

Johnston Sweepers Limited

Annual report and financial statements for the year

ended 31 December 2018

Registered number: 199841



Johnston Sweepers Limited

Annual report and financial statements

for the year ended 31 December 2018

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Johnston Sweepers Limited

Directors and advisers for the year ended 31 December 2018

Directors

D F Bishop
N C Brunning
W J Halley
C F Offley
P G Rhodes
M Suter

Company Secretary

N C Brunning

Registered office

Curtis Road Dorking
Surrey
RH4 1XF

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Portland Building
25 High Street
Crawley
West Sussex
RH10 1BG

Solicitors

Eversheds Sutherland LLP
One Wood Street
London
EC2V 7WS

Registered number

199841

Johnston Sweepers Limited

Strategic report for the year ended 31 December 2018

The directors have pleasure in presenting their strategic report for the year ended 31 December 2018.

Business review and principal activities

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

Revenue increased by 30.9% in 2018 (2017 increased by 14.7%) to £117.1m (2017: £89.5m). With the increased activity levels in 2018 average headcount increased by 4.9% to 472 employees and sales per employee increased by 11.9% to £227,400 per employee (2017: £189,500).

Operating profit increased to £14.0m (2017 £7.3m). Operating margins were significantly higher at 11.9% (2017 8.2%) due to the impact of higher production levels. The directors are satisfied with the Company's financial position at the reporting date, with a cash balance of £7.0m (2017: £6.9m) and net assets of £23.5m (2017: £16.8m).

Despite higher net asset levels, the increase in profitability increased the return on capital employed to 56.5% (2017: 37.8%).

These results are reflected within our key performance indicators set out below.

The results for the financial year are set out on page 12.

Key performance indicators (KPI's)

KPI	2018	2017	Description
Change in revenue	30.9%	14.7%	Change in revenue relative to the previous year
Operating margin	11.9%	8.2%	Operating profit expressed as a percentage of sales
Revenue per employee (GBP 000's per employee)	227.4	189.5	Revenue divided by total employees
Return on capital employed	56.5%	37.8%	Profit for year after tax as a percentage of closing equity shareholders funds

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. Whilst the Company is able to reduce these effects with a diverse geographical mix of customers, there is continued uncertainty due to geopolitical risks and more recently the impact of the EU referendum which will result in the United Kingdom leaving the European Union.

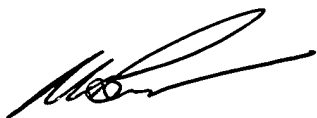
Johnston Sweepers Limited

Strategic report for the year ended 31 December 2018 (continued)

Health, safety and the environment

The Company takes seriously its responsibilities to employees, customers and the environment. The Company has its own safety officer who advises on accident prevention and safety in the Company's operations. The Company's products are designed to comply with the latest safety standards and the directors are kept regularly informed on all aspects of safety.

Approved by the board and signed on behalf of the board by Nigel Brunning.



N C Brunning
Company Secretary

5th April 2019

Johnston Sweepers Limited

Directors' report for the year ended 31 December 2018

The directors present their report and the audited financial statements for the year ended 31 December 2018.

Future outlook

The Company's order book continues to be at a high level for both the UK and other markets. The impact of Brexit is difficult to quantify and it remains to be seen if there will be changes in demand as a result of the UK leaving the European Union. We continue to seek new opportunities in Asia and other parts of the world to increase our global diversification.

Increasing digitalisation and connectivity requires a more effective and imaginative approach to servicing customer needs. Greater investment will be required in people, infrastructure, systems and the processes to support these changes. Time to market for new products and services will also be critical. In 2018 the Company announced the move towards a largely single distribution and single brand approach with the consolidation of the sweeper product range within the Bucher Municipal Division and the move to a single Bucher brand over the next 2-3 year period.

Research and development

Research and development costs incurred by the Company in the financial year amounted to £2,771,000 (2017: £2,643,000). The two main areas of focus have been innovation for the future and product improvement projects which culminated in re-launching a new range of truck mounted sweepers at the end of the year.

The innovation projects have focused on electrification, building a prototype fully electric 16 tonne Truck mounted sweeper, as well as completion of a government backed autonomous prototype working with two external partners.

