

Johnston Sweepers Limited  
Annual report and financial statements  
for the year ended 31 December 2012

Registered number: 199841

THURSDAY



\*A2540BFN\*

A48

28/03/2013

#173

COMPANIES HOUSE

---

**Johnston Sweepers Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2012**  
**Contents**

Directors and advisers for the year ended 31 December 2012	1
Directors' report for the year ended 31 December 2012	2
Independent auditors' report to the members of Johnston Sweepers Limited	6
Profit and loss account for the year ended 31 December 2012	8
Balance sheet as at 31 December 2012	9
Notes to the financial statements for the year ended 31 December 2012	10

# **Johnston Sweepers Limited**

## **Directors and advisers for the year ended 31 December 2012**

### **Directors**

R Baillod  
DF Bishop  
J Hauser  
CF Offley  
PC van Rosmalen

### **Company Secretary**

NC Brunning

### **Registered office**

Curtis Road  
Dorking  
Surrey  
RH4 1XF

### **Independent Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
First Point  
Buckingham Gate  
Gatwick  
West Sussex  
RH6 0NT

### **Solicitors**

Downs Solicitors LLP  
156 High Street  
Dorking  
Surrey  
RH4 1BQ

### **Registered number**

199841

# **Johnston Sweepers Limited**

## **Directors' report for the year ended 31 December 2012**

The directors have pleasure in submitting their annual report and audited financial statements of the company for the year ended 31 December 2012

### **Principal activities and review of operations**

Johnston Sweepers Limited manufactures and services road cleansing vehicles through its operations in the UK and markets its products worldwide

In 2012 turnover increased by 36.4% to £76.8m (2011 £56.3m) with higher volumes in the first half of the year. This was primarily as a result of the company's large order to supply the city of Moscow with both compact and truck mounted sweepers. The order was successfully completed in June 2012.

Operating profit increased from £6.2m (2011) to £9.2m. Operating margin also showed a slight increase from 11.0% to 11.9% on account of the increased activity levels.

In October 2012, the company began construction of an £11m building project on the Dorking site. As part of this project, the company are to close their facilities at Sittingbourne and Ash Vale and relocate these activities to Dorking.

The results for the financial year are set out on page 8.

### **Business environment**

Whilst the UK market for street cleansing equipment remained at historically low levels, the combination of higher compact sweeper volumes and increased parts sales did yield growth in the year.

Other European Union territories delivered mixed results with gains in one country largely offset by reductions in another. Outside of the EU, sales to Russia exceeded expectations and was a major factor in achieving the 35.9% overall growth in European sales. In Asia, Africa, Australia and New Zealand sales increased by 42.5%.

### **Future outlook**

Whilst closing order book levels remain relatively weak, we are starting to see some signs of growth in export orders outside of the European Union. As reported last year, we still expect the impact of restrictions on European municipal budgets to have a strong influence on sales in 2013, as governments seek to control spending. However there are some signs of a recovery both in the contract hire sector and in countries that have started to emerge from recession ahead of Europe.

### **Strategy**

Following on from the successful integration of Johnston Sweepers Limited into the Bucher Group in 2005, the company continues its long term strategy of working with joint suppliers to optimise economies of scale.

### **Research and development**

Research and development costs incurred by the company in the financial year amounted to £1,771,000 (2011 £1,976,000). Development activities in 2012 remain focused on the reduction of product costs and the updating of company products to meet lower emission standards. Expenditure on research and development was fully expensed during the year, being consistent with the treatment in previous years.

# Johnston Sweepers Limited

## Directors' report for the year ended 31 December 2012

### (continued)

#### Dividends

An interim dividend of £625 00 (2011 £962 5) per ordinary share, amounting to £5 0m (2011 £7 7m) was paid on 24 April 2012. A final dividend for 2012 has not been declared (2011 nil).

