of comprehensive income. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

##### **Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Goodwill – 20 years in respect of acquisition of Broomco (3864) Ltd (renamed Uninterruptible Power Supplies Limited)
- Goodwill – 10 years in respect of acquisition of Powerohm Sales Ltd (renamed Kohler Uninterruptible Power (Ireland) Limited).
- Software – 3 years

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

## **Kohler Uninterruptible Power (Holdings) Limited**

### **Notes to the financial statements Year ended 31 December 2022**

#### **1. Accounting policies (continued)**

##### **Tangible assets**

All tangible assets are initially recorded at cost, less accumulated depreciation and any provision for impairment, with the exception of freehold land which is not depreciated.

##### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Land and buildings	-	2.5% straight line
Plant and machinery	-	15% straight line
Fixtures and fittings	-	10% - 20% straight line
Equipment	-	15% - 25% straight line
Motor vehicles	-	20% reducing

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Stocks are recognised as expense in the period in which related revenue is recognised. The FIFO method is used.

##### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

##### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided using the liability method on all timing differences, including those relating to pensions, which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Deferred taxation assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable; and
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.
- Deferred tax is measured on a undiscounted basis at the tax rates that are expected to apply in the year in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Kohler Uninterruptible Power (Holdings) Limited****Notes to the financial statements  
Year ended 31 December 2022****1. Accounting policies (continued)****Related party transactions**

The group is exempt under FRS 102 paragraph 33.1A, from disclosing transactions with other group undertakings.

**Critical accounting judgements and estimation**

In applying the group's accounting policies, the directors are required to apply judgements. The key judgement made in preparing these financial statements is an assessment of whether certain amounts payable on the acquisition of Powerohm Sales Limited represents deferred consideration or remuneration for services. As discussed in note 18, this is being treated as post acquisition remuneration.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- Stock provision: an estimate is made for the value of obsolete or slow moving stock that may be required to be written off in future periods. Further details are given in note 11.

**Share Capital**

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

**2. Turnover**

The turnover and profit before taxation are attributable to the one principal activity of the group. An analysis of turnover by geography is given below:

	2022	2021
	£	£
United Kingdom	25,576,763	23,572,275
Ireland	3,182,872	2,811,299
	<u>28,759,635</u>	<u>26,383,574</u>

**3. Operating profit**

	2022	2021
	£	£
Operating profit is stated after charging:		
Depreciation of owned tangible fixed assets	217,152	227,851
Amortisation of intangible assets	74,371	74,583
Amortisation of goodwill	1,670,510	1,670,507
Loss on sale of tangible asset	1,162	78
Auditors' remuneration		
- Audit of group and subsidiary's financial statements	36,000	36,348
- Taxation compliance services	6,908	5,067
Operating lease costs		
- plant and equipment	8,543	10,389
- other	451,866	422,051
	<u></u>	<u></u>

**Kohler Uninterruptible Power (Holdings) Limited****Notes to the financial statements  
Year ended 31 December 2022****4. Employees**

The average monthly number of staff employed by the group during the financial year was:

	2022	2021
	Number	Number
Sales	16	15
Service	68	66
Marketing	4	5
Administration	15	14
	<hr/>	<hr/>
	103	100
	<hr/>	<hr/>

The aggregate payroll costs of the above were:

	2022	2021
	£	£
Wages and salaries	6,016,136	5,858,368
Social security costs	819,252	795,434
Other pension costs	297,321	270,986
	<hr/>	<hr/>
	7,132,709	6,924,788
	<hr/>	<hr/>

At 31 December 2022 pension contributions of £37,618 were outstanding (2021: £45,913); this is included in creditors. The group did not benefit from the government furlough scheme in 2022 (2021: £10,911). In 2021 the benefit was credited to wages and salaries.

The company has no employees in 2022 or 2021

**5. Directors' emoluments**

The directors are paid by the ultimate parent company primarily for their services to the Kohler Co. group as a whole. The amount allocated to this group is £nil (2021: £nil).

**Key management personnel compensation**

The key management personnel, including directors and senior management, aggregate emoluments in respect of qualifying services were:

	2022	2021
	£	£
Emoluments receivable	1,101,119	1,058,769
	<hr/>	<hr/>

	2022	2021
	Number	Number
The number of key management personnel who:		
Are members of a money purchase pension scheme	-	-
	<hr/>	<hr/>

**Kohler Uninterruptible Power (Holdings) Limited****Notes to the financial statements  
Year ended 31 December 2022****6. Interest receivable and similar income**