The Johnston truck mounted range was also subject to a comprehensive redesign to further improve the quality and durability of the product following extensive consultation with customers and operators in the market. Expenditure on research and development was fully expensed during the year, consistent with the treatment adopted in previous years.

Dividends

An interim dividend of £800 per ordinary share (2017: £1,250), amounting to £6.4m (2017: £10.0m) was paid on 20th April 2018. A final dividend for 2018 has not been declared (2017: nil).

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. Management is continually reviewing credit facilities to control the risk of bad debts.

The Company is fully owned by Bucher Industries AG and therefore has access to the group's banking facilities and treasury services which enable the Company to minimise liquidity, exchange rate and interest rate risk. Short term liquidity demands are met by flexible loan facilities from the parent company, these loans are provided at competitive market rates denominated in sterling and therefore not subject to exchange rate risk.

Where possible goods and services are transacted in GBP, any predicted net foreign currency exposures are hedged in order to reduce the downside risk of exchange rate fluctuations in the short to medium term.

Employment matters

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

Johnston Sweepers Limited

Directors' report for the year ended 31 December 2018 (continued)

Employment matters (continued)

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. All employees sign the Company's code of conduct directive.

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:

D F Bishop
N C Brunning
W J Halley
C F Offley
P G Rhodes
M Suter

Disclosure of information to auditors

So far as the directors are aware, there is no relevant 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.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Johnston Sweepers Limited

Directors' report for the year ended 31 December 2018 (continued)

Statement of directors' responsibilities (continued)

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

Approved by the board and signed on behalf of the board by Nigel Brunning.



N C Brunning
Company Secretary
5th April 2019

Johnston Sweepers Limited

Independent auditors' report to the members of Johnston Sweepers Limited

Report on the audit of the financial statements

Opinion

In our opinion, Johnston Sweepers Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2018; the statement of comprehensive income; the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on pages 7 & 8, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

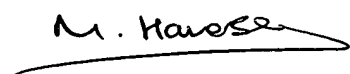
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Matthew Haverson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
5th April 2019

Johnston Sweepers Limited

Statement of comprehensive income for the year ended 31 December 2018

Registered Number: 199841

	Note	2018 £'000	2017 £'000
Revenue	2	117,111	89,488
Net operating expenses	3	(103,145)	(82,174)
Operating profit		13,966	7,314
Income from shares in group undertakings		2,670	1,026
Finance income	6	33	15
Finance costs	6	(756)	(623)
Finance costs - net		(723)	(608)
Profit before income tax		15,913	7,732
Income tax expense	7	(2,620)	(1,392)
Profit for the financial year		13,293	6,340

Other comprehensive (expense) / income

Revaluation of forward hedging contracts	(160)	411
Total tax on components of other comprehensive (expense) / income	27	(53)
Other comprehensive (expense) / income for the year, net of tax	(133)	358
Total comprehensive income for the year	13,160	6,698

All amounts derive from continuing operations.

Johnston Sweepers Limited

Statement of financial position as at 31 December 2018

Registered Number: 199841

	Note	2018 £'000	2017 £'000
Assets			
Non-current assets			
Intangible assets	8	98	158
Property, plant and equipment	9	16,561	16,996
Investments	10	4,853	4,853
		21,512	22,007
Current assets			
Inventories	11	17,943	14,671
Trade and other receivables	12	22,755	18,810
Cash and cash equivalents		7,006	6,920
		47,704	40,401
Total assets		69,216	62,408
Equity and liabilities			
Called up share capital	14	8	8
Other reserves	14	154	287
Retained earnings		23,369	16,476
Total equity		23,531	16,771
Liabilities			
Non-current liabilities			
Trade and other payables	17	22,450	22,450
		22,450	22,450
Current liabilities			
Trade and other payables	15	19,611	18,968
Provisions for liabilities	16	3,624	4,219
		23,235	23,187
Total liabilities		45,685	45,637
Total equity and liabilities		69,216	62,408

The financial statements on pages 12 to 37 were approved by the board of directors on 5th April 2019 and were signed on its behalf by:

Clive Offley
Director



Johnston Sweepers Limited

Statement of changes in equity for the year ended 31 December 2018

Registered Number: 199841

	Note	Called up share capital £'000	Retained earnings £'000	Other reserves £'000	Total equity £'000
Balance as at 1 January 2017		8	20,136	(71)	20,073
Profit for the financial year		-	6,340	-	6,340
Other comprehensive income for the year		-	-	358	358
Total comprehensive income for the year		-	6,340	358	6,698
Dividend paid	18	-	(10,000)	-	(10,000)
Total transactions with owners, recognised directly in equity		-	(10,000)	-	(10,000)
Balance as at 31 December 2017		8	16,476	287	16,771
-					
Balance as at 1 January 2018		8	16,476	287	16,771
Profit for the financial year		-	13,293	-	13,293
Other comprehensive expense for the year		-	-	(133)	(133)
Total comprehensive (expense) / income for the year		-	13,293	(133)	13,160
Dividend paid	18	-	(6,400)	-	(6,400)
Total transactions with owners, recognised directly in equity		-	(6,400)	-	(6,400)
Balance as at 31 December 2018		8	23,369	154	23,531

Johnston Sweepers Limited

Notes to the financial statements for the year ended 31 December 2018

1 Principal accounting policies

General information

Johnston Sweepers Limited is a private company limited by shares and it is incorporated in the United Kingdom. The address of its registered office is Curtis Road, Dorking, Surrey, RH4 1XF.

The principal activity of the Company is to manufacture, support and service road cleansing vehicles through its operation in the UK and markets its products worldwide.

Statement of compliance

The individual financial statements of Johnston Sweepers Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Summary of significant accounting policies

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

(a) Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through profit or loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1(u).

(b) Going concern

The Company meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty over (a) the level of demand for the Company's products; and (b) the availability of bank finance for the foreseeable future. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Johnston Sweepers Limited

Notes to the financial statements for the year ended 31 December 2018

1 Principal accounting policies (continued)

(c) Exemption for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the financial statements of Bucher Industries AG which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- (i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- (ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- (iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- (iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

(d) Consolidated financial statements

As permitted by S401 of the Companies Act 2006, consolidated financial statements have not been prepared since the Company is a wholly owned subsidiary undertaking of Bucher Industries AG. It is included in the consolidated financial statements of Bucher Industries AG, Murzlenstrasse 80 CH-8166 Niederweningen, Switzerland which are publicly available. 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 statement of comprehensive income.

(e) Foreign currencies

- (i) Functional and presentation currency

The Company's functional and presentation currency is the pound sterling.

- (ii) Transaction and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period-end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss.

Johnston Sweepers Limited

Notes to the financial statements for the year ended 31 December 2018

1 Principal accounting policies (continued)

(f) Revenue

Revenue is defined as the value of goods and services supplied net of trade discounts, value added tax and other sales related taxes.

The Company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity; and (e) when the specific criteria relating to each of the Company's sales channels have been met, as described below.

(i) Sale of goods

Revenue in the United Kingdom is generally recognised upon delivery of the vehicle or goods to the customer or their local dealer. Export sales revenue is recognised in accordance with the Incoterms, appropriate to the customer order.

(ii) Warranty income

Revenue in respect of standard first year warranty is included in the basic price of machines sold. The policy for standard warranty is that provision is made for the expected cost arising from this first year warranty obligation.

(iii) Sale of services

Revenue in respect of service contracts is recognised in equal instalments over the life of the contract. Revenue for extended warranty is released over the warranty period which based on historical experience of claims made by customers, recognises a larger proportion of the revenue as the machine becomes older. The deferred income is held as a creditor in the statement of financial position until revenue has been fully released at the end of the service or warranty period.

(iv) Other operating income

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

(v) Deferred income

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

(g) Exceptional items

Exceptional items are material items which derive from events or transactions that fall within the ordinary activities of the reporting entity and which individually or, if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence if the financial statements are to give a true and fair view. These are disclosed separately to provide further understanding of the financial performance of the Company.

Johnston Sweepers Limited

Notes to the financial statements for the year ended 31 December 2018

1 Principal accounting policies (continued)

(h) Employee benefits

The Company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

(i) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that are applicable to the financial period.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period-end and that are expected to apply to the reversal of the timing difference.

