

**Company Registration No. 2623872 (England and Wales)**

**JBR RECOVERY LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2003**



# **JBR RECOVERY LIMITED**

## **COMPANY INFORMATION**

---

<b>Directors</b>	S L Phipps A Tiley R Punt M Green J Rutherford
<b>Secretary</b>	J Rutherford
<b>Company number</b>	2623872
<b>Registered office</b>	Argentor House Oldbury Road West Bromwich West Midlands B70 9BS
<b>Auditors</b>	Hacker Young St James Building 79 Oxford Street Manchester M1 6HT
<b>Business address</b>	Argentor House Oldbury Road West Bromwich West Midlands B70 9BS
<b>Bankers</b>	The Royal Bank of Scotland plc West Midlands Corporate Banking Centre 5th Floor 2 St Philips Place Birmingham B3 2RB
<b>Solicitors</b>	Osborne Clark 2 Temple Bank East Temple Quay Bristol BS1 6EG

---

# **JBR RECOVERY LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Directors' report	1 - 2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 16

---

# **JBR RECOVERY LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2003**

---

The directors present their report and financial statements for the year ended 31 March 2003.

### **Principal activities and review of the business**

The company's principal activity during the year continued to be the provision of a waste recovery service to manufacturers, processors and major users of photographic chemicals and materials, whereby their waste products are disposed of in an environmentally sound and economic manner and valuable material, such as silver, is recovered.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued progress in the foreseeable future.

### **Results and dividends**

The results for the year are set out on page 4.

During the year the company paid a dividend of £200,000. The directors do not recommend payment of a final dividend.

### **Directors**

The following directors have held office since 1 April 2002:

S L Phipps  
A Tiley  
R Punt  
M Green  
J Rutherford

### **Directors' interests**

The directors' interests in the shares of the holding company were as stated below:

	<b>Ordinary shares of £ 1 each</b>	
	<b>31 March 2003</b>	<b>1 April 2002</b>
S L Phipps	16,278,786	15,521,786
A Tiley	-	-
R Punt	-	-
M Green	-	-
J Rutherford	-	-

The interests of S L Phipps are held by Phipps and Company Limited and by Phipps and Company Retirement Benefit Scheme in which S L Phipps is an interested party.

## **JBR RECOVERY LIMITED**

### **DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2003**

---

#### **Creditor payment policy**

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

On average, trade creditors at the year end represented 70 (2002 -73) days' purchases.

#### **Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Hacker Young be reappointed as auditors of the company will be put to the Annual General Meeting.

#### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period which 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 those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



J Rutherford

**Director**

7 August 2003

# **JBR RECOVERY LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF JBR RECOVERY LIMITED**

We have audited the financial statements of JBR Recovery Limited on pages 4 to 16 for the year ended 31 March 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

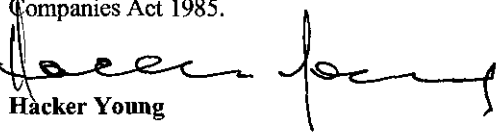
### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**Hacker Young**

Chartered Accountants  
Registered Auditors

7 August 2003

## JBR RECOVERY LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

		2003 £	2002 £
	Notes		
Turnover	2	22,487,166	25,120,144
Cost of sales		(19,806,273) .....	(22,691,809) .....
Gross profit		2,680,893	2,428,335
Administrative expenses		(1,692,552) .....	(1,845,227) .....
Operating profit	3	988,341	583,108
Other interest receivable and similar income	4	652	1,000
Interest payable and similar charges	5	(23,202) .....	(43,436) .....
Profit on ordinary activities before taxation		965,791	540,672
Tax on profit on ordinary activities	6	(292,888) .....	(176,598) .....
Profit on ordinary activities after taxation		672,903	364,074
Dividends	7	(200,000) .....	- .....
Retained profit for the year	16	472,903 .....	364,074 .....

The company's operation in the year continued unchanged; no operations were disposed of or acquired.

There are no recognised gains and losses other than those passing through the profit and loss account.

