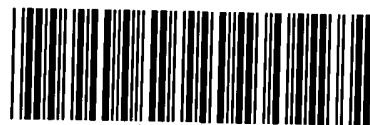


Company Registration No. 02623872 (England and Wales)

JBR RECOVERY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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COMPANIES HOUSE

JBR RECOVERY LIMITED

COMPANY INFORMATION

Directors	C L Phipps S L Phipps B J Meddings J S Rutherford S R B Meddings
Secretary	J S Rutherford
Company number	02623872
Registered office	Argentor House Oldbury Road West Bromwich 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 B70 9BS
Bankers	Barclays Bank plc 15 Colmore Row Birmingham B3 2BH

JBR RECOVERY LIMITED

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JBR RECOVERY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The results for the year show an increase in turnover and cost of sales. This is a reflection of both the increase in silver price and the increase in volumes of high grade materials received, which resulted in improved profitability compared with the prior period.

The impact of the growth of digital photography replacing the traditional photographic film waste continues to be the biggest risk to the business. New sources of materials continue to be explored.

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, given the improvements in dividends paid, silver output, and profit.

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:

Key performance indicators

	2016/17	2015/16
Receipts of materials for refining (tonnes)	3,745	3,856
Production overheads (excluding external costs for non-silver materials)	£2,635,376	£2,640,773
Administration expenses (excluding management fees to holding company)	£1,898,196	£1,437,728
Silver output excluding re-casting work (tonnes)	143.7	137.6
Production overheads per tonne of silver (excluding re-casting work)	£18,339	£19,186
Total overheads per tonne of silver	£31,549	£29,631

On behalf of the board



B J Meddings
Director
30 June 2017

JBR RECOVERY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and financial statements for the year ended 31 March 2017.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

C L Phipps

S L Phipps

B J Meddings

J S Rutherford

S R B Meddings

K R Davies

(Resigned 28 October 2016)

Results and dividends

The results for the year are set out on page 6.

Interim dividends were paid during the year amounting to £500,000 (2016 - £Nil).

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

JBR RECOVERY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Financial instruments

The company has a normal level of exposure to credit, liquidity and cash flow risks arising from its trading activities which are conducted in primarily in sterling. The company is exposed to changes in foreign exchange rates on some of its activity but is able to amend prices where exchange rates change significantly.

The significant risk affecting the company arises from changes in the metal commodity prices. The company does not enter into any specific hedging transactions in respect of this risk but as the company buys and sells in metal commodities, it is able to match its sales and purchases to mitigate the risk.

On behalf of the board



B J Meddings

Director

30 June 2017

JBR RECOVERY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JBR RECOVERY LIMITED

We have audited the financial statements of JBR Recovery Limited for the year ended 31 March 2017 set out on pages 6 to 19. 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2017 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 matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

JBR RECOVERY LIMITED

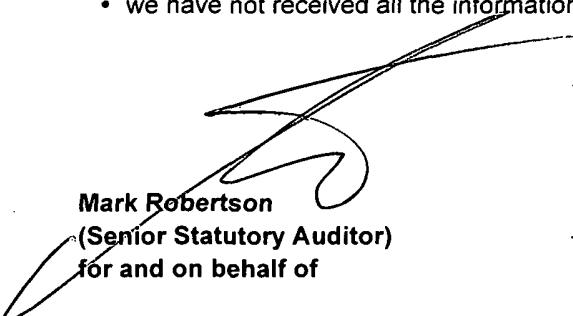
INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF JBR RECOVERY LIMITED

Matters on which we are required to report by exception

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

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

30 JUNE 2017

St James Building
79 Oxford Street
Manchester
M1 6HT

JBR RECOVERY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Turnover	3	69,786,126	48,943,768
Cost of sales		(66,508,030)	(47,185,964)
Gross profit		3,278,096	1,757,804
Administrative expenses		(1,978,195)	(1,537,728)
Operating profit	4	1,299,901	220,076
Interest receivable and similar income	7	200	2,630
Interest payable and similar expenses	8	(46,873)	(9,970)
Profit before taxation		1,253,228	212,736
Taxation	9	(232,361)	27,510
Profit for the financial year		1,020,867	240,246
Total comprehensive income for the year		1,020,867	240,246

