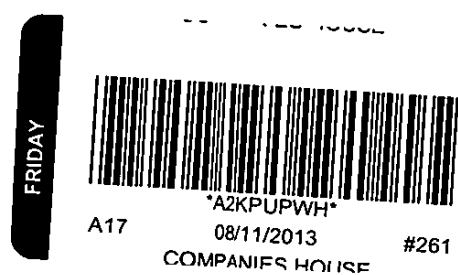


Company Registration No. 02623872 (England and Wales)

JBR RECOVERY LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013



JBR RECOVERY LIMITED

COMPANY INFORMATION

Directors	C L Phipps S L Phipps R Punt B J Meddings S R B Meddings J Rutherford
Secretary	J Rutherford
Company number	02623872
Registered office	Argentor House Oldbury Road West Bromwich West Midlands B70 9BS
Auditors	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT
Business address	Argentor House Oldbury Road West Bromwich West Midlands B70 9BS
Bankers	Barclays Bank plc Colmore Row Birmingham B3 2WN

JBR RECOVERY LIMITED

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JBR RECOVERY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2013

The directors present their report and financial statements for the year ended 31 March 2013

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 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 broadly maintained the overall 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 reduced overheads per tonne of silver. A fall in metal prices (particularly silver) present a risk to the supply volumes of waste to refine, and 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 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

	2012/13	2011/12
Receipts of materials for refining (tonnes)	5,032	5,135
Production overheads (excluding external costs for non silver materials)	£3,359,055	£2,875,294
Administration expenses	£1,903,367	£1,708,763
Silver output excluding re-casting work (tonnes)	160.6	101.4
Production overheads per tonne of silver (excluding re-casting work)	£20,922	£28,356
Total overheads per tonne of silver	£32,777	£45,207

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 (2012 - £200,000) for the year.

JBR RECOVERY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

Directors

The following directors have held office since 1 April 2012

C L Phipps

S L Phipps

R Punt

B J Meddings

(Appointed 1 August 2012)

S R B Meddings

(Appointed 4 July 2013)

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

13 SEPTEMBER 2013

JBR RECOVERY LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JBR RECOVERY LIMITED

We have audited the financial statements of JBR Recovery Limited for the year ended 31 March 2013 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

JBR RECOVERY LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF JBR RECOVERY LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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



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

UHY Hacker Young Manchester LLP
Chartered Accountants
Statutory Auditor

13 SEPTEMBER 2013

St James Building
79 Oxford Street
Manchester
M1 6HT

JBR RECOVERY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 £	2012 £
Turnover	2	117,578,920	81,119,207
Cost of sales		(113,505,569)	(77,639,868)
Gross profit		<u>4,073,351</u>	<u>3,479,339</u>
Administrative expenses		(2,119,346)	(1,839,763)
Operating profit	3	<u>1,954,005</u>	<u>1,639,576</u>
Other interest receivable and similar income	4	277	97
Interest payable and similar charges	5	(18,416)	(8,629)
Profit on ordinary activities before taxation		<u>1,935,866</u>	<u>1,631,044</u>
Tax on profit on ordinary activities	6	(456,586)	(423,889)
Profit for the year	16	<u><u>1,479,280</u></u>	<u><u>1,207,155</u></u>

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 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Tangible assets	8		1,405,262		823,128
Current assets					
Stocks	9	4,290,152		3,647,865	
Work in progress and bullion	10	14,364,304		6,605,974	
Debtors	11	888,025		1,605,302	
Cash at bank and in hand		2,065,699		1,593,478	
		<u>21,608,180</u>		<u>13,452,619</u>	
Creditors amounts falling due within one year	12	(18,193,135)		(10,739,157)	
Net current assets			<u>3,415,045</u>		<u>2,713,462</u>
Total assets less current liabilities			<u>4,820,307</u>		<u>3,536,590</u>
Provisions for liabilities	13		<u>(12,420)</u>		<u>(7,983)</u>
			<u>4,807,887</u>		<u>3,528,607</u>
Capital and reserves					
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	4,164,204		2,884,924	
Shareholders' funds	17		<u>4,807,887</u>		<u>3,528,607</u>

Approved by the Board and authorised for issue on 13/9/2013



J Rutherford
Director

Company Registration No. 02623872

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

1 Accounting policies

1.1 Accounting convention

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 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 work in progress or bullion dependent upon the completion of the refining process.

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 Work in progress and bullion

Bullion represents fully refined metals held on site or held on account at a bullion broker and is valued at the year end spot price of the metals.

Work in progress represents amounts recoverable from metals partly processed at the year end and is valued by reference to the year end spot price of metals less estimated attributable costs and profit to completion.

1.7 Stock

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

1.8 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 2013

1 Accounting policies (continued)

19 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.

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	2013 £	2012 £
Operating profit is stated after charging		
Depreciation of tangible assets	244,420	203,444
Operating lease rentals		
- Plant and machinery	26,684	18,901
- Other assets	170,988	171,019
Fees payable to the company's auditor for the audit of the company's annual accounts	15,889	14,656
Fees payable to the company's auditors for taxation services	2,000	2,175
and after crediting		
Profit on disposal of tangible assets	-	(5,800)