# JBR RECOVERY LIMITED

## BALANCE SHEET AS AT 31 MARCH 2003

	Notes	2003		2002	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		1,790,166		1,788,688
<b>Current assets</b>					
Stocks	9	2,907,367		3,657,646	
Debtors	10	1,168,700		1,566,077	
Cash at bank and in hand		1,666,118		1,120,510	
		.....		.....	
		5,742,185		6,344,233	
<b>Creditors: amounts falling due within one year</b>	11	(5,109,291)		(6,124,975)	
		.....		.....	
<b>Net current assets</b>			632,894		219,258
			.....		.....
<b>Total assets less current liabilities</b>			2,423,060		2,007,946
<b>Creditors: amounts falling due after more than one year</b>	12		(80,144)		(130,010)
<b>Provisions for liabilities and charges</b>	13		(120,894)		(128,817)
			.....		.....
			2,222,022		1,749,119
			.....		.....
<b>Capital and reserves</b>					
Called up share capital	15	350,000		350,000	
Share premium account	16	53,683		53,683	
Other reserves	16	240,000		240,000	
Profit and loss account	16	1,578,339		1,105,436	
		.....		.....	
<b>Shareholders' funds - equity interests</b>	17		2,222,022		1,749,119
			.....		.....

The financial statements were approved by the Board on 7 August 2003



J Rutherford  
Director



# **JBR RECOVERY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003**

---

### **1 Accounting policies**

#### **1.1 Basis of preparation**

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a wholly owned subsidiary of a parent company which is itself included in a consolidated cash flow statement.

#### **1.2 Compliance with accounting standards**

The financial statements have been prepared in accordance with applicable accounting standards.

#### **1.3 Turnover**

Turnover represents the amounts of metal sold or transferred and other services net of VAT and trade discounts.

#### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold land & buildings	10 years straight line basis
Plant & machinery	10% - 33 1/3% on a straight line basis
Fixtures fittings & equipment	10% - 33 1/3% on a straight line basis
Motor vehicles	25% on a reducing balance basis

#### **1.5 Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### **1.6 Stock and work in progress**

Raw materials are valued on an individual job cost basis.

Work in progress is calculated by reference to the year end spot price of silver and includes an appropriate portion of attributable overheads.

Finished goods are stated at selling price.

#### **1.7 Pensions**

Payments to the company's defined contribution pension scheme are charged to the profit and loss account as they become payable.

# JBR RECOVERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

### 1 Accounting policies

(continued)

#### 1.8 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of Financial Reporting Standard No 19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 3 Operating profit

	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	435,165	398,715
Management charges	-	100,000
Operating lease rentals	214,653	243,952
Auditors' remuneration	13,000	12,500
Management charges	-	(300,000)
	.....	.....

### 4 Other interest receivable and similar income

	2003	2002
	£	£
Bank interest	631	991
Other interest	21	9
	.....	.....
	652	1,000
	.....	.....

### 5 Interest payable

	2003	2002
	£	£
On bank loans and overdrafts	11,928	18,138
Hire purchase interest	11,274	25,298
	.....	.....
	23,202	43,436
	.....	.....

# JBR RECOVERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

6	Taxation	2003	2002
		£	£
	<b>Domestic current year tax</b>		
	UK corporation tax	-	186,100
	Payment in respect of group relief	300,811	-
		.....	.....
	<b>Current tax charge</b>	300,811	186,100
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	(7,923)	(9,502)
		.....	.....
		292,888	176,598
		.....	.....
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	965,791	540,672
		.....	.....
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 % (2002: 30.00 %)	289,737	162,202
		.....	.....
	Effects of:		
	Non deductible expenses	390	12,460
	Depreciation add back	137,638	134,841
	Capital allowances	(126,954)	(123,403)
		.....	.....
		11,074	23,898
		.....	.....
	<b>Current tax charge</b>	300,811	186,100
		.....	.....
7	Dividends	2003	2002
		£	£
	Ordinary interim paid	200,000	-
		.....	.....

