

Bucher Municipal Limited (formerly Johnston Sweepers Limited)
Annual report and financial statements for the year
ended 31 December 2020

Registered number: 199841



Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Annual report and financial statements

for the year ended 31 December 2020

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Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Directors and advisers for the year ended 31 December 2020

Directors

D F Bishop
N C Brunning
A J Connor (appointed 01/04/2020)
W J Halley
S R Hurst (appointed 01/04/2020)
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

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Strategic report for the year ended 31 December 2020

The directors have pleasure in presenting their strategic report for the year ended 31 December 2020.

Business review and principal activities

Bucher Municipal Limited (formerly Johnston Sweepers Limited) manufacture, supply and support municipal cleansing vehicles through its operations in the UK and markets its products worldwide.

Following a strategic re-organisation to focus on the full range of products available from the Bucher Municipal Division, the Company changed its name from Johnston Sweepers Limited to Bucher Municipal Limited (formerly Johnston Sweepers Limited) on the 21st September 2020.

Despite the Covid-19 pandemic, sales revenue increased by 2.9% to £121.2m (2019: £117.9m), another record year for the Company. During the year the Company acquired the UK sewer cleaner distribution business of a fellow group company J. Hvidtved Larsen, this contributed additional sales revenue thereby offsetting the negative impact of the pandemic on the existing business.

The Company implemented extensive Covid-19 protection measures and with the exception of a three-week shutdown due to lack of chassis and other key components the Company was able to continue operations and maintain a profitable result.

Despite the transfer of 29 employees from J. Hvidtved Larsen UK Limited, the average headcount reduced by 1.3% to 519 employees as the Company took measures to mitigate the impact of the pandemic, sales per employee improved to £233,609 per employee (2019: £224,072).

Operating profit reduced to £7.5m (2019 £13.2m), operating margin was lower at 6.2% (2019 11.2%) due to the new mix of products which included a greater proportion of traded products manufactured by fellow group companies. The result did however benefit from the sale of Beam A/S to J. Hvidtved Larsen Denmark at the start of the year. The transfer of assets and the write-down of the acquisition of J. Hvidtved Larsen UK Limited was transacted during the year, the business has now been fully integrated into Bucher Municipal Limited (formerly Johnston Sweepers Limited).

The directors are satisfied with the Company's financial position at the reporting date, with a cash balance of £8.8m (2019: £5.6m) and net assets of £29.5m (2019: £24.4m).

With the impact of lower operating profit and higher net asset levels the return on capital employed dropped to 35.7% (2019:48.0%).

These results are reflected within our key performance indicators set out below. The results for the financial year are set out on page 14.

Key performance indicators (KPI's)

KPI	2020	2019	Description
Change in revenue	2.9%	0.6%	Change in revenue relative to the previous year
Operating margin	6.2%	11.2%	Operating profit expressed as a percentage of sales
Revenue per employee (GBP 000's per employee)	233.6	224.1	Revenue divided by total employees
Return on capital employed	35.7%	48.0%	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, the Covid-19 pandemic and the impact of the United Kingdom leaving the European Union.

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Strategic report for the year ended 31 December 2020 (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.

As a result of the Covid-19 pandemic the Company has adapted its operations to adhere wherever possible to social distancing guidelines and provide safe systems of work and personal protective equipment for operations where this is difficult to achieve.

Energy and carbon report

It is now a requirement for large organisations to include energy and carbon data in their annual reports under the SECR Regulations. We have reviewed relevant activities and the results are shown below.

Our SECR carbon emissions for the financial year ended 31 December 2020 are **2,982.7 tCO₂e** with 79% relating to production and site related activities.

Relative to turnover this represents 24.6 tCO₂e per £m of turnover.

In subsequent years we will make comparison to prior years and comparative data.