#### Principal risks and uncertainties

Road cleansing equipment sales are linked to public spending on roads and municipal road cleansing budgets. These sectors are affected by the political environment, changes in central government funding and the general world economy. With increasing focus on recycling investment there can also be short term changes in funding priorities. Whilst Johnston Sweepers Limited is able to reduce these effects with a diverse geographical mix of customers, the current financial climate will continue to impact sales levels over the next year. We expect the shift already seen in the mix of sales towards export territories and continued growth in parts and service sales to continue in 2013.

#### Financial risk management

The company's operations are exposed to a variety of financial risks that include the effects of credit risk, liquidity risk, exchange risk and interest rate risk.

Credit risk is managed by a combination of pre-delivery credit controls and, if appropriate, credit insurance. The current market conditions have continued to make it difficult to secure insurance of overseas trade debts, however by working with our customers and the insurer's local representatives we have had some success in obtaining higher credit limits. Management are continually reviewing credit facilities to control the risk of bad debts.

The company works closely with the Bucher Group treasury operations to minimise liquidity, exchange rate and interest rate risk. Loans from the parent company are in local currency and therefore not subject to exchange rate risk.

#### Key performance indicators (KPI's)

KPI	2012	2011	Description
Increase in sales	36.4%	8.9%	Change in sales relative to the previous year
Operating margin	11.9%	11.0%	Operating profit expressed as a percentage of sales
Sales per employee	174.1	145.1	Turnover divided by total employees GBP 000's per employee

Overall sales increased by 36.4% due to the company's large contract order in Russia. The operating margin increased by 0.9% to 11.9%. Sales per employee rose by 20.0%.

#### Directors

The names of the directors holding office during the year and up to the date of signing the financial statements are set out below.

R Baillod  
DF Bishop  
J Hauser  
CF Offley  
PC van Rosmalen

# **Johnston Sweepers Limited**

## **Directors' report for the year ended 31 December 2012 (continued)**

**Company Secretary**  
NC Brunning

### **Employment policies**

The company is committed to policies of non-discrimination to promote equal opportunities in employment regardless of race, colour, religion, disability, age, sex, sexual orientation, gender re-assignment, marital/civil partnership status, ethnic or national origin to all employees and job applicants. A company handbook is made available to all employees and there is a system of regular employee briefing and regular newsletters. The company accepts its duties and responsibilities towards people who are disabled or become disabled whilst employed by the company as defined under the Disability Discrimination Act, including the duty to make reasonable adjustments to the working arrangements/premises to try and minimise any disadvantage that may arise. All employees participate in a profit related bonus scheme that encourages employee involvement in the company's performance.

### **Carrying value of land and buildings**

Whilst no formal valuation has been conducted, the directors are of the view that any difference between the market value and the carrying value of the land and buildings is unlikely to have a material impact on the 2012 result.

### **Health and safety at work**

The company has a strong commitment to the health and safety of employees. The company has its own safety officer who advises on accident prevention and safety in the company's factories. The directors are kept regularly informed on all aspects of safety.

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

So far as the directors are aware, there is no audit information of which the company's auditors are unaware. The directors have taken all the steps (such as making enquiries of other directors and any other steps required by the directors' duty to exercise due care, skill and diligence) that they ought to have taken in their duty as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Policy and practice on payment of creditors**

The company does not follow any code or standard on payment practice, as it is the company's policy to settle creditors promptly on mutually agreed terms. These terms will vary from supplier to supplier and all suppliers will be aware of the terms of payment. Trade creditors at the year-end represented 59 days (2011 90 days) of purchases. The decrease is in line with company expectations following the end of the Moscow contract.