	2022	2021
	£	£
Bank interest receivable	43,792	12,989

**7. Tax on profit****(a) Analysis of charge included in profit or loss**

	2022	2021
	£	£
<b>Current tax</b>		
UK Corporation tax	956,042	928,597
Adjustments in respect of prior years	8,637	-
Foreign tax	19,900	43,865
	984,579	972,462
<b>Deferred tax</b>		
Origination and reversal of timing differences (note 14)	10,599	24,364
Adjustments in respect of prior years	1,059	79,567
Effect of changes in tax rate	-	3,498
Total deferred tax (note 14)	11,658	107,429
Tax on profit	996,237	1,079,891

**(b) Reconciliation of tax charge:**

The tax assessed on the profit before taxation is higher (2021: higher) than the standard rate of corporation tax in the UK of 19% (2021: 19%)

	2022	2021
	£	£
Profit before taxation	3,547,002	3,445,111
Tax on profit before taxation at the current UK tax rate	673,930	654,571
Permanent differences	323,369	333,647
Prior year adjustments	9,696	79,567
Effect of changes in tax rates (deferred tax)	1,219	-
Foreign tax in excess of UK rate	(13,219)	(19,113)
Group relief	153	6,782
Fixed assets ineligible depreciation	18,613	17,971
Expenses not deductible for tax purposes	(17,524)	6,466
Total tax charge for the year (note 7a)	996,237	1,079,891

In the Budget 2022, the government announced a change to the proposed rate of UK corporation tax to 25% with effect from 1 April 2023. The closing deferred tax balance has been calculated at this rate to reflect the future tax rates based on legislation that had been enacted as at the year end.

**Kohler Uninterruptible Power (Holdings) Limited****Notes to the financial statements  
Year ended 31 December 2022****8. Intangible assets**

<b>Group</b>	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2022 and 31 December 2022	32,722,480
	<hr/>
<b>Accumulated amortisation</b>	
At 1 January 2021	21,673,700
Charge for the year	1,670,510
	<hr/>
At 31 December 2022	23,344,210
	<hr/>
<b>Net book value</b>	
At 31 December 2022	9,378,270
	<hr/>
At 31 December 2021	11,048,780
	<hr/>

Goodwill arose on the acquisition of Uninterruptible Power Supplies Limited, formerly Broomco (3864) Limited in 2008, and on the acquisition of Kohler Uninterruptible Power (Ireland) Limited, formerly Powerohm Sales Ltd in 2017 (see note 18).

	<b>Software</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2022	738,768
Additions	59,803
	<hr/>
At 31 December 2022	798,571
	<hr/>
<b>Accumulated amortisation</b>	
At 1 January 2021	669,073
Charge for the year	74,371
	<hr/>
At 31 December 2022	743,444
	<hr/>
<b>Net book value</b>	
At 31 December 2022	55,127
	<hr/>
At 31 December 2021	69,695
	<hr/>



**Kohler Uninterruptible Power (Holdings) Limited****Notes to the financial statements  
Year ended 31 December 2022****9. Tangible assets**

<b>Group</b>	<b>Land and building</b>	<b>Plant and machinery</b>	<b>Fixtures and fittings</b>	<b>Equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Costs</b>						
At 1 January 2022	3,652,207	169,383	1,055,250	793,374	37,478	5,707,692
Currency translation	585	-	822	1,687	-	3,094
Additions	26,000	28,425	-	35,006	-	89,431
Disposals	-	(1,268)	(1,887)	-	-	(3,155)
At 31 December 2022	3,678,792	196,540	1,054,185	830,067	37,478	5,797,062
<b>Accumulated depreciation &amp; impairment</b>						
At 1 January 2022	864,707	160,574	932,562	678,883	37,478	2,674,204
Charge for the year	98,548	4,256	71,779	42,569	-	217,152
Disposals	-	(105)	(1,723)	-	-	(1,828)
At 31 December 2022	963,255	164,725	1,002,618	721,452	37,478	2,889,528
<b>Net book value</b>						
At 31 December 2022	2,715,537	31,815	51,567	108,615	-	2,907,534
At 31 December 2021	2,787,500	8,809	122,688	114,491	-	3,033,488

The Group purchased premises in Hook on 8 May 2012 for total consideration of £3.1m. Of this amount £0.54m is attributable to land with the remaining £2.56m recognised as building. The building is depreciating over 40 years.

**Kohler Uninterruptible Power (Holdings) Limited****Notes to the financial statements  
Year ended 31 December 2022****10. Investments****Group  
Undertakings  
£****Company****Cost and net book value**

At 1 January 2022 and 31 December 2022

**22,351,191**

This investment represents shares held in Uninterruptible Power Supplies Limited, formerly Broomco (3864) Limited, a company incorporated in England and Wales, which is within the Group. This is a 100% holding of the ordinary share capital and entitles Kohler Uninterruptible Power (Holdings) Limited to 100% of the associated voting rights. Uninterruptible Power Supplies Limited is a holding company that owns 100% of the share capital of Kohler Uninterruptible Power Limited (KUPL) which supplies, installs and maintains secure electrical power systems, UPS systems, batteries and standby generators. The registered address of both companies is Woodgate, Bartley Wood Business Park, Hook, Hampshire, RG27 9XA.