Scope/Activity	Usage Notes	Energy Equivalent (kWh)	Carbon Emissions (tCO ₂ e)
Scope 1 – Direct emissions			1,928.2
Natural Gas	Space heating and production activities	6,289,665	1,156.5
Diesel fuel	Company vehicles	2,352,090	565.8
Diesel fuel	Production including vehicle fuel fill	674,422	162.2
Petrol	Company vehicles	87,580	20.1
LPG	Forklift Trucks (Propane)	109,996	23.6
Scope 2 – Indirect emissions			1,054.5
Electricity	Purchased electricity for own use	4,513,802	1,052.3
Solar Electricity	Generated via solar panels	9,325	2.2
Total emissions		14,036,880	2,982.7
Relative emissions	tCO₂e / £m of turnover		24.6

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Strategic report for the year ended 31 December 2020 (continued)

Energy efficiency

Bucher Municipal Limited (formerly Johnston Sweepers Limited) operates an energy management system that is approved to the international standard ISO50001:2018 which includes processes for setting improvement objectives, reporting and auditing.

The investment process includes a review of energy efficiency for procurement of plant, equipment, and services as well as new facilities. The most recent investment (Building 10 – Vehicle Assembly) has been submitted for BREEAM certification rating Excellent.

Approved by the board and signed by the order of the board by Nigel Brunning.



N C Brunning
Company Secretary

28th July 2021

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Directors' report for the year ended 31 December 2020

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

Future outlook

The Company's order book continues to be at a good level however there are still component supply challenges as supply chains recover from the Covid-19 pandemic. Shortages of electronic components are having an impact on the supply of truck chassis and this with other component shortages may limit our ability to deliver units to customers in the short to medium term.

We continue to seek new opportunities in Asia and other parts of the world to increase our global diversification and adapt to the increasing need for digitalisation and connectivity by providing 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. We continue to invest in the development of more energy efficient and sustainable products and also update the standard of our production and service facilities to reduce carbon emissions.

Going concern

The directors are satisfied that despite the Covid-19 pandemic the level of the current orderbook and the economic outlook for our products which are required to maintain worldwide public and private infrastructure remain strong and therefore the business can continue to adopt a going concern basis of accounting in preparing the financial statements.

Research and development

Research and development costs incurred by the Company in the financial year amounted to £2.2m (2019: £3.0m).

The Company's products are designed to improve the environment, and we continue to invest in environmental and sustainable solutions.

We have now completed the change to the new off highway stage 5 emissions regulations across the complete range incorporating the very latest clean diesel engine technology. We also launched our new Smooth flow vacuum technology across the sweeper range dramatically improving the noise emissions and fuel consumption for a given performance or allowing superior performance when required.

During the year we launched the new fully electric truck mounted sweeper to the market and delivered the first units.

Expenditure on research and development was fully expensed during the year, consistent with the treatment adopted in previous years.

Dividends

No interim dividend was paid (2019: £875 per ordinary share amounting to £7.0m). A final dividend of £687.50 per ordinary share amounting to £5.5m was paid on 9th December 2020 (2019: £4.0m). The total dividend paid in 2020 was £5.5m (2019: £11.0m).

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.

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Directors' report for the year ended 31 December 2020 (continued)

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 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
A J Connor (appointed 01/04/2020)
W J Halley
S R Hurst (appointed 01/04/2020)
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 in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing 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.

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Directors' report for the year ended 31 December 2020 (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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Section 172(1) statement

This statement describes how the directors have taken account of the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 ("s172") when performing their duty to promote the success of the Company for the benefit of its members as a whole, and in doing so having regard (amongst other matters) to:

The likely consequences of any decision in the long term

As part of our established long-term corporate strategy the directors conduct an annual review which is part of a coordinated process within the Bucher Municipal Division and the Bucher Industries AG Group. This review considers how we can develop our market position through innovation and flexible and efficient structures to provide consistent long-term success coupled with our local responsibility for management and performance.

The interests of the Company's employees

Highly qualified and talented employees are essential to our success, so we aim to offer our employees attractive working conditions and good development opportunities with individual training and continuing education. We aim to achieve high levels of employee satisfaction within a safe working environment providing both diversity and equal opportunity.

The need to foster the Company's business relationships with suppliers, customers and others

We aim to align our activities with customer needs so that our customers benefit from effective, innovative products with high quality standards, underpinned by outstanding service. We attach great importance to protecting customers' health and safety at all stages, from development to production, operation and end-of-life disposal.