### **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 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 and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or

# **Johnston Sweepers Limited**

## **Directors' report for the year ended 31 December 2012 (continued)**

### **Statement of directors' responsibilities (continued)**

loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



NC Brunning  
**Company Secretary**

Date 21/03/2013

# **Johnston Sweepers Limited**

## **Independent auditors' report to the members of Johnston Sweepers Limited**

We have audited the financial statements of Johnston Sweepers Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Principal Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of directors' responsibilities set out on pages 4 to 5 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



## **Johnston Sweepers Limited**

### **Independent auditors' report to the members of Johnston Sweepers Limited (continued)**

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Simon Bailey (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Gatwick

25 MARCH 2013

# Johnston Sweepers Limited

## Profit and loss account for the year ended 31 December 2012

Registered Number 199841

	Note	2012 £'000	2011 £'000
<b>Turnover</b>	2	<b>76,759</b>	56,291
Net operating expenses	3	<b>(67,605)</b>	(50,111)
<b>Operating profit</b>		<b>9,154</b>	6,180
Income from shares in group undertakings		<b>2,417</b>	4,186
Other interest receivable and similar income	6	<b>14</b>	20
Interest payable and similar charges	6	<b>(445)</b>	(436)
<b>Net interest payable</b>		<b>(431)</b>	(416)
<b>Profit on ordinary activities before taxation</b>		<b>11,140</b>	9,950
Tax on profit on ordinary activities	7	<b>(2,131)</b>	(1,563)
<b>Profit for the financial year</b>	20	<b>9,009</b>	8,387

All amounts derive from continuing operations

The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented

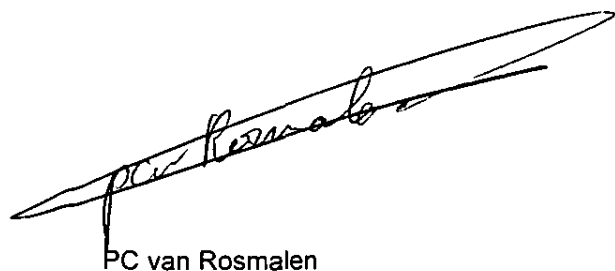
There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

# Johnston Sweepers Limited

## Balance sheet as at 31 December 2012

	Note	2012 £'000	2011 £'000
<b>Fixed assets</b>			
Tangible assets	8	12,779	12,219
Intangible assets	9	97	168
Fixed asset investments	10	4,853	4,853
		<b>17,729</b>	17,240
<b>Current assets</b>			
Stocks	11	9,599	9,538
Debtors	12	7,077	8,340
Cash at bank and in hand		13,030	7,641
		<b>29,706</b>	25,519
Creditors amounts falling due within one year	14	(14,273)	(15,357)
Provisions for liabilities	15	(2,636)	(885)
<b>Net current assets</b>		<b>12,797</b>	9,277
<b>Total assets less current liabilities</b>		<b>30,526</b>	26,517
Creditors amounts falling due after more than one year	16	(11,750)	(11,750)
<b>Net assets</b>		<b>18,776</b>	14,767
<b>Capital and reserves</b>			
Called up share capital	17	8	8
Revaluation reserve	20	249	249
Profit and loss account	20	18,519	14,510
<b>Total shareholders' funds</b>	19	<b>18,776</b>	14,767

The financial statements on pages 8 to 26 were approved by the board of directors on the 21/03/2013 and were signed on its behalf by



PC van Rosmalen

Director

# **Johnston Sweepers Limited**

## **Notes to the financial statements for the year ended 31 December 2012**

### **1 Principal accounting policies**

A summary of principal accounting policies, all of which have been applied consistently throughout the financial year, is set out below

#### **Basis of accounting**

These financial statements are prepared on the going concern basis, under the historical cost convention as modified to include the revaluation of freehold and leasehold properties in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

#### **Exemption from the preparation of consolidated financial statements and subsidiary undertakings**

As permitted by S401 of the Companies Act 2006, consolidated accounts have not been prepared since the company is a wholly owned subsidiary undertaking of another company which prepares consolidated financial statements. The company's interest in subsidiary undertakings is shown at original sterling cost less amounts written off, with dividends received and receivable being recorded in the profit and loss account

#### **Exemption from the preparation of cash flow statement**

The company is exempt from the requirement of FRS 1 "cashflow statements" (revised 1996) to include a cash flow statement as part of its financial statements, as the company is a wholly owned subsidiary of Bucher Industries AG which publishes consolidated financial statements that include the company and which contain a group cash flow statement