KUPL holds a 99% holding of the ordinary share capital of Powerohm Sales Ltd, now renamed Kohler Uninterruptible Power (Ireland) Limited, a company incorporated in Ireland with similar business activities. Its registered address is Unit C7 Riverview Business Park, Nangor Road, Dublin 12.

**11. Stocks****Group****2022****2021****£****£**

Finished goods and spares

**2,853,241****1,998,240**

There is no material difference between the balance sheet value of stocks and their replacement cost.

The amount of inventories booked through cost of sales in 2022 were £12,945,855 (2021: £11,386,752).

The value of stock is stated net of provision for the impairment of £1,025,678 (2021: £868,531).

**12. Debtors - amounts falling due within one year****2022****2021****Group****Group****£****£**

Trade Debtors

**6,495,325****3,802,362**

Amounts owed by group undertakings

**17,329****41,644**

Deferred tax asset (note 14)

**-****-**

Corporation tax

**39,154****8,605**

Prepayments and accrued income

**731,785****569,724****7,283,593****4,422,335**

Trade debtors are stated after the provision of £9,164 (2021: £6,323) for impairment

**Kohler Uninterruptible Power (Holdings) Limited****Notes to the financial statements  
Year ended 31 December 2022****13. Creditors: amounts falling due within one year**

	2022		2021	
	Company	Group	Company	Group
	£	£	£	£
Trade creditors	-	1,945,004	-	1,151,346
Corporation tax	-	978,568	-	928,599
Amounts owed to group undertakings	117	6,013	117	-
Other taxation & social security	-	252,203	-	340,188
Other creditors	-	503,422	-	963,753
Accruals and deferred income	-	6,327,918	-	5,187,770
	<u>117</u>	<u>10,013,127</u>	<u>117</u>	<u>8,571,656</u>

**14. Provisions for liabilities**

The movement in the net deferred tax provision/(assets) during the year was:

	2022		2021	
	Company	Group	Company	Group
	£	£	£	£
Provision/(asset) brought forward	-	7,496	-	(107,466)
Credit to profit and loss account	-	11,658	-	107,429
Foreign exchange adjustment	-	(3)	-	7,533
Provision carried forward	<u>-</u>	<u>19,151</u>	<u>-</u>	<u>7,496</u>

The group's deferred taxation asset consists of the tax effect of timing differences in respect of accelerated capital allowances and other short term timing differences.

The Corporation tax rate of 19% remained the same during the year. The closing deferred tax has been calculated using this rate rather than the proposed increase in rate shown in note 7.

**15. Commitments under operating leases**

At 31 December 2022 the group had total commitments under non-cancellable operating leases as set out below:

Group	2022	2021
	£	£
Operating leases which expire:		
Within one year	469,487	453,435
Within 2 to 5 years	411,485	601,668
After 5 years	11,677	-
	<u>892,649</u>	<u>1,055,103</u>

**Kohler Uninterruptible Power (Holdings) Limited****Notes to the financial statements  
Year ended 31 December 2022****16. Called up share capital**

	2022		2021	
	Company	Group	Company	Group
	£	£	£	£
<b>Allotted called up and fully paid</b>				
1,000 ordinary shares of £1 each	1,000	1,000	1,000	1,000
(2021: 1,000)				
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

**17. Controlling parties**

The company's immediate parent undertaking is Kohler International Holding Limited, a company registered in the Isle of Man.

The company's ultimate parent company and controlling party is Kohler Co., which is also the parent undertaking for which group financial statements are drawn up. Kohler Co. which is registered in Wisconsin, USA is a private company and as such is not required to make its financial statements publicly available. There is no other larger group which includes the company for which publicly available group financial statements are prepared.

**18. Acquisition**

On 28th April 2017, the Group acquired 99% of the ordinary shares of Powerohm Sales Ltd, a company registered in Ireland. The Company have an option on the remaining 1%. The book value and fair value of the net assets acquired was £417,992, and the consideration paid was £1,105,681, resulting in goodwill of £687,689.

In addition to the amounts shown above, a further €500,000 is payable to the former owner of Powerohm Sales Ltd after 5 years depending upon continued employment with the company. This is being treated as post acquisition remuneration for services provided, and is being accrued on a straight line basis over 5 years as services are provided.

On 4th March 2019, the company name was changed from Powerohm Sales Ltd to Kohler Uninterruptible Power (Ireland) Limited.

**19. Dividends**

During the year the company paid a cash dividend of £ nil (2021: £4,500,000) to the parent company