

**Company Registration No. 02623872 (England and Wales)**

**JBR RECOVERY LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2012**

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COMPANIES HOUSE

# JBR RECOVERY LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	C L Phipps S L Phipps R Punt J Rutherford
<b>Secretary</b>	J Rutherford
<b>Company number</b>	02623872
<b>Registered office</b>	Argentor House Oldbury Road West Bromwich West Midlands B70 9BS
<b>Auditors</b>	UHY Hacker Young Manchester LLP 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

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# JBR RECOVERY LIMITED

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# JBR RECOVERY LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2012

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The directors present their report and financial statements for the year ended 31 March 2012

#### Principal activities and review of the business

The Company's principle activity during the year was the provision of a waste recovery service to manufacturers and other waste handling companies, whereby waste products are disposed of in an environmentally sound and economic manner and valuable metals such as silver and lead are recovered

The results for the year show an improvement in profit, reflecting the increase of materials processed through incineration, smelting, melting and refining

The impact of the growth of digital photography replacing the traditional photographic film waste continues to be the biggest risk to the business. However, the Company has increased the total volume of materials for refining over the last year, from both the traditional photographic sector and materials from other sources. There has been a significant increase in the volume of high grade materials that have been processed through the melting and refining stages of production, and this has significantly reduced overheads per tonne of silver. Abnormal increases in fuel costs remain another risk to the business.

The commercial and financial position of the Company at the year end was considered satisfactory by the directors. The strong silver price continues to encourage the recycling of silver-bearing waste. 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

	2011/12	2010/11
Receipts of materials for refining (tonnes)	5,135	4,591
Production overheads (excluding external costs for non silver materials)	£2,878,119	£2,306,069
Administration expenses	£1,839,763	£1,552,203
Silver output excluding re-casting work (tonnes)	101.4	47.6
Production overheads per tonne of silver (excluding re-casting work)	£28,345	£48,446
Total overheads per tonne of silver	£45,189	£78,984

#### Results and dividends

The results for the year are set out on page 5

The directors recommended payment of an ordinary dividend in the year amounting to £200,000 (2011 - £200,000) for the year

# **JBR RECOVERY LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2012**

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### **Directors**

The following directors have held office since 1 April 2011

C L Phipps  
S L Phipps  
R Punt  
J Rutherford

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

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

### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



J Rutherford

**Director**

30 August 2012

# **JBR RECOVERY LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO JBR RECOVERY LIMITED**

### **UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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We have examined the abbreviated accounts set out on pages 4 to 14, together with the financial statements of JBR Recovery Limited for the year ended 31 March 2012 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

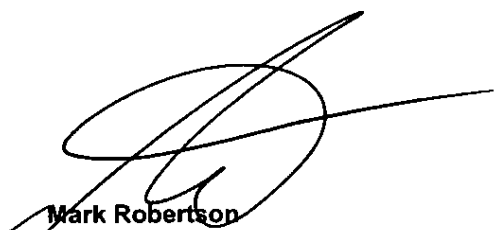
#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

#### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



**Mark Robertson**  
**(Senior Statutory Auditor)**  
for and on behalf of

30 August 2012

**UHY Hacker Young Manchester LLP**  
**Chartered Accountants**  
**Statutory Auditor**

St James Building  
79 Oxford Street  
Manchester  
M1 6HT

# JBR RECOVERY LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2012

		2012	2011
	Notes	£	as restated £
Turnover	2	81,119,207	28,828,202
Cost of sales		(77,639,868)	(25,730,734)
Gross profit		3,479,339	3,097,468
Administrative expenses		(1,839,763)	(1,552,203)
Operating profit	3	1,639,576	1,545,265
Other interest receivable and similar income		97	819
Interest payable and similar charges	4	(8,629)	(10,469)
Profit on ordinary activities before taxation		1,631,044	1,535,615
Tax on profit on ordinary activities	5	(423,889)	(447,533)
Profit for the year	14	1,207,155	1,088,082