#### **Turnover**

Turnover is defined as the value of goods and services supplied net of trade discounts, value added tax and other sales related taxes. Turnover in the United Kingdom is generally recognised upon delivery of the vehicle or goods to the customer or their local dealer. Export sales turnover is recognised in accordance with the INCO terms, appropriate to the customer order

Turnover in respect of service contracts is recognised in equal instalments over the life of the contract. Turnover for extended warranty is released over the warranty period using a consistent formula that recognises a larger proportion of the revenue as the machine becomes older. The deferred income is held as a creditor in the balance sheet until revenue has been fully released at the end of the service or warranty period

#### **Other operating income**

Other operating income includes services to group companies, exchange gains and the sale of waste materials

#### **Tangible and intangible assets**

Tangible fixed assets are stated at cost or historical valuation less accumulated depreciation. Cost includes the original purchase price of the asset and the cost attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on a straight line basis at rates calculated to write off the cost or valuation of fixed assets over their estimated useful lives

# Johnston Sweepers Limited

## Notes to the financial statements for the year ended 31 December 2012

### 1 Principal accounting policies (continued)

The estimated useful lives generally in use are

Freehold and long leasehold	–	Land	Not depreciated
	–	Buildings	50 years
Plant and machinery	–	Fixed	8 years
	–	Mobile	4 years
Assets under construction			Not depreciated
Computer software			4 years

The carrying value of tangible fixed assets are reviewed for impairment if events or circumstances indicate that the carrying value may not be recoverable. Any impairment in the value of fixed assets below depreciated cost is charged to the profit and loss account. Assets in the course of construction are not depreciated until they are commissioned. Commissioning is deemed to have occurred once the asset has completed its testing phase and is being utilised in production.

#### Fixed asset investments

Investments in subsidiaries are valued at cost less provisions for impairment. An impairment review is undertaken if events occur that suggest the carrying value may not be recoverable in full.

#### Currency translation

Differences on exchange are charged or credited to the profit and loss account as they arise. With the exception of the company's investment in the share capital of subsidiary undertakings which is included at original sterling cost less amounts written off, all monetary assets and liabilities denominated in foreign currencies are included in the balance sheet using the closing rate method. Foreign currency transactions of the company have been converted to sterling at rates of exchange ruling on the date of transaction.

#### Research and development

All research and development expenditure is written off as incurred, as is expenditure in respect of patents and trademarks.

#### Stocks

Stocks are valued on a weighted average basis at the lower of net realisable value and cost, which includes production overheads. Provision is made for those parts that are identified as obsolete, slow moving, or have stock levels in excess of normal usage levels.

#### Deferred income

Deferred income relates to warranty and service contracts sold in conjunction with machines, which are recognised over the period of the warranty.

# **Johnston Sweepers Limited**

## **Notes to the financial statements for the year ended 31 December 2012**

### **1 Principal accounting policies (continued)**

#### **Taxation**

Current taxation, including UK corporation tax, is provided at amounts expected to be paid using tax rates and laws that have been enacted by the balance sheet date. 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

#### **Leases**

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

#### **Pensions**

The company operates a defined contribution pension scheme. Company contributions to the scheme are charged to the profit and loss account in the financial year to which they relate.

#### **Provisions**

The company will recognise a provision, where the following conditions are met:

- There is a present obligation (legal or constructive) as a result of a past event,
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and
- A reliable estimate can be made of the amount of the obligation.

#### **Related party transactions**

The company is exempt from the requirement of FRS 8 "Related Party Disclosures" to disclose transactions with other group subsidiaries on the grounds that the company is wholly owned by Bucher Industries AG which publishes consolidated financial statements (note 25). The company is included in the consolidated financial statements of Bucher Industries AG, whose accounts are publicly available.