(j) Research and development

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

Johnston Sweepers Limited

Notes to the financial statements for the year ended 31 December 2018

1 Principal accounting policies (continued)

(k) Intangible assets

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life of 4 years on a straight-line basis.

Each year a review is carried out to determine 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 then amended to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

(l) Property, plant and equipment

Property, plant and equipment 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 property, plant and equipment over their estimated useful lives.

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

Each year the carrying value of property, plant and equipment is reviewed for impairment and if events or circumstances indicate that the carrying value may not be recoverable. Any impairment in the value of property, plant and equipment below depreciated cost is charged to the statement of comprehensive income. 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.

Property, plant and equipment are de-recognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposals proceeds and the carrying amount is recognised in profit or loss.

(m) Leases

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) Operating leased assets

Leases that do not transfer all the risk and rewards of ownership are classified as operating leases. Rentals under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Johnston Sweepers Limited

Notes to the financial statements for the year ended 31 December 2018

1 Principal accounting policies (continued)

(m) Leases (continued)

(ii) Lease incentives

Incentives received to enter into an operating lease are credited to the statement of comprehensive income, to reduce the lease expense, on a straight-line basis over the period of the lease.

(n) Inventories

Inventories are valued on a weighted average basis at the lower of cost and estimated selling price less cost to complete, which includes production overheads. Provision is made for those parts that are identified as obsolete, slow moving, or have inventory levels in excess of normal usage levels.

If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the statement of comprehensive income. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the statement of comprehensive income.

(o) Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication, the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the statement of comprehensive income.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

(p) Investments

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

(q) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Johnston Sweepers Limited

Notes to the financial statements for the year ended 31 December 2018

1 Principal accounting policies (continued)

(r) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

(s) Financial instruments

The Company has chosen to adopt the recognition and measurement provisions of IAS 39 (as amended following the publication of IFRS 9) and disclosure requirements of sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Classification

The Company classifies its financial assets in the following categories:

- measured at fair value through profit or loss (FVTPL);
- measured at fair value through other comprehensive income (FVOCI); and
- measured at amortised cost.

Financial liabilities are classified in the following categories:

- measured at fair value through profit or loss (FVTPL); and
- measured at amortised cost.

(ii) Measurements

At initial recognition, the Company measures a financial asset and liability at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Assets classified as subsequently measured at amortised cost, the interest revenue, expected credit losses and foreign exchange gains or losses are recognised in the statement of comprehensive income. On de-recognition, any gain or loss is recognised in the statement of comprehensive income.

Assets classified as subsequently measured at fair value through other comprehensive income, the interest revenue, expected credit losses and foreign exchange gains or losses are recognised in the statement of comprehensive income. Other gains and losses on re-measurement to fair value are recognised in other comprehensive income. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to statement of comprehensive income.

Johnston Sweepers Limited

Notes to the financial statements for the year ended 31 December 2018

1 Principal accounting policies (continued)

(s) Financial instruments (continued)

(ii) Measurements (continued)

Financial liabilities held for trading; derivatives; and financial liabilities designated at fair value through profit or loss on initial recognition are subsequently measured at fair value with all gains and losses being recognised in the statement of comprehensive income.

Financial liabilities that are not classified at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

(iii) Derivative and hedging activities

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations.

The Company designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Changes in the fair value of derivatives designated as cash flow hedges, and which are effective, are recognised in the statement of comprehensive income and accumulated in reserves in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the statement of comprehensive income.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

(iv) Impairment

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

Johnston Sweepers Limited

Notes to the financial statements for the year ended 31 December 2018

1 Principal accounting policies (continued)

(s) Financial instruments (continued)

(iv) Impairment (continued)

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

(v) De-recognition

Financial assets are de-recognised when (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party; or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are de-recognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or has expired.

(vi) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(t) Related party transactions

The Company is exempt from the requirement of paragraph 33.1A of FRS 102 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 23). The Company is included in the consolidated financial statements of Bucher Industries AG, whose financial statements are publicly available. Therefore the Company has not disclosed transactions or balances with wholly-owned entities that are included in the consolidated financial statements of Bucher Industries AG.