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

## ABBREVIATED BALANCE SHEET

AS AT 31 MARCH 2012

		2012		2011	
	Notes	£	£	as restated	£
<b>Fixed assets</b>					
Tangible assets	7		823,128		595,520
<b>Current assets</b>					
Stocks	8	3,647,865		1,923,233	
Debtors	9	8,211,276		5,096,717	
Cash at bank and in hand		1,593,478		1,729,274	
		13,452,619		8,749,224	
<b>Creditors amounts falling due within one year</b>	10	(10,739,157)		(6,823,292)	
<b>Net current assets</b>			2,713,462		1,925,932
<b>Total assets less current liabilities</b>			3,536,590		2,521,452
<b>Provisions for liabilities</b>	11		(7,983)		-
			3,528,607		2,521,452
<b>Capital and reserves</b>					
Called up share capital	13	350,000		350,000	
Share premium account	14	53,683		53,683	
Other reserves	14	240,000		240,000	
Profit and loss account	14	2,884,924		1,877,769	
<b>Shareholders' funds</b>	15		3,528,607		2,521,452

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies

Approved by the Board and authorised for issue on 30 August 2012

  
J Rutherford  
Director

Company Registration No 02623872



# **JBR RECOVERY LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

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### **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 recovered, recasting charges and other services net of VAT. Turnover is recognised when a right to consideration has been obtained through the performance under each contract. Consideration accrues as activity progresses by reference to the work performed.

Unsold metal is included in debtors as "Amounts recoverable on metal held" and represents income accrued at the period end.

Amounts recoverable on metal held (representing work in progress and metal bullion) is calculated by reference to the year end spot price of metals less estimated attributable costs and profit to completion.

#### **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**

Rentals payable under operating leases are charged against income as incurred.

#### **1.6 Stock**

Raw materials are stated at cost and include an appropriate portion of attributable overheads.

#### **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.

#### **1.8 Deferred taxation**

Deferred taxation 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.

# JBR RECOVERY LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

### 1 Accounting policies (continued)

#### 1.9 Change in accounting policy

In the year, the company has changed its accounting policy for work in progress and finished goods to recognise these items as "Amounts recoverable on metal held" and include these items in debtors as accrued income. Previously, such items were disclosed as stocks with the directors considering that this disclosure provides more reliable and relevant information on the underlying performance of the company. The change in accounting policy has had no impact the overall profit and loss of the company or the net assets of the company but has resulted in a restatement of the 2011 comparatives as follows - Turnover and correspondingly cost of sales have both increased by £1,809,239 and stocks have reduced by £4,348,747 with an equivalent increase in debtors.

2 Operating profit	2012 £	2011 £
Operating profit is stated after charging		
Depreciation of tangible assets	203,444	196,053
Operating lease rentals	267,305	227,715
Fees payable to the company's auditor for the audit of the company's annual accounts	14,656	12,350
Fees payable to the company's auditors for non audit services	2,175	2,135
and after crediting		
Profit on disposal of tangible assets	(5,800)	(600)

3 Investment income	2012 £	2011 £
Bank interest	97	71
Other interest	-	748
	97	819

4 Interest payable	2012 £	2011 £
On bank loans and overdrafts	8,308	10,469
On overdue tax	321	-
	8,629	10,469

# JBR RECOVERY LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

5	Taxation	2012 £	2011 £
	<b>Domestic current year tax</b>		
	UK corporation tax	418,858	252,076
	Payment in respect of group relief	(2,952)	195,457
	<b>Total current tax</b>	<u>415,906</u>	<u>447,533</u>
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	7,983	-
		<u>423,889</u>	<u>447,533</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>1,631,044</u>	<u>1,535,615</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2011 - 28.00%)	<u>424,071</u>	<u>429,972</u>
	Effects of		
	Non deductible expenses	3,089	795
	Capital allowances in excess of depreciation	823	16,766
	Group relief surrendered before payment	(2,952)	-
	Other tax adjustments	(9,125)	-
		<u>(8,165)</u>	<u>17,561</u>
	<b>Current tax charge for the year</b>	<u>415,906</u>	<u>447,533</u>
6	<b>Dividends</b>	<b>2012 £</b>	<b>2011 £</b>
	Ordinary interim paid 21 July 2011	<u>200,000</u>	<u>200,000</u>

# JBR RECOVERY LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

### 7 Tangible fixed assets

	Short leasehold land & buildings £	Plant & machinery £	Fixtures fittings & equipment £	Total £
<b>Cost</b>				
At 1 April 2011	189,172	3,895,923	209,274	4,294,369
Additions	27,007	376,472	28,523	432,002
Disposals	-	(25,375)	(23,075)	(48,450)
At 31 March 2012	216,179	4,247,020	214,722	4,677,921
<b>Depreciation</b>				
At 1 April 2011	168,434	3,364,629	165,786	3,698,849
On disposals	-	(24,425)	(23,075)	(47,500)
Charge for the year	9,341	173,380	20,723	203,444
At 31 March 2012	177,775	3,513,584	163,434	3,854,793
<b>Net book value</b>				
At 31 March 2012	38,404	733,436	51,288	823,128
At 31 March 2011	20,738	531,294	43,488	595,520