# Johnston Sweepers Limited

## Notes to the financial statements for the year ended 31 December 2012

### 2 Turnover

Geographical analysis of turnover by destination (all sales relate to street cleansing related business and originate in the United Kingdom)	2012 £'000	2011 £'000
Europe and Middle East	66,329	48,801
Asia, Africa, Australia and New Zealand	7,133	5,007
Americas	3,297	2,483
	<b>76,759</b>	<b>56,291</b>

### 3 Net operating expenses

	2012 £'000	2011 £'000
Change in stocks of finished goods and work-in-progress	9	(2,058)
Other operating income	(1,708)	(1,305)
Raw materials and consumables	41,572	30,762
Other operating charges	11,777	9,380
Staff costs (see note 5)	14,956	12,516
Depreciation of owned assets	1,000	873
Profit on disposal of fixed assets	(1)	(57)
<b>Operating expenses less other income</b>	<b>67,605</b>	<b>50,111</b>

#### Operating profit is stated after charging / (crediting) .

Plant and machinery - operating lease rentals	368	399
Other operating lease rentals	285	274
Currency exchange rate gains	(363)	(193)
Research and development costs	1,771	1,976

#### Services provided by the company's auditor:

- Fees payable for the audit	40	40
Other non-audit services	207	232
Group management charges	855	943
Redundancy costs included within staff costs	28	21

# Johnston Sweepers Limited

## Notes to the financial statements for the year ended 31 December 2012

### 4 Directors' emoluments

	<b>2012</b>	2011
	<b>£'000</b>	£'000
Aggregate emoluments	<b>318</b>	299
Including contributions to group personal pension schemes	<b>18</b>	17

The company operates a group personal pension scheme with Friends Provident Assurance. This is a defined contribution scheme; retirement contributions were paid to 2 of the directors holding office during the year (2011: 2).

<b>Highest paid director</b>	<b>2012</b>	2011
	<b>£'000</b>	£'000
Aggregate emoluments	<b>152</b>	146
Contributions to group personal pension schemes	<b>9</b>	8

The emoluments of R Bailod and J Hauser are paid by the parent company or other subsidiary undertakings. R Bailod and J Hauser receive no emoluments in respect of their services to the company.

R Bailod is a director of the parent company.



# Johnston Sweepers Limited

## Notes to the financial statements for the year ended 31 December 2012

### 5 Employee information including pensions

	2012 £'000	2011 £'000
Wages and salaries	13,104	10,916
Social security costs	1,431	1,198
Other pension costs	421	402
<b>Staff costs</b>	<b>14,956</b>	<b>12,516</b>

The above figures include £28,000 (2011 £21,000) in redundancy payments made during the year

Outstanding pension contributions payable to the scheme as at the 31 December 2012 were £58,306 (2011 nil)

The average monthly number of persons (including executive directors) employed by the company during the year was

By activity (average)	2012 Number	2011 Number
Direct	232	192
Indirect	209	196
<b>Total</b>	<b>441</b>	<b>388</b>

### 6 Net interest payable

	2012 £'000	2011 £'000
Bank interest receivable	(11)	(5)
Group interest receivable	(3)	(15)
<b>Other interest receivable and similar income</b>	<b>(14)</b>	<b>(20)</b>
Sundry interest/charges payable	-	6
Group interest payable	445	430
Interest payable and similar charges	445	436
<b>Net interest payable</b>	<b>431</b>	<b>416</b>

# Johnston Sweepers Limited

## Notes to the financial statements for the year ended 31 December 2012

### 7 Tax on profit on ordinary activities

Analysis of charge in the year	2012 £'000	2011 £'000
<b>Current tax:</b>		
UK corporation tax on profits of the year	2,307	1,444
Adjustments in respect of previous years	(15)	(10)
<b>Total current tax</b>	<b>2,292</b>	<b>1,434</b>
<b>Deferred tax:</b>		
Capital allowances and other timing differences	(124)	129
Adjustments in respect of previous years	(37)	-
<b>Total deferred tax (note 13)</b>	<b>(161)</b>	<b>129</b>
<b>Tax on profit on ordinary activities</b>	<b>2,131</b>	<b>1,563</b>