Johnston Sweepers Limited

Notes to the financial statements for the year ended 31 December 2018

1 Principal accounting policies (continued)

(u) Critical judgements and estimates in applying the accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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.

(i) Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are assessed annually. They are amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of property, plant and equipment and note 1 for the useful economic lives for each class of asset.

(ii) Obsolete stock provisions

Obsolete stock is calculated using a formula that takes into account slow and non-moving parts and also progressively writes down those parts which have quantities that are in excess of current annual sales levels.

(iii) Warranty provisions and warranty campaigns

Warranty costs are calculated with reference to the level of sales of each product category during the preceding 12 month period and the average percentage first year warranty cost per machine category. The costs of any warranty campaigns that have been identified but not completed are estimated and included in separate provisions.

The directors consider there to be no critical judgements.

Johnston Sweepers Limited

Notes to the financial statements for the year ended 31 December 2018

2 Revenue

Geographical analysis of revenue by destination:	2018 £'000	2017 £'000
Europe	93,760	71,302
Rest of the world	23,351	18,186
	117,111	89,488

All sales relate to street cleansing related business and originate in the United Kingdom.

An analysis of revenue by category:	2018 £'000	2017 £'000
Sale of goods	113,692	86,362
Sale of services	3,419	3,126
	117,111	89,488

Johnston Sweepers Limited

Notes to the financial statements for the year ended 31 December 2018

3 Net operating expenses

	2018 £'000	2017 £'000
Change in inventory of finished goods and work-in-progress	(3,208)	(3,364)
Raw materials and consumables	72,343	54,131
Other operating income	(2,363)	(1,799)
Other operating charges	13,304	12,676
Staff costs (see note 5)	21,387	18,716
Depreciation and amortisation of owned assets	1,682	1,814
Operating expenses less other income	103,145	82,174
Operating profit is stated after charging / (crediting) :		
Operating lease rentals	831	754
Currency exchange rate gains	(149)	(337)
Research and development costs	2,771	2,643
Services provided by the Company's auditor:		
Fees payable for the audit	45	55
Fees payable for other services	-	-

Johnston Sweepers Limited

Notes to the financial statements for the year ended 31 December 2018

4 Directors' remuneration

	2018 £'000	2017 £'000
Aggregate remuneration	907	838
Including contributions to group personal pension schemes	45	43

The Company operates a group personal pension scheme with Legal & General. This is a defined contribution scheme. Retirement contributions were paid to 5 of the directors holding office during the year (2017: 5).

Highest paid director	2018 £'000	2017 £'000
Aggregate remuneration	262	236
Including contributions to group personal pension schemes	13	12

The remuneration of one director is paid by the parent company Bucher Industries AG. This director receives no remuneration in respect of their services to the Company.

Johnston Sweepers Limited

Notes to the financial statements for the year ended 31 December 2018

5 Employee information including pensions

	2018 £'000	2017 £'000
Wages and salaries	18,520	16,263
Social security costs	1,996	1,700
Other pension costs	871	753
Staff costs	21,387	18,716

The above figures include £30,000 (2017: £26,893) in redundancy payments made during the year. There were no outstanding pension contributions payable to the scheme as at the 31 December 2018 (2017: £nil).

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

By activity	2018 Number	2017 Number
Direct	286	257
Indirect	229	215
Total	515	472

6 Net finance cost

	2018 £'000	2017 £'000
Bank interest receivable	(1)	(4)
Group interest receivable	(32)	(11)
Finance income	(33)	(15)
Bank interest payable	2	1
Group interest payable	754	622
Finance costs	756	623
Net finance costs	723	608

Johnston Sweepers Limited

Notes to the financial statements for the year ended 31 December 2018

7 Income tax expense

Analysis of charge in the year	2018 £'000	2017 £'000
Current tax:		
UK corporation tax on profits of the year	2,617	1,375
Adjustments in respect of prior years	31	38
Total current tax	2,648	1,413
Deferred tax:		
Capital allowances and other timing differences	(27)	(21)
Effect of changes in tax rates	-	19
Adjustments in respect of prior years	(1)	(19)
Total deferred tax (note 13)	(28)	(21)
Income tax expense	2,620	1,392

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The main rate of corporation tax was reduced from 20% to 19% with effect from 1 April 2017. Under current legislation already enacted the rate is set to fall to 17% from 1 April 2020. Given this, the Company expects a reduction in its effective tax rate in future years.