4 Investment income	2013 £	2012 £
Bank interest	154	97
Other interest	123	-
	277	97

5 Interest payable	2013 £	2012 £
On bank loans and overdrafts	17,571	8,308
On overdue tax	845	321
	18,416	8,629

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

6	Taxation	2013	2012
		£	£
	Domestic current year tax		
	UK corporation tax	439,144	418,858
	Adjustment for prior years	13,005	-
	Payment in respect of group relief	-	(2,952)
	Total current tax	452,149	415,906
	Deferred tax		
	Deferred tax charge/credit current year	26,106	7,983
	Deferred tax adjust re previous year	(21,669)	-
		4,437	7,983
		456,586	423,889
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,935,866	1,631,044
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2012 - 26.00%)	464,608	424,071
	Effects of		
	Non deductible expenses	(17,470)	3,089
	Capital allowances in excess of depreciation	(6,463)	823
	Group relief surrendered before payment	-	(2,952)
	Adjustments to previous periods	13,005	-
	Other tax adjustments	(1,531)	(9,125)
		(12,459)	(8,165)
	Current tax charge for the year	452,149	415,906
7	Dividends	2013	2012
		£	£
	Ordinary interim paid 26 February 2013	200,000	200,000

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

8 Tangible fixed assets

	Short leasehold land & buildings £	Plant & machinery £	Fixtures fittings & equipment £	Total £
Cost				
At 1 April 2012	216,179	4,247,020	214,722	4,677,921
Additions	38,043	779,175	9,336	826,554
Disposals	-	(53,501)	(8,440)	(61,941)
At 31 March 2013	254,222	4,972,694	215,618	5,442,534
Depreciation				
At 1 April 2012	177,775	3,513,584	163,434	3,854,793
On disposals	-	(53,501)	(8,440)	(61,941)
Charge for the year	11,114	213,412	19,894	244,420
At 31 March 2013	188,889	3,673,495	174,888	4,037,272
Net book value				
At 31 March 2013	65,333	1,299,199	40,730	1,405,262
At 31 March 2012	38,404	733,436	51,288	823,128

9 Stocks

	2013 £	2012 £
Raw materials and consumables	4,290,152	3,647,865

10 Work in progress and bullion

	2013 £	2012 £
Work in progress	8,390,151	6,242,640
Bullion	5,974,153	363,334
	14,364,304	6,605,974

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

11 Debtors	2013 £	2012 £
Trade debtors	63,206	808,673
Other debtors	641,065	607,213
Prepayments and accrued income	183,754	189,416
	<u>888,025</u>	<u>1,605,302</u>
12 Creditors amounts falling due within one year	2013 £	2012 £
Bank loans and overdrafts	-	1,573,529
Trade creditors	16,976,338	7,663,889
Amounts owed to parent company	48,530	118,168
Amounts owed to fellow subsidiary undertakings	1,425	-
Corporation tax	307,620	290,858
Other taxes and social security costs	60,401	492,105
Other creditors	5,863	5,434
Accruals and deferred income	792,958	595,174
	<u>18,193,135</u>	<u>10,739,157</u>

Included in bank loans and overdrafts is £nil (2012 - £1,573,529) 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 2013

13 Provisions for liabilities

	Deferred tax liability £
Balance at 1 April 2012	7,983
Profit and loss account	4,437
	<u>12,420</u>
Balance at 31 March 2013	<u>12,420</u>

The deferred tax liability is made up as follows:

	2013 £	2012 £
Accelerated capital allowances	32,510	9,062
Other timing differences	(20,090)	(1,079)
	<u>12,420</u>	<u>7,983</u>

14 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.

	2013 £	2012 £
Contributions payable by the company for the year	<u>116,200</u>	<u>238,350</u>

15 Share capital

	2013 £	2012 £
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 FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

16 Statement of movements on reserves

	Share premium account £	Capital redemption reserve £	Profit and loss account £
Balance at 1 April 2012	53,683	240,000	2,884,924
Profit for the year	-	-	1,479,280
Dividends paid	-	-	(200,000)
Balance at 31 March 2013	<u>53,683</u>	<u>240,000</u>	<u>4,164,204</u>

17 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	1,479,280	1,207,155
Dividends	(200,000)	(200,000)
Net addition to shareholders' funds	<u>1,279,280</u>	<u>1,007,155</u>
Opening shareholders' funds	<u>3,528,607</u>	<u>2,521,452</u>
Closing shareholders' funds	<u>4,807,887</u>	<u>3,528,607</u>

18 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 2013, the maximum potential liability under this agreement was £2,160,262 (2012 - £1,823,358)

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

19 Financial commitments

At 31 March 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2014

	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Operating leases which expire				
Within one year	-	-	1,695	2,954
Between two and five years	-	-	15,838	4,066
In over five years	166,750	166,750	-	-
	<u>166,750</u>	<u>166,750</u>	<u>17,533</u>	<u>7,020</u>

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

20 Capital commitments

2013
£

2012
£

At 31 March 2013 the company had capital commitments as follows

Contracted for but not provided in the financial statements	<u>24,675</u>	<u>28,000</u>
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21 Directors' remuneration

2013
£

2012
£

Remuneration for qualifying services	621,664	416,906
Company pension contributions to defined contribution schemes	92,959	216,124
	<u>714,623</u>	<u>633,030</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2012 - 2)

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

Remuneration for qualifying services	<u>274,014</u>	<u>224,122</u>
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JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

22 Employees

Number of employees

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

	2013 Number	2012 Number
Production	36	33
Commercial / administration	7	6
	<u>43</u>	<u>39</u>

Employment costs

	2013 £	2012 £
Wages and salaries	1,782,796	1,459,678
Social security costs	204,740	165,240
Other pension costs	116,200	238,350
	<u>2,103,736</u>	<u>1,863,268</u>

23 Control

The immediate parent company 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 at Mathon Court, Mathon, Malvern, Worcestershire, WR13 5NZ

24 Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group

During the year, the company incurred £5,695 (2012 - £15,000) for management consultancy services provided by Meddings & Co Limited, a company in which key management personnel were interested