The tax assessed for the year is lower (2011 lower) than the standard rate of corporation tax in the UK (24.50%). The difference between the actual tax charge and the standard rate of corporation tax is explained as follows

	2012 £'000	2011 £'000
<b>Profit on ordinary activities before tax</b>	<b>11,140</b>	<b>9,950</b>
Profit on ordinary activities multiplied by standard rate in the UK of 24.50% (2011 26.50%)	2,729	2,637
<b>Effects of</b>		
Expenses not deductible for tax purposes	164	169
Capital allowances in excess of depreciation	(96)	(155)
Dividend income	(592)	(1,110)
R&D enhanced relief	(102)	(93)
Other timing differences	204	(4)
Adjustments in respect of previous years	(15)	(10)
<b>Current tax charge for the year</b>	<b>2,292</b>	<b>1,434</b>

# Johnston Sweepers Limited

## Notes to the financial statements for the year ended 31 December 2012

### 8 Tangible assets

	Land and buildings	Plant and machinery	Asset under construction	Total
	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>				
At 1 January 2012	10,414	10,603	412	21,429
Additions	46	591	841	1,478
Disposals	-	(15)	-	(15)
<b>At 31 December 2012</b>	<b>10,460</b>	<b>11,179</b>	<b>1,253</b>	<b>22,892</b>
<b>Accumulated depreciation</b>				
At 1 January 2012	1,503	7,707	-	9,210
Charge for the year	143	771	-	914
Disposals	-	(11)	-	(11)
<b>At 31 December 2012</b>	<b>1,646</b>	<b>8,467</b>	<b>-</b>	<b>10,113</b>
<b>Net book value</b>				
<b>At 31 December 2012</b>	<b>8,814</b>	<b>2,712</b>	<b>1,253</b>	<b>12,779</b>
At 31 December 2011	8,911	2,896	412	12,219

Land and buildings includes £4,567,000 (2011 £4,567,000) of freehold land that is not depreciated

# Johnston Sweepers Limited

## Notes to the financial statements for the year ended 31 December 2012

### 8 Tangible assets (continued)

Land and buildings comprise	Freehold land and buildings	Leasehold buildings	Total
	£'000	£'000	£'000
<b>Cost or valuation</b>			
At 1 January 2012	8,049	2,365	10,414
Additions	46	-	46
<b>At 31 December 2012</b>	<b>8,095</b>	<b>2,365</b>	<b>10,460</b>
<b>Comprising</b>			
At professional valuation	4,412	860	5,272
At cost	3,683	1,505	5,188
<b>At 31 December 2012</b>	<b>8,095</b>	<b>2,365</b>	<b>10,460</b>
<b>Accumulated depreciation</b>			
At 1 January 2012	870	633	1,503
Charge for the year	74	69	143
<b>At 31 December 2012</b>	<b>944</b>	<b>702</b>	<b>1,646</b>
<b>Net book value</b>			
<b>At 31 December 2012</b>	<b>7,151</b>	<b>1,663</b>	<b>8,814</b>
At 31 December 2011	7,179	1,732	8,911

The company's freehold and leasehold interests in land and buildings in the United Kingdom were valued by Messrs Gerald Eve, Chartered Surveyors as at 31 December 1998. The valuations were prepared in accordance with the Appraisal and Valuation Manual published by the Royal Institute of Chartered Surveyors (the Red Book) on the basis of existing use. The valuations were incorporated into the balance sheet at 31 December 1998 as equivalent to cost, following the introduction of FRS 15 'Tangible Fixed Assets', and have been retained at their carrying amounts.