The impact of the Company's operations on the community and the environment

Within our sustainability strategy we employ certified quality management (ISO 9001), environmental management (ISO 14001), energy management (ISO 50001) and occupational health and safety management (ISO 45001) systems.

The desirability of the Company maintaining a reputation for high standards of business conduct

Compliance with all applicable laws and regulations is the basis for business success. Employees are duty bound to uphold every aspect of all relevant laws and conduct business in accordance with the practices of fair competition and the prevention of corruption.

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Directors' report for the year ended 31 December 2020 (continued)

The need to act fairly between members of the Company

The Board is committed to openly engaging with our shareholder, as we recognise the importance of a continuing effective dialogue. It is important to us that shareholder understand our strategy and objectives, so these must be explained clearly, feedback heard and any issues or questions raised properly considered.

Bucher Municipal Limited (formerly Johnston Sweepers Limited) are wholly owned by Bucher Industries AG, registered in Switzerland.

Approved by the board and signed by the order of the board by Nigel Brunning.



N C Brunning
Company Secretary
28th July 2021

Independent auditors' report to the members of Bucher Municipal Limited

Report on the audit of the financial statements

Opinion

In our opinion, Bucher Municipal Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its 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: Statement of financial position as at 31 December 2020; Statement of comprehensive income and 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

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

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

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to accounting standards and local tax regulations, and we considered the extent to which

non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase reported revenue, and application of management bias in accounting estimates. . Audit procedures performed by the engagement team included:

- Enquiries of the Directors, management, and the legal counsel to identify any instances of non-compliance with laws and regulations, including consideration of known or suspected instances of fraud;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Auditing the risk of management override of controls, including testing journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business. In particular any journal entries posted with unusual account combinations, unusual words or those posted by senior management;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Challenging assumptions and judgements made by management in determining significant accounting estimates

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

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

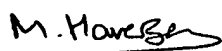
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Matthew Haverson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Crawley
28 July 2021

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Statement of comprehensive income for the year ended 31 December 2020

Registered Number: 199841

	Note	2020 £'000	2019 £'000
Revenue	2	121,243	117,862
Net operating expenses	3	(113,716)	(104,635)
Operating profit		7,527	13,227
Income from shares in group undertakings		7,287	1,390
Write-down of investment in group undertaking		(2,516)	0
Finance income	6	11	49
Finance costs	6	(612)	(676)
Finance costs - net		(601)	(627)
Profit before income tax		11,697	13,990
Income tax expense	7	(1,190)	(2,269)
Profit for the financial year		10,507	11,721
Other comprehensive income / (expense)			
Revaluation of forward hedging contracts		89	171
Total tax on components of other comprehensive (expense) / income		(18)	(29)
Other comprehensive income / (expense) for the year, net of tax		71	142
Total comprehensive income for the year		10,578	11,863

All amounts derive from continuing operations.

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Statement of financial position as at 31 December 2020

Registered Number: 199841

	Note	2020 £'000	2019 £'000
Assets			
Non-current assets			
Intangible assets	8	724	843
Property, plant and equipment	9	17,128	16,165
Investments	10	4,163	4,853
		22,015	21,861
Current assets			
Inventories	11	31,493	20,070
Trade and other receivables	12	19,686	23,031
Cash and cash equivalents		8,787	5,596
		59,966	48,697
Total assets		81,981	70,558
Equity and liabilities			
Called up share capital	14	8	8
Other reserves	14	367	296
Retained earnings		29,097	24,090
Total equity		29,472	24,394
Liabilities			
Non-current liabilities			
Trade and other payables	17	26,950	22,450
		26,950	22,450
Current liabilities			
Trade and other payables	15	23,789	20,914
Provisions for liabilities	16	1,770	2,800
		25,559	23,714
Total liabilities		52,509	46,164
Total equity and liabilities		81,981	70,558

The financial statements on pages 14 to 40 were approved by the board of directors on 28th July 2021, and were signed on its behalf by:

David Bishop
Director



Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Statement of changes in equity for the year ended 31 December 2020

Registered Number: 199841

	Note	Called up share capital £'000	Retained earnings £'000	Other reserves £'000	Total equity £'000
Balance as at 1 January 2019		8	23,369	154	23,531
Profit for the financial year		-	11,721	-	11,721
Other comprehensive income for the year		-	-	142	142
Total comprehensive income for the year		-	11,721	142	11,863
Dividend paid	18	-	(11,000)	-	(11,000)
Total transactions with owners, recognised directly in equity		-	(11,000)	-	(11,000)
Balance as at 31 December 2019		8	24,090	296	24,394
Balance as at 1 January 2020		8	24,090	296	24,394
Profit for the financial year		-	10,507	-	10,507
Other comprehensive income for the year		-	-	71	71
Total comprehensive income for the year		-	10,507	71	10,578
Dividend paid	18	-	(5,500)	-	(5,500)
Total transactions with owners, recognised directly in equity		-	(5,500)	-	(5,500)
Balance as at 31 December 2020		8	29,097	367	29,472

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

1 Principal accounting policies

General information

Bucher Municipal Limited (formerly 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 market its products worldwide.

Statement of compliance

The individual financial statements of Bucher Municipal Limited (formerly 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.

Despite impact of the Covid-19 pandemic, the directors do not expect any difficulties in being able to meet the companies' financial liabilities as they fall due, in addition the Bucher Industries Group has put in place additional credit lines to support group companies.

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

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 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.

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

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.

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

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.

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

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 has 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 (by component)	4-50 years
Plant and machinery	Fixed	8 years
	Mobile	4 years
	IT Equipment	3 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.

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

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 include 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.

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

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.

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

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.

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

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.

(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.

No judgements or estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

1 Principal accounting policies (continued)

(v) Other income – Government Grants

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received. Covid-19 Government grants are recognised in profit or loss as other income over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate.

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

2 Revenue

Geographical analysis of revenue by destination:	2020 £'000	2019 £'000
Europe	98,589	94,034
Rest of the world	22,654	23,828
	121,243	117,862

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

An analysis of revenue by category:	2020 £'000	2019 £'000
Sale of goods	115,490	114,252
Sale of services	5,753	3,610
	121,243	117,862

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

3 Net operating expenses

	2020 £'000	2019 £'000
Change in inventory of finished goods and work-in-progress	(11,355)	(2,140)
Raw materials and consumables	91,234	69,520
Other operating income	(967)	(1,727)
Other operating charges	10,485	14,829
Staff costs (see note 5)	22,477	22,468
Depreciation and amortisation of owned assets	1,842	1,685
Operating expenses less other income	113,716	104,635
Operating profit is stated after charging / (crediting):		
Operating lease rentals	1,271	925
Currency exchange rate (gains) / loss	(746)	578
Research and development costs	2,223	2,977
Services provided by the Company's auditors:		
Fees payable for the audit	68	44
Fees payable for other services	-	-

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

4 Directors' remuneration

	2020 £'000	2019 £'000
Aggregate remuneration	1,238	912
Including contributions to group personal pension schemes	65	47

The Company operates a group personal pension scheme with Legal & General. This is a defined contribution scheme. Retirement contributions were paid for 5 of the directors holding office during the year (2019: 5).

Highest paid director	2020 £'000	2019 £'000
Aggregate remuneration	272	255
Including contributions to group personal pension schemes	13	13

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

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

5 Employee information including pensions

	2020 £'000	2019 £'000
Wages and salaries	19,353	19,340
Social security costs	2,103	2,166
Other pension costs	1021	962
Staff costs	22,477	22,468

The above figures include £243,802 (2019: £ nil) in redundancy payments made during the year. There were no outstanding pension contributions payable to the scheme as at 31 December 2020 (2019: £nil). The average monthly number of persons (including executive directors) employed by the Company during the year was:

By activity	2020 Number	2019 Number
Direct	280	284
Indirect	239	242
Total	519	526