# JBR RECOVERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

### 8 Tangible fixed assets

	Short leasehold land & buildings £	Plant & machinery £	Fixtures fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2002	253,730	3,278,533	120,160	189,771	3,842,194
Additions	24,846	405,951	62,392	-	493,189
Disposals	(119,203)	(209,372)	(24,980)	(189,771)	(543,326)
	.....	.....	.....	.....	.....
At 31 March 2003	159,373	3,475,112	157,572	-	3,792,057
	.....	.....	.....	.....	.....
<b>Depreciation</b>					
At 1 April 2002	162,105	1,688,881	72,913	129,607	2,053,506
On disposals	(119,203)	(209,372)	(24,980)	(133,225)	(486,780)
Charge for the year	19,713	390,199	21,635	3,618	435,165
	.....	.....	.....	.....	.....
At 31 March 2003	62,615	1,869,708	69,568	-	2,001,891
	.....	.....	.....	.....	.....
<b>Net book value</b>					
At 31 March 2003	96,758	1,605,404	88,004	-	1,790,166
	.....	.....	.....	.....	.....
At 31 March 2002	91,625	1,589,652	47,247	60,164	1,788,688
	.....	.....	.....	.....	.....

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant & machinery £
<b>Net book values</b>	
At 31 March 2003	368,736
	.....
At 31 March 2002	419,621
	.....
<b>Depreciation charge for the year</b>	
31 March 2003	65,140
	.....
31 March 2002	83,558
	.....

## JBR RECOVERY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

---

<b>9</b>	<b>Stocks and work in progress</b>	<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	Raw materials and consumables	390,363	744,699
	Work in progress	1,513,766	2,728,669
	Finished goods and goods for resale	1,003,238	184,278
		.....	.....
		2,907,367	3,657,646
		.....	.....
<b>10</b>	<b>Debtors</b>	<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	Trade debtors	1,025,814	1,193,561
	Amounts owed by parent and fellow subsidiary undertakings	-	300,000
	Other debtors	-	225
	Prepayments and accrued income	142,886	72,291
		.....	.....
		1,168,700	1,566,077
		.....	.....

## JBR RECOVERY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

---

11 Creditors: amounts falling due within one year	2003 £	2002 £
Bank loans and overdrafts	720,335	460,145
Net obligations under finance lease and hire purchase contracts	99,252	120,562
Trade creditors	3,143,657	4,562,729
Amounts owed to parent and fellow subsidiary undertakings	250,811	100,000
Corporation tax	-	186,100
Other taxes and social security costs	788,088	637,200
Other creditors	4,507	7,429
Accruals and deferred income	102,641	50,810
	.....	.....
	5,109,291	6,124,975
	.....	.....
Debt due in one year or less	12,731	11,791
	.....	.....

The bank overdraft is secured against the assets of the company by way of a debenture dated 14 August 1992.

Included in bank loans and overdrafts is £312,210 (2002 - £363,322) relating to a silver overdraft, used to provide a corresponding silver advance to a customer (included within trade debtors).

Security on the silver overdraft is provided by a letter of credit from the Royal Bank of Scotland Plc. The interest on the silver overdraft is at variable silver lease rates.

## JBR RECOVERY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

---

12 Creditors: amounts falling due after more than one year	2003 £	2002 £
Bank loans	2,189	14,920
Net obligations under finance leases and hire purchase agreements	77,955	115,090
	.....	.....
	80,144	130,010
	.....	.....
<b>Analysis of loans</b>		
Wholly repayable within five years	14,920	26,711
	.....	.....
	14,920	26,711
Included in current liabilities	(12,731)	(11,791)
	.....	.....
	2,189	14,920
	.....	.....
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	2,189	12,731
In more than two years but not more than five years	-	2,189
	.....	.....
<b>Net obligations under finance leases and hire purchase contracts</b>		
Repayable within one year	99,252	120,562
Repayable between one and five years	77,955	115,090
	.....	.....
	177,207	235,652
Included in liabilities falling due within one year	(99,252)	(120,562)
	.....	.....
	77,955	115,090
	.....	.....