# Johnston Sweepers Limited

## Notes to the financial statements for the year ended 31 December 2012

### 8 Tangible assets (continued)

Comparable historical cost amounts for the company's land and buildings included in tangible fixed assets were

	Freehold £'000	Long leasehold £'000	Total £'000
At 31 December 2012			
Original cost	8,285	2,668	10,953
Less aggregate depreciation	(1,703)	(1,149)	(2,852)
<b>Net book value</b>	<b>6,582</b>	<b>1,519</b>	<b>8,101</b>
At 31 December 2011			
Original cost	8,239	2,668	10,907
Less aggregate depreciation	(1,629)	(1,080)	(2,709)
<b>Net book value</b>	<b>6,610</b>	<b>1,588</b>	<b>8,198</b>

### 9 Intangible assets

	Computer software £'000	Total £'000
<b>Cost or valuation</b>		
At 1 January 2012	172	172
Additions	15	15
<b>At 31 December 2012</b>	<b>187</b>	<b>187</b>
<b>Accumulated depreciation</b>		
At 1 January 2012	4	4
Charge for the year	86	86
<b>At 31 December 2012</b>	<b>90</b>	<b>90</b>
<b>Net book value</b>		
<b>At 31 December 2012</b>	<b>97</b>	<b>97</b>
At 31 December 2011	168	168

# Johnston Sweepers Limited

## Notes to the financial statements for the year ended 31 December 2012

### 10 Fixed Asset Investments

#### Investments

	Group companies £'000
<b>Cost and net book value</b>	
At 31 December 2011 and at 31 December 2012	4,853

The company has the following subsidiaries

Name	Proportion of capital shares held by the company %	Country of incorporation	Activity
MacDonald Johnston Pty Limited	100	Australia	Manufacture of refuse vehicles and distributor of Johnston road cleansing equipment
Beam A/S	100	Denmark	Manufacture of special application road sweeping vehicles and distributor of Johnston road cleansing equipment
Johnston Engineering Limited	100	United Kingdom	Dormant

The share classes held are ordinary shares unless otherwise stated. The directors believe that the carrying value of the investments is supported by their underlying net assets.

# **Johnston Sweepers Limited**

## **Notes to the financial statements for the year ended 31 December 2012**

### **11 Stocks**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Raw materials and consumables	<b>244</b>	221
Work-in-progress	<b>3,818</b>	3,777
Finished goods and goods for resale	<b>5,537</b>	5,540
	<b>9,599</b>	9,538

### **12 Debtors**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	<b>5,155</b>	4,980
Amounts owed by group undertakings	<b>1,526</b>	2,246
Other debtors	<b>90</b>	194
Prepayments	<b>306</b>	920
	<b>7,077</b>	8,340

# Johnston Sweepers Limited

## Notes to the financial statements for the year ended 31 December 2012

### 13 Deferred Tax

	2012 £'000	2011 £'000
Deferred tax liability at beginning of the year	(318)	(189)
Movement due to changes in tax rates and laws	16	29
Movement due to origin and reversal of timing differences	145	(158)
Movement in year (note 7)	161	(129)
<b>Deferred tax liability at end of the year</b>	<b>(157)</b>	<b>(318)</b>

	2012 £'000	2011 £'000
Accelerated capital allowances	(391)	(328)
Short term timing differences	234	10
<b>Deferred taxation liability</b>	<b>(157)</b>	<b>(318)</b>

The Finance Act 2012, which was substantially enacted on 17 July 2012, includes legislation reducing the main rate of corporation tax from 25% to 24% from 1 April 2012 and then reducing this to 23% from 1 April 2013. A further change is proposed to reduce the rate to 21% from 1 April 2014, this further reduction has not been recognised in these Financial Statements but is expected to lead to a non-material reduction in the value at which the deferred tax liability will be realised.

### 14 Creditors: amounts falling due within one year

	2012 £'000	2011 £'000
Trade creditors	8,599	9,923
Amounts owed to group undertakings	1,063	1,454
Other creditors	709	592
Corporation tax	1,218	729
Other taxation and social security	639	414
Accruals and deferred income	2,045	2,245
	<b>14,273</b>	<b>15,357</b>

In respect of the amounts owed to group undertakings, no fixed repayment terms exist and no interest is accruing in respect of these amounts.