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

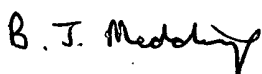
JBR RECOVERY LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11		1,680,944		1,292,855
Current assets					
Stocks	12	4,845,078		1,456,032	
Work in progress and bullion	13	7,997,585		5,804,906	
Debtors	14	2,621,689		759,946	
Cash at bank and in hand		1,122,873		1,632,700	
		16,587,225		9,653,584	
Creditors: amounts falling due within one year	15	(12,658,192)		(5,875,186)	
Net current assets			3,929,033		3,778,398
Total assets less current liabilities			5,609,977		5,071,253
Provisions for liabilities	17		(102,905)		(85,048)
Net assets			5,507,072		4,986,205
Capital and reserves					
Called up share capital	20	350,000		350,000	
Share premium account	21	53,683		53,683	
Capital redemption reserve	21	240,000		240,000	
Profit and loss reserves	21	4,863,389		4,342,522	
Total equity			5,507,072		4,986,205

The financial statements were approved by the board of directors and authorised for issue on 30 June 2017 and are signed on its behalf by:



B J Meddings
Director

Company Registration No. 02623872

JBR RECOVERY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2015		350,000	53,683	240,000	4,102,276	4,745,959
Year ended 31 March 2016:						
Profit and total comprehensive income for the year		-	-	-	240,246	240,246
Balance at 31 March 2016		350,000	53,683	240,000	4,342,522	4,986,205
Year ended 31 March 2017:						
Profit and total comprehensive income for the year		-	-	-	1,020,867	1,020,867
Dividends	10	-	-	-	(500,000)	(500,000)
Balance at 31 March 2017		350,000	53,683	240,000	4,863,389	5,507,072

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

JBR Recovery Limited is a company limited by shares incorporated in England and Wales. The registered office is Argentor House, Oldbury Road, West Bromwich, B70 9BS.

The nature of the company's operations and its principal activities 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 gold, silver, copper and lead are recovered.

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the reduced disclosure framework in preparing these financial statements as permitted by FRS102 to the extent they relate to cash flow, financial instruments and related party disclosures.

These financial statements are included in the consolidated financial statements of Phipps and Company Limited as at 31 March 2017 and these financial statements may be obtained from Mathon Court, Mathon, Malvern, Worcestershire, WR13 5NZ.

The company operates from leasehold premises and, at the date of these financial statements, the leases were due to expire in September 2017. The company has been in negotiations with landlord to renew the leases for a further period of 15 years and consider that the proposed terms of the new leases have been agreed in principle by the landlord. Should the new leases not be agreed, then this would significantly impact on the operations of the company in the future. The directors anticipate that the new leases will be signed in July 2017 and therefore, at the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.2 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 and recasting charges are recognised when the work is complete.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

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	3 years straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.5 Stocks

Stocks of raw materials and consumables are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

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 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.8 Financial instruments

Unless the arrangement constitutes a financing arrangement, debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Other debt instruments are measured at amortised cost using the effective interest method.

Where an arrangement constitutes a financing transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The directors did not identify any critical judgments in preparing the accounts apart from those involving estimates disclosed below.

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of work in progress

The work in progress element of the company's overall stock figure involves estimating the grading of the various types of that stock included in work in progress. Estimates are therefore made to reflect the element of profit deferred and the further refining costs required to convert it into bullion. The company uses historical results and applies a consistent method to estimate this, while also reviewing any changes that are required from time to time. In addition, the directors aim to ensure work in progress is kept to a minimum level needed to maximise output. Included in work in progress is £7,098,037 (2016 - £4,717,543) which is valued based on such estimates.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017 £	2016 £
Turnover		
Metal sales	69,721,168	48,858,544
Recasting charges	64,958	85,224
	<u>69,786,126</u>	<u>48,943,768</u>
 Other significant revenue		
Interest income	<u>200</u>	<u>2,630</u>

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

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	15,500	14,900
Depreciation of owned tangible fixed assets	237,278	221,142
Loss on disposal of tangible fixed assets	233	1,165
Cost of stocks recognised as an expense	63,929,542	44,629,581
Operating lease charges	<u>187,100</u>	<u>194,157</u>

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Production	31	35
Commercial / administration	8	8
	<u>39</u>	<u>43</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	1,584,386	1,358,242
Social security costs	176,019	141,562
Pension costs	98,428	77,571
	<u>1,858,833</u>	<u>1,577,375</u>

6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	536,746	295,578
Company pension contributions to defined contribution schemes	66,261	21,733
	<u>603,007</u>	<u>317,311</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2016 - 3).

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

Remuneration for qualifying services	238,903	87,184
Company pension contributions to defined contribution schemes	8,700	9,606
	<u>247,603</u>	<u>96,790</u>

Only the directors are considered to be key management personnel.