6 Net finance cost

	2020 £'000	2019 £'000
Bank interest receivable	-	(1)
Group interest receivable	(11)	(48)
Finance income	(11)	(49)
Bank interest payable	-	1
Group interest payable	612	675
Finance costs	612	676
Net finance costs	601	627

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

7 Income Tax expense

Analysis of charge in the year	2020 £'000	2019 £'000
Current tax:		
UK Corporation Tax on profits of the year	1,378	2,314
Adjustments in respect of prior years	(185)	(189)
Total current tax	1,193	2,125
Deferred tax:		
Capital allowances and other timing differences	5	138
Effect of changes in tax rates	-	-
Adjustments in respect of prior years	(8)	6
Total deferred tax (note 13)	(3)	144
Income tax expense	1,190	2,269

The tax assessed for the year is lower (2019: lower) than the main rate of Corporation Tax in the UK of 19% (2019: 19%). After the year end the government announced its intention to increase the main rate of Corporation Tax in the UK to 25% with effect from 1 April 2023. On this basis the Company expects an increase in its effective tax rate in future years.

The Company's profit for the financial year has been taxed at an effective rate of 10.17% (2019: 16.22%). The difference between the actual tax charge and the standard rate of Corporation Tax is explained as follows:

	2020 £'000	2019 £'000
Profit before Income Tax	11,697	13,990
Profit before Income Tax multiplied by standard rate in the UK of 19% (2019: 19%)	2,222	2,658
Effects of:		
Expenses not deductible for tax purposes	552	74
Income not subject to tax	(1,385)	(264)
Effect of changes in tax rates	-	-
Adjustments in respect of prior years	(193)	(183)
Other reconciling items	(6)	(16)
Total tax charge for the year	1,190	2,269

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

8 Intangible assets

	Computer software £'000	Product Rights £'000	Total £'000
Cost or valuation			
At 1 January 2020	420	794	1,214
Additions	47	-	47
Transfer from tangible assets under construction	34	-	34
Disposals	-	-	-
At 31 December 2020	501	794	1,295
Accumulated amortisation			
At 1 January 2020	371	-	371
Charge for the year	41	159	200
Disposal depreciation	-	-	-
At 31 December 2020	412	159	571
Net book value			
At 31 December 2019	49	794	843
At 31 December 2020	89	635	724

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

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 2020	17,228	15,149	259	32,636
Additions	36	446	1,942	2,424
Transfers within categories	309	(142)	(167)	-
Transfers from Group companies	-	370	-	370
Transfer to intangible assets	-	-	(34)	(34)
Disposals	-	(21)	-	(21)
At 31 December 2020	17,573	15,802	2,000	35,375
Accumulated depreciation				
At 1 January 2020	4,424	12,047	-	16,471
Charge for the year	611	1,031	-	1,642
Transfers within categories	58	(58)	-	-
Transfers from Group companies	-	155	-	155
Disposals	-	(21)	-	(21)
At 31 December 2020	5,093	13,154	-	18,247
Net book value				
At 31 December 2019	12,804	3,102	259	16,165
At 31 December 2020	12,480	2,648	2,000	17,128

Land and buildings include £3,765,000 (2019: £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).

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

10 Investments

Investments

**Group
companies
£'000**

Cost and net book value

At 1 January 2020	4,853
Acquisition of J. Hvidtved Larsen UK Limited	3,041
Write-down of investment in J. Hvidtved Larsen UK Limited	(2,516)
Disposal of Beam A/S	(1,215)
At 31 December 2020	4,163

The Company has the following subsidiaries as at 31/12/2020:

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 Bucher road cleansing equipment
J. Hvidtved Larsen UK Limited	100% Acquired 01/01/2020 Placed in voluntary liquidation on the 23/12/2020	United Kingdom	Distributor of Sewer Tankers
Johnston Engineering Limited Curtis Road, Dorking, Surrey, UK	100%	United Kingdom	Dormant

Disposals:

On the 01/01/2020 the shares of Beam A/S were sold to J. Hvidtved Larsen Denmark for EUR 10,036,000.

