

Company Registration No 2623872 (England and Wales)

**JBR RECOVERY LIMITED**  
**DIRECTORS' REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

WEDNESDAY



A23 \*APQN5SPY\* 05/09/2007 705  
COMPANIES HOUSE

# JBR RECOVERY LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	C L Phipps R Punt 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>	UHY 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>	Barclays Bank plc Colmore Row Birmingham B3 2WN

---

# JBR RECOVERY LIMITED

## CONTENTS

---

	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 15

---

# JBR RECOVERY LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2007

---

The directors present their report and financial statements for the year ended 31 March 2007

#### 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 showed the improvement of the previous year being sustained

The increasing impact of the growth of digital film on waste being generated from traditional film manufacturing continues to be the biggest risk to the business, and market conditions are likely to remain difficult. However the Company has maintained a good flow of materials for refining over the last year, including increased amounts of higher grade materials

The commercial position of the Company at the year end was considered satisfactory by the directors, with the current silver price continuing to encourage the recycling of silver-bearing waste

The financial position at the year end was considered satisfactory by the directors, with Net Current Assets remaining similar to the previous year

The main key performance indicators of the Company are those that relate to intakes of materials for refining, and the Company's processing costs of those materials

Comparisons of the above figures for the last two years are as follows

	2006/07	2005/06
Receipts of materials for refining (tonnes)	4,291	4,291
Production overheads	£2,306,084	£2,003,230
Administration expenses (excluding management fees to holding company)	£1,430,219	£1,474,384
Silver output (tonnes)	184.0	130.4
Production overheads per tonne of silver	£12,533	£15,362
Total overheads per tonne of silver	£20,306	£26,669

#### Results and dividends

The results for the year are set out on page 5

The directors do not recommend payment of an ordinary dividend

#### Directors

The following directors have held office since 1 April 2006

C L Phipps  
R Punt  
J Rutherford

---

# JBR RECOVERY LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2007**

### Directors' interests

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

	Ordinary shares of £1 each	
	31 March 2007	1 April 2006
C L Phipps	-	-
R Punt	-	-
J Rutherford	-	-

The interests of the directors in the shares of the ultimate holding company are disclosed in the financial statements of that company

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that UHY 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

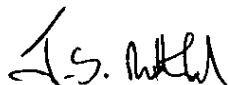
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

### Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken 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

On behalf of the board



J Rutherford

Director

10 AUGUST 2007

# **JBR RECOVERY LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF JBR RECOVERY LIMITED**

---

We have audited the financial statements of JBR Recovery Limited for the year ended 31 March 2007 set out on pages 5 to 15. These financial statements have been prepared under 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 the directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

# JBR RECOVERY LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE SHAREHOLDERS OF JBR RECOVERY LIMITED

---

#### Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



UHY Hacker Young

Chartered Accountants  
Registered Auditor

10 AUGUST 2007

St James Building  
79 Oxford Street  
Manchester  
M1 6HT

# JBR RECOVERY LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2007**

	Notes	2007 £	2006 £
Turnover	2	21,735,632	19,646,001
Cost of sales		(19,901,913)	(17,674,489)
Gross profit		1,833,719	1,971,512
Administrative expenses		(1,430,219)	(1,774,384)
Operating profit	3	403,500	197,128
Other interest receivable and similar income	4	84,562	17,896
Interest payable and similar charges	5	(12,251)	(22,608)
Profit on ordinary activities before taxation		475,811	192,416
Tax on profit on ordinary activities	6	(141,858)	(58,697)
Profit for the year	15	333,953	133,719

The profit and loss account has been prepared on the basis that all operations are continuing operations

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



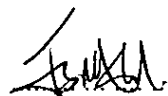
# JBR RECOVERY LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2007

	Notes	2007 £	£	2006 £	£
<b>Fixed assets</b>					
Tangible assets	8		766,263		961,138
<b>Current assets</b>					
Stocks	9	4,843,922		4,860,866	
Debtors	10	1,000,323		1,043,373	
Cash at bank and in hand		1,233,728		979,324	
		<u>7,077,973</u>		<u>6,883,563</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(6,157,116)</u>		<u>(5,962,473)</u>	
<b>Net current assets</b>			<u>920,857</u>		<u>921,090</u>
<b>Total assets less current liabilities</b>			<u>1,687,120</u>		<u>1,882,228</u>
<b>Provisions for liabilities</b>	12		-		(29,061)
			<u>1,687,120</u>		<u>1,853,167</u>
<b>Capital and reserves</b>					
Called up share capital	14		350,000		350,000
Share premium account	15		53,683		53,683
Other reserves	15		240,000		240,000
Profit and loss account	15		1,043,437		1,209,484
<b>Shareholders' funds</b>	16		<u>1,687,120</u>		<u>1,853,167</u>

Approved by the Board and authorised for issue on 10/08/2007



J Rutherford  
Director

# JBR RECOVERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2007**

---

### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is included in the consolidated cash flow statement of Phipps and Company Limited, the ultimate parent company

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

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### **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

#### **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**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

# JBR RECOVERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2007

---

### 1 Accounting policies (continued)

#### 1.8 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### 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	2007 £	2006 £
Operating profit is stated after charging		
Depreciation of tangible assets	315,611	416,932
Loss on disposal of tangible assets	100	24,688
Auditors' remuneration	18,200	11,000
	<u>          </u>	<u>          </u>

4 Investment income	2007 £	2006 £
Bank interest	38,986	17,617
Other interest	45,576	279
	<u>          </u>	<u>          </u>
	84,562	17,896
	<u>          </u>	<u>          </u>

5 Interest payable	2007 £	2006 £
On bank loans and overdrafts	5,916	6,043
On other loans wholly repayable within five years	6,335	3,055
Hire purchase interest	-	13,510
	<u>          </u>	<u>          </u>
	12,251	22,608
	<u>          </u>	<u>          </u>