The Company's profit for the financial year has been taxed at an effective rate of 16.46% (2017: 18.0%). The difference between the actual tax charge and the standard rate of corporation tax is explained as follows:

	2018 £'000	2017 £'000
Profit before income tax	15,913	7,732
Profit before income tax multiplied by standard rate in the UK of 19% (2017: 19.25%)	3,023	1,488
Effects of:		
Expenses not deductible for tax purposes	71	64
Income not subject to tax	(507)	(197)
Effect of changes in tax rates	-	19
Adjustments in respect of prior years	30	18
Other reconciling items	3	0
Total tax charge for the year	2,620	1,392

Johnston Sweepers Limited

Notes to the financial statements for the year ended 31 December 2018

8 Intangible assets

	Computer software £'000
Cost or valuation	
At 1 January 2018	413
Additions	3
Disposals	-
At 31 December 2018	416
Accumulated amortisation	
At 1 January 2018	255
Charge for the year	63
Disposal depreciation	-
At 31 December 2018	318
Net book value	
At 1 January 2018	158
At 31 December 2018	98

Johnston Sweepers Limited

Notes to the financial statements for the year ended 31 December 2018

9 Property, plant and equipment

	Land and buildings £'000	Plant and machinery £'000	Assets under construction £'000	Total £'000
Cost or valuation				
At 1 January 2018	16,576	13,507	552	30,635
Additions	223	882	151	1,256
Transfers	202	350	(552)	-
Disposals	(14)	(374)	-	(388)
At 31 December 2018	16,987	14,365	151	31,503
Accumulated depreciation				
At 1 January 2018	3,301	10,338	-	13,639
Charge for the year	553	1,066	-	1,619
Disposals	(4)	(312)	-	(316)
At 31 December 2018	3,850	11,092	-	14,942
Net book value				
At 1 January 2018	13,275	3,169	552	16,996
At 31 December 2018	13,137	3,273	151	16,561

Land and buildings includes £3,765,000 (2017: £3,765,000) of freehold land that is not depreciated.

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, for a value of £5,272,000. The valuations were prepared in accordance with the Appraisal and Valuation Manual published by the Royal Institution 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, and have been retained at their carrying amounts. The Company continues to use this valuation as deemed cost by adopting the transition exemption under FRS 102 paragraph 35.10(d).

Johnston Sweepers Limited

Notes to the financial statements for the year ended 31 December 2018

10 Investments

Investments

Group
companies
£'000

Cost and net book value

At 31 December 2017 and at 31 December 2018	4,853
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The Company has the following subsidiaries:

Name and address	Proportion of capital held by the Company	Country of incorporation	Activity
Bucher Municipal Pty Limited 65-73 Nantilla Road, Clayton, Victoria, 3168 NSW, Australia	100%	Australia	Manufacture of refuse vehicles and distribution of Johnston road cleansing equipment
Beam A/S Salten Skovvej 4-6, DK8653, Denmark	100%	Denmark	Manufacture of special application road sweeping vehicles and distribution of Johnston road cleansing equipment
Johnston Engineering Limited Curtis Road, Dorking, Surrey, UK	100%	United Kingdom	Dormant

The share classes held are ordinary shares unless otherwise stated.

Johnston Sweepers Limited

Notes to the financial statements for the year ended 31 December 2018

11 Inventories

	2018 £'000	2017 £'000
Raw materials and consumables	177	113
Work-in-progress	4,918	7,143
Finished goods and goods for resale	12,848	7,415
	17,943	14,671

The amount of inventory recognised as an expense during the year was £68,210,000 (2017: £50,315,000).

There is no material difference between the carrying amount of inventory and the replacement cost.

12 Trade and other receivables

	2018 £'000	2017 £'000
Trade receivables	7,936	4,826
Amounts owed by group undertakings - cash pooling	4,537	4,988
Amounts owed by group undertakings - other	9,165	6,928
Other debtors	20	122
Other taxation and social security	205	150
Prepayments and accrued income	892	1,796
	22,755	18,810

The Company participates in the Bucher Group euro cash pool facility. The interest rate on daily balances held within the cash pool during the year was 0.10%.