Beam A/S Salten Skovvej 4-6, DK8653, Denmark	0%	Denmark	Manufacture of special application road sweeping vehicles and distribution of Bucher road cleansing equipment
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The share classes held are ordinary shares unless otherwise stated.

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

11 Inventories

	2020 £'000	2019 £'000
Raw materials and consumables	232	164
Work-in-progress	6,125	6,844
Finished goods and goods for resale	25,136	13,062
	31,493	20,070

The amount of inventory recognised as an expense during the year was £79,386,000 (2019: £66,957,000).

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

12 Trade and other receivables

	2020 £'000	2019 £'000
Trade receivables	9,991	7,357
Amounts owed by group undertakings - cash pooling	3,675	7,125
Amounts owed by group undertakings - other	4,660	7,205
Other debtors	589	321
Taxation and social security	17	236
Prepayments and accrued income	754	787
	19,686	23,031

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 0.1%.

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.

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

13 Deferred tax

	2020 £'000	2019 £'000
Deferred tax asset / (liability) at beginning of the year	32	205
Effect of changes in tax rates	-	-
Capital allowances and other timing differences	(5)	(138)
Adjustments in respect of prior years	8	(6)
Movement in year (note 7)	3	(144)
Movement recognised in other comprehensive income	(18)	(29)
Deferred tax asset at end of the year	17	32

	2020 £'000	2019 £'000
Accelerated capital allowances	(57)	(30)
Short term timing differences	74	62
Deferred tax asset	17	32

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

	2020 £'000	2019 £'000
Authorised		
100,000 (2019: 100,000) ordinary shares of £1 each	100	100
Allotted and fully paid		
8,000 (2019: 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.

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

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 2020	47	249	296
Revaluation of forward hedging contracts	71	-	71
At 31 December 2020	118	249	367

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

	2020 £'000	2019 £'000
Trade payables	10,475	10,945
Amounts owed to group undertakings	4,977	2,515
Other creditors	866	843
Corporation Tax	47	974
Other taxation and social security	2,679	602
Accruals and deferred income	4,745	5,035
	23,789	20,914

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

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

16 Provisions for liabilities

	Warranty £'000	Other £'000	Total £'000
At 1 January 2020	2,300	500	2,800
Charged to the profit and loss	1,559	169	1,728
Utilised during the year	(1,479)	(174)	(1,653)
Released during the year	(225)	(414)	(639)
Transfer to group undertaking	(466)	-	(466)
At 31 December 2020	1,689	81	1,770

17 Non-current trade and other payables

	2020 £'000	2019 £'000
Amounts owed to group undertakings	26,950	22,450

Amounts owed to group undertakings comprise of three loans from Bucher Guyer Finanz AG, the loans will expire between May 2024 and May 2028. Interest is currently charged at rates between 1.37% and 1.74% above LIBOR, which is regularly reviewed. The total interest charge on group loans in 2019 and 2020 is shown in note 6.

18 Dividends

Equity - Ordinary	2020 £'000	2019 £'000
Dividend paid: £687.50 per share (2019: £1,375)	5,500	11,000

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 £200,000 at 31 December 2020 (2019: £200,000).

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

20 Capital commitments

	2020 £'000	2019 £'000
Capital commitments contracted for but not provided	4,690	69

The high figure this year is due to the construction of a new building (Building 10 - Vehicle Assembly).

21 Financial commitments

At 31 December 2020 the Company had future minimum lease payments under non-cancellable operating leases expiring as follows:

	2020 £'000	2019 £'000
Payments due:		
Not later than one year	1,010	637
Later than one year and not later than five years	1,684	1,471
Later than five years	6,666	6,869
	9,360	8,977

22 Post balance sheet events

There are no significant post balance sheet events.

Bucher Municipal Limited (formerly Johnston Sweepers Limited)

Notes to the financial statements for the year ended 31 December 2020

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, Murzlenstrasse 80 CH-8166 Niederweningen, Switzerland, or via download from the investor relations section of the group website: www.bucherindustries.com

Bucher Industries AG has announced that from 2020 the group financial statements will change from IFRS to the Swiss GAAP (FER) accounting standard.