# JBR RECOVERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2007

6	Taxation	2007 £	2006 £
	<b>Domestic current year tax</b>		
	UK corporation tax	170,919	113,674
	<b>Current tax charge</b>	170,919	113,674
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	(29,061)	(54,977)
		141,858	58,697
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	475,811	192,416
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 - 30.00%)	142,743	57,725
	Effects of		
	Non deductible expenses	1,163	973
	Depreciation in excess of capital allowances	27,025	54,976
	Adjustments to previous periods	(12)	-
		28,176	55,949
	<b>Current tax charge</b>	170,919	113,674
7	<b>Dividends</b>	2007 £	2006 £
	Ordinary interim paid	500,000	-

# JBR RECOVERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2007

#### 8 Tangible fixed assets

	Short leasehold land & buildings £	Plant & machinery £	Fixtures fittings & equipment £	Total £
<b>Cost</b>				
At 1 April 2006	167,785	3,838,141	188,809	4,194,735
Additions	14,140	103,492	3,204	120,836
Disposals	-	(39,789)	(3,918)	(43,707)
At 31 March 2007	181,925	3,901,844	188,095	4,271,864
<b>Depreciation</b>				
At 1 April 2006	115,773	2,984,610	133,214	3,233,597
On disposals	-	(39,689)	(3,918)	(43,607)
Charge for the year	16,637	285,459	13,515	315,611
At 31 March 2007	132,410	3,230,380	142,811	3,505,601
<b>Net book value</b>				
At 31 March 2007	49,515	671,464	45,284	766,263
At 31 March 2006	52,012	853,531	55,595	961,138

#### 9 Stocks and work in progress

	2007 £	2006 £
Raw materials and consumables	1,128,159	1,720,077
Work in progress	2,964,573	2,628,450
Finished goods and goods for resale	751,190	512,339
	4,843,922	4,860,866

# JBR RECOVERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2007

10 Debtors	2007 £	2006 £
Trade debtors	250,142	275,252
Amounts owed by parent and fellow subsidiary undertakings	545,278	500,000
Prepayments and accrued income	204,903	268,121
	<u>1,000,323</u>	<u>1,043,373</u>
11 Creditors: amounts falling due within one year	2007 £	2006 £
Bank loans and overdrafts	944,269	658,015
Trade creditors	4,225,464	4,506,016
Corporation tax	132,932	113,674
Other taxes and social security costs	666,606	555,128
Other creditors	5,040	4,133
Accruals and deferred income	182,805	125,507
	<u>6,157,116</u>	<u>5,962,473</u>

The bank overdraft is secured against the assets of the company by way of a debenture dated 31 August 2005

Included in bank loans and overdrafts is £944,269 (2006 - £658,015) relating to a silver overdraft, used to provide silver advances to customers

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

# JBR RECOVERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

### 12 Provisions for liabilities

	Deferred tax liability £
Balance at 1 April 2006	29,061
Profit and loss account	(29,061)
Balance at 31 March 2007	-

Deferred taxation movements in the financial statements are as follows

	2007 £	2006 £
Decelerated capital allowances	-	29,061

### 13 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.

	2007 £	2006 £
Contributions payable by the company for the year	33,591	32,591

### 14 Share capital

	2007 £	2006 £
<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 (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2007

#### 15 Statement of movements on reserves

	Share premium account £	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2006	53,683	240,000	1,209,484
Profit for the year	-	-	333,953
Dividends paid	-	-	(500,000)
Balance at 31 March 2007	<u>53,683</u>	<u>240,000</u>	<u>1,043,437</u>

#### Other reserves

##### Capital redemption reserve

Balance at 1 April 2006 & at 31 March 2007

240,000

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

	2007 £	2006 £
Profit for the financial year	333,953	133,719
Dividends	(500,000)	-
Net (depletion in)/addition to shareholders' funds	<u>(166,047)</u>	<u>133,719</u>
Opening shareholders' funds	1,853,167	1,719,448
Closing shareholders' funds	<u>1,687,120</u>	<u>1,853,167</u>

#### 17 Contingent liabilities

The company has entered into a Composite Accounting Agreement dated 2 December 2005 whereby, in certain circumstances, the bank may utilise the bank balances of the company and apply them in reduction of liabilities of parties to the agreement. At 31 March 2007, the maximum potential liability under this agreement was £1,233,612 (2006 - £979,295)



# JBR RECOVERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2007

#### 18 Financial commitments

At 31 March 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2008

	Land and buildings			
	2007	2006	2007	Other 2006
	£	£	£	£
Operating leases which expire				
Between two and five years	15,750	15,000	18,075	-
In over five years	145,000	145,000	-	-
	<u>160,750</u>	<u>160,000</u>	<u>18,075</u>	<u>-</u>

#### 19 Capital commitments

2007  
£

2006  
£

At 31 March 2007 the company had capital commitments as follows

Contracted for but not provided in the financial statements	96,508	-
---	--------	---

#### 20 Directors' emoluments

2007  
£

2006  
£

Emoluments for qualifying services	192,447	196,168
Company pension contributions to money purchase schemes	10,219	9,991
	<u>202,666</u>	<u>206,159</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2006 - 2)

# JBR RECOVERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2007

### 21 Employees

#### Number of employees

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

	2007 Number	2006 Number
Production	34	33
Commercial / administration	5	5
	<u>39</u>	<u>38</u>

#### Employment costs

	2007 £	2006 £
Wages and salaries	1,092,380	1,013,962
Social security costs	114,710	96,050
Pension costs	33,591	32,591
	<u>1,240,681</u>	<u>1,142,603</u>

### 22 Control

The immediate and 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

### 23 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