### 8 Stocks

	2012 £	2011 as restated £
Raw materials and consumables	3,647,865	1,923,233

# JBR RECOVERY LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

9 Debtors	2012	2011 as restated
	£	£
Trade debtors	808,673	349,162
Amounts recoverable on metal held	6,605,974	4,348,747
VAT debtor	607,213	230,868
Prepayments and accrued income	189,416	167,940
	<u>8,211,276</u>	<u>5,096,717</u>

10 Creditors: amounts falling due within one year	2012	2011
	£	£
Bank loans and overdrafts	1,573,529	1,251,023
Trade creditors	7,663,889	4,871,438
Amounts owed to parent and fellow subsidiary undertakings	118,168	195,457
Corporation tax	290,858	192,076
Other taxes and social security costs	492,105	68,470
Other creditors	5,434	47,478
Accruals and deferred income	595,174	197,350
	<u>10,739,157</u>	<u>6,823,292</u>

Included in bank loans and overdrafts is £1,573,321 (2011 - £1,251,023) 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 ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

### 11 Provisions for liabilities

	Deferred tax liability £
Profit and loss account	7,983
Balance at 31 March 2012	<u>7,983</u>

The deferred tax liability is made up as follows:

	2012 £	2011 £
Accelerated capital allowances	9,062	-
Other timing differences	(1,079)	-
	<u>7,983</u>	<u>-</u>

### 12 Pension and other post-retirement benefit commitments

#### Defined contribution

The company contributes to defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds.

	2012 £	2011 £
Contributions payable by the company for the year	<u>238,350</u>	<u>106,854</u>

### 13 Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
350,000 Ordinary shares of £1 each	<u>350,000</u>	<u>350,000</u>

# JBR RECOVERY LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

### 14 Statement of movements on reserves

	Share premium account £	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2011	53,683	240,000	1,877,769
Profit for the year	-	-	1,207,155
Dividends paid	-	-	(200,000)
Balance at 31 March 2012	<u>53,683</u>	<u>240,000</u>	<u>2,884,924</u>

#### Other reserves

#### Capital redemption reserve

Balance at 1 April 2011 & at 31 March 2012	<u>240,000</u>
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### 15 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	1,207,155	1,088,082
Dividends	(200,000)	(200,000)
Net addition to shareholders' funds	<u>1,007,155</u>	<u>888,082</u>
Opening shareholders' funds	<u>2,521,452</u>	<u>1,633,370</u>
Closing shareholders' funds	<u>3,528,607</u>	<u>2,521,452</u>

### 16 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 2012, the maximum potential liability under this agreement was £1,823,358 (2011 - £1,729,244)

# JBR RECOVERY LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

### 17 Financial commitments

At 31 March 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2013

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Operating leases which expire				
Within one year	-	15,750	2,954	-
Between two and five years	-	-	4,066	18,900
In over five years	166,750	151,000	-	-
	<u>166,750</u>	<u>166,750</u>	<u>7,020</u>	<u>18,900</u>

The leases expiring after more than five years expire between 2017 and 2020

### 18 Capital commitments

2012  
£

2011  
£

At 31 March 2012 the company had capital commitments as follows

Contracted for but not provided in the financial statements	<u>28,000</u>	<u>-</u>
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### 19 Directors' remuneration

2012  
£

2011  
£

Remuneration for qualifying services	416,906	251,827
Company pension contributions to defined contribution schemes	216,124	76,264
	<u>633,030</u>	<u>328,091</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2011 - 2)

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	224,122	129,296
Company pension contributions to defined contribution schemes	<u>-</u>	<u>42,451</u>



# JBR RECOVERY LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

### 20 Employees

#### Number of employees

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

	2012 Number	2011 Number
Production	33	32
Commercial / administration	6	6
	<u>39</u>	<u>38</u>

#### Employment costs

	2012 £	2011 £
Wages and salaries	1,459,678	1,131,097
Social security costs	165,240	119,216
Other pension costs	238,350	106,854
	<u>1,863,268</u>	<u>1,357,167</u>

### 21 Ultimate parent company

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 at Mathon Court, Mathon, Malvern, Worcestershire, WR13 5NZ.