## **Johnston Sweepers Limited**

### **Notes to the financial statements for the year ended 31 December 2012**

#### **15 Provisions for liabilities**

	<b>Total</b>
	<b>£'000</b>
At 1 January 2012	885
Charged to the profit and loss	2,899
Utilised during the year	(1,148)
<b>At 31 December 2012</b>	<b>2,636</b>

The provisions above include amounts in respect of warranty, restructuring and other liabilities

#### **16 Creditors: amounts falling due after more than one year**

	<b>2012</b>	2011
	<b>£'000</b>	£'000
Amounts owed to group undertakings	<b>11,750</b>	11,750

Amounts owed to group undertakings comprise of loans from Bucher Guyer Finanz AG, the loan expires on the 31 December 2016. Interest is charged at a market rate which is regularly reviewed, the total interest charge on group loans in 2012 is shown in note 6

## Johnston Sweepers Limited

### Notes to the financial statements for the year ended 31 December 2012

#### 17 Called up share capital

	2012 £'000	2011 £'000
<b>Authorised</b>		
100,000 ordinary shares of £1 each	100	100
<b>Allotted and fully paid</b>		
8,000 ordinary shares of £1 each	8	8

#### 18 Dividends

Equity - Ordinary	2012 £'000	2011 £'000
Interim paid £625 00 per £1 share (2011 £962 50)	5,000	7,700

#### 19 Reconciliation of movements in shareholders' funds

	2012 £'000	2011 £'000
Profit for the financial year	9,009	8,387
Dividends paid on equity shares	(5,000)	(7,700)
Net increase in shareholders' funds	4,009	687
Shareholders' funds at beginning of year	14,767	14,080
<b>Shareholders' funds at end of year</b>	<b>18,776</b>	<b>14,767</b>

# Johnston Sweepers Limited

## Notes to the financial statements for the year ended 31 December 2012

### 20 Reserves

	Profit and loss account £'000	Revaluation reserve account £'000
At 1 January 2012	14,510	249
Profit for the financial year	9,009	-
Dividends	(5,000)	-
<b>At 31 December 2012</b>	<b>18,519</b>	<b>249</b>

### 21 Related party disclosures

The company is exempt from the requirement of FRS 8 "Related Party Disclosures" to disclose transactions with other group subsidiaries on the grounds that the company is wholly owned by Bucher Industries AG which publishes consolidated financial statements (note 25). The company is included in the consolidated financial statements of Bucher Industries AG, whose accounts are publicly available.

### 22 Contingent liabilities

There is a contingent liability in respect of a bond guarantee entered into in the ordinary course of business. This liability is valued at £200,000 at the 31 December 2012 (2011: 150,000).

### 23 Capital commitments

	2012 £'000	2011 £'000
Capital commitments contracted for but not provided	8,626	41

Capital commitments include £8,535,864 (2011: nil) in respect of the Dorking site development project.

## Johnston Sweepers Limited

### Notes to the financial statements for the year ended 31 December 2012

#### 24 Financial commitments

At 31 December 2012 the company had annual commitments under non-cancellable operating leases expiring as follows

	Land and buildings		Plant and Machinery	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
<b>Leases expiring</b>				
Within one year	35	37	187	153
Within two to five years	44	47	181	246
After five years	206	190	-	-
	<b>285</b>	<b>274</b>	<b>368</b>	<b>399</b>

#### 25 Ultimate parent undertaking

The ultimate parent undertaking and controlling party is Bucher Industries AG, a company incorporated in Switzerland listed on the SIX Swiss exchange (BUCN). The largest and smallest group in which the results of the company are consolidated is that of its ultimate parent company, Bucher Industries AG.

Consolidated financial statements are available from Bucher Industries AG, Murzlienstrasse 80 CH-8166 Niederweningen, Switzerland, or via download from the investor relations section of the group website [www.bucherind.com](http://www.bucherind.com)