Other amounts owed by group undertakings are unsecured, interest free and repayable in the range of 30 to 90 days from the end of the month of invoice.

Johnston Sweepers Limited

Notes to the financial statements for the year ended 31 December 2018

13 Deferred tax

	2018 £'000	2017 £'000
Deferred tax asset / (liability) at beginning of the year	150	182
Effect of changes in tax rates	-	6
Capital allowances and other timing differences	27	30
Adjustments in respect of prior years	1	(36)
Movement in year (note 7)	28	-
Movement recognised in other comprehensive income	27	45
Deferred tax asset at end of the year	205	182

	2018 £'000	2017 £'000
Accelerated capital allowances	60	62
Short term timing differences	145	88
Deferred tax asset	205	150

Deferred tax assets and liabilities have been calculated on the basis of the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on the tax rates that had been enacted or substantively enacted at the reporting date.

14 Called up share capital and other reserves

	2018 £'000	2017 £'000
Authorised		
100,000 (2017: 100,000) ordinary shares of £1 each	100	100
Allotted and fully paid		
8,000 (2017: 8,000) ordinary shares of £1 each	8	8

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

Johnston Sweepers Limited

Notes to the financial statements for the year ended 31 December 2018

14 Called up share capital and other reserves (continued)

Other reserves

Other reserves consist of the following amounts:

	Hedging reserve £'000	Revaluation reserve £'000	Total £'000
At 1 January 2018	38	249	287
Revaluation of forward hedging contracts	(133)	-	(133)
At 31 December 2018	(95)	249	154

The hedging reserve represents the cumulative portion of gains and losses on hedging instruments deemed effective in hedging variable interest rate risk of recognised financial instruments or foreign exchange risk in firm commitments or highly probable forecast transactions. Changes in the fair values of derivatives are recognised in the statement of comprehensive income. Amounts accumulated in this reserve are reclassified to profit or loss in the periods in which the hedged item affects profit or loss or when the hedging relationship ends.

The revaluation reserve represents the cumulative effect of revaluations of freehold land and buildings.

15 Trade and other payables

	2018 £'000	2017 £'000
Trade payables	9,098	8,570
Amounts owed to group undertakings	1,487	2,569
Other creditors	912	333
Corporation tax	1,520	551
Other taxation and social security	726	537
Accruals and deferred income	5,868	6,408
	19,611	18,968

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 2018

16 Provisions for liabilities

	Warranty £'000	Other £'000	Total £'000
At 1 January 2018	4,073	146	4,219
Charged to the profit and loss	2,343	585	2,928
Utilised during the year	(2,333)	-	(2,333)
Released during the year	(1,174)	(16)	(1,190)
At 31 December 2018	2,909	715	3,624

17 Non-current trade and other payables

	2018 £'000	2017 £'000
Amounts owed to group undertakings	22,450	22,450

Amounts owed to group undertakings comprise of a loan from Bucher Guyer Finanz AG, the loan will expire in June 2019. Interest is currently charged at either 1.85% or 2.57% above LIBOR, which is regularly reviewed. The total interest charge on group loans in 2017 and 2018 is shown in note 6.

18 Dividends

Equity - Ordinary	2018 £'000	2017 £'000
Interim paid : £800 per share (2017: £1,250)	6,400	10,000

19 Contingent liabilities

There is a contingent liability in respect of bond guarantees entered into in the ordinary course of business. These liabilities are valued at £246,460 at the 31 December 2018 (2017: £246,460).

Johnston Sweepers Limited

Notes to the financial statements for the year ended 31 December 2018

20 Capital commitments

	2018 £'000	2017 £'000
Capital commitments contracted for but not provided	90	288

21 Financial commitments

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases expiring as follows:

	2018 £'000	2017 £'000
Payments due:		
Not later than one year	644	601
Later than one year and not later than five years	1,605	1,494
Later than five years	7,048	7,260
	9,297	9,355

22 Post balance sheet events

There were no material post balance sheet events.

23 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.bucherindustries.com

Bucher Industries AG have announced that from 2019 the group financial statements will change from IFRS to the Swiss GAAP (FER) accounting standard.