The bank loan of £14,920 is repayable over 14 further equal monthly instalments including interest of £778 . This loan is secured by a fixed charge dated 15 April 1999.

# JBR RECOVERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

### 13 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 April 2002	128,817
Profit and loss account	(7,923)
	.....
Balance at 31 March 2003	120,894
	.....

Deferred taxation provided in the financial statements is as follows:

	2003 £	2002 £
Accelerated capital allowances	120,894	128,817
	.....	.....

### 14 Pension costs

#### Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2003 £	2002 £
Contributions payable by the company for the year	48,045	51,887
	.....	.....

### 15 Share capital

	2003 £	2002 £
<b>Authorised</b>		
350,000 Ordinary shares of £ 1 each	350,000	350,000
	.....	.....
<b>Allotted, called up and fully paid</b>		
350,000 Ordinary shares of £ 1 each	350,000	350,000
	.....	.....



# JBR RECOVERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

### 16 Statement of movements on reserves

	Share premium account £	Other reserves £	Profit and loss account £
Balance at 1 April 2002	53,683	240,000	1,105,436
Retained profit for the year	-	-	472,903
	.....	.....	.....
Balance at 31 March 2003	53,683	240,000	1,578,339
	.....	.....	.....

### 17 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Profit for the financial year	672,903	364,074
Dividends	(200,000)	-
	.....	.....
Net addition to shareholders' funds	472,903	364,074
Opening shareholders' funds	1,749,119	1,385,045
	.....	.....
Closing shareholders' funds	2,222,022	1,749,119
	.....	.....

### 18 Contingent liabilities

There are unlimited cross guarantees in respect of the bank accounts between the company, G&P Batteries Limited and Recycling Services Group Limited. The company's maximum potential liability in respect of the guarantee at the year end was £2,521,490 (2002 - £2,309,309).

In addition to the above the company has a contingent liability in respect of the group VAT registration. This amounted to £Nil at the year end (2002 - £Nil).

## JBR RECOVERY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

---

#### 19 Financial commitments

At 31 March 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2003	2002	2003	2002
	£	£	£	£
Expiry date:				
Within one year	-	58,175	-	14,191
Between two and five years	53,774	33,000	18,752	661
In over five years	123,750	19,000	-	-
	.....	.....	.....	.....
	177,524	110,175	18,752	14,852
	.....	.....	.....	.....

#### 20 Capital commitments

	2003	2002
	£	£

At 31 March 2003 the company had capital commitments as follows:

Contracted for but not provided in the financial statements	184,000	6,750
	.....	.....

#### 21 Directors' emoluments

	2003	2002
	£	£

Emoluments for qualifying services	198,447	182,019
Company pension contributions to money purchase schemes	21,078	18,373
	.....	.....
	219,525	200,392
	.....	.....

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2002- 3 ).

## JBR RECOVERY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

---

#### 22 Employees

##### Number of employees

The average monthly number of employees (including directors) during the year was:

	2003 Number	2002 Number
Production	53	51
Commercial / administration	8	10
	.....	.....
	61	61
	.....	.....

##### Employment costs

	£	£
Wages and salaries	1,365,964	1,377,830
Social security costs	126,983	129,160
Other pension costs	48,045	51,887
	.....	.....
	1,540,992	1,558,877
	.....	.....

#### 23 Control

The immediate parent company is Recycling Services Group Limited, a company registered in England and Wales, and the ultimate parent company is Phipps and Company Limited, a company registered in England and Wales.

Phipps and Company Limited prepares group financial statements and copies can be obtained from the registered office.

#### 24 Related party transactions

The company has taken advantage of the exemptions under Financial Reporting Standard No 8 whereby subsidiaries having 90% or more of its voting rights controlled within a group need not disclose related party transactions with group companies for which consolidated accounts have been prepared.

During the year the company sold a motor vehicle to J S Rutherford, a director in the company, for £1,600.