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

7 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	200	22
Other interest income	-	2,608
Total income	<u>200</u>	<u>2,630</u>

8 Interest payable and similar expenses

	2017 £	2016 £
Interest on bank overdrafts and loans	<u>46,873</u>	<u>9,970</u>

9 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	198,128	-
Receipt in respect of group relief	16,376	(20,425)
Total current tax	<u>214,504</u>	<u>(20,425)</u>
Deferred tax		
Origination and reversal of timing differences	22,582	2,512
Changes in tax rates	(4,725)	(9,597)
Total deferred tax	<u>17,857</u>	<u>(7,085)</u>
Total tax charge	<u>232,361</u>	<u>(27,510)</u>

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

9 Taxation

(Continued)

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	1,253,228	212,736
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	250,646	42,547
Tax effect of expenses that are not deductible in determining taxable profit	1,656	685
Tax effect of utilisation of tax losses not previously recognised	(16,906)	-
Effect of change in corporation tax rate	(4,871)	(9,597)
Research and development tax credit	(13,626)	(61,293)
Under/(over) provided in the year	16,376	-
Other tax adjustments	(914)	148
Tax expense for the year	232,361	(27,510)

10 Dividends

	2017 £	2016 £
Interim paid	500,000	-

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

11 Tangible fixed assets

	Short leasehold land & buildings	Plant & machinery	Fixtures fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2016	254,222	5,260,102	220,226	-	5,734,550
Additions	19,318	601,258	6,799	13,225	640,600
Disposals	-	(334,062)	(3,569)	-	(337,631)
At 31 March 2017	273,540	5,527,298	223,456	13,225	6,037,519
Depreciation and impairment					
At 1 April 2016	214,826	4,021,855	205,014	-	4,441,695
Depreciation charged in the year	7,597	221,815	4,192	3,674	237,278
Eliminated in respect of disposals	-	(318,829)	(3,569)	-	(322,398)
At 31 March 2017	222,423	3,924,841	205,637	3,674	4,356,575
Carrying amount					
At 31 March 2017	51,117	1,602,457	17,819	9,551	1,680,944
At 31 March 2016	39,396	1,238,247	15,212	-	1,292,855

12 Stocks

	2017 £	2016 £
Raw materials and consumables	4,845,078	1,456,032

13 Work in progress and bullion

	2017 £	2016 £
Bullion	899,548	1,087,363
Work in progress	7,098,037	4,717,543
	7,997,585	5,804,906

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

14 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	159,566	60,292
Amounts due from group undertakings	4,698	20,425
Other debtors	2,152,745	357,060
Prepayments and accrued income	304,680	322,169
	<u>2,621,689</u>	<u>759,946</u>

15 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	16	6,616,067	-
Trade creditors		5,279,095	5,637,552
Amounts due to group undertakings		168	-
Corporation tax		198,128	-
Other taxation and social security		43,001	42,029
Other creditors		8,215	8,440
Accruals and deferred income		513,518	187,165
		<u>12,658,192</u>	<u>5,875,186</u>

16 Loans and overdrafts

	2017 £	2016 £
Bank overdrafts	<u>6,616,067</u>	<u>-</u>
Payable within one year	<u>6,616,067</u>	<u>-</u>

The bank borrowings represent a silver overdraft which is secured on the bullion and work in progress of the company.

17 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	18	102,905	85,048
		<u>102,905</u>	<u>85,048</u>

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2017 £	Liabilities 2016 £
Balances:		
Capital allowances in advance	107,998	86,377
Other timing differences	(5,093)	(1,329)
	<u>102,905</u>	<u>85,048</u>
Movements in the year:		2017 £
Liability at 1 April 2016		85,048
Charge to profit or loss		22,728
Effect of change in tax rate - profit or loss		(4,871)
Liability at 31 March 2017		<u>102,905</u>

19 Retirement benefit schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £98,428 (2016 - £77,571).

20 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
350,000 Ordinary shares of £1 each	<u>350,000</u>	<u>350,000</u>

Share capital represents the nominal value of shares that have been issued. The company has one class of share which does not carry the right to a fixed dividend.

21 Reserves

Share premium

Represents the excess over nominal value received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium.

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

21 Reserves

(Continued)

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Profit and loss reserves

Profit and loss account - includes all current and prior period profits and losses net of dividends paid.

22 Financial commitments, guarantees and 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 2017, the maximum potential liability under this agreement was £1,171,586 (2016: £1,768,039).

23 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	109,893	179,627
Between two and five years	61,372	159,360
	<u>171,265</u>	<u>338,987</u>

24 Related party transactions

The company has taken advantage of the exemptions available in FRS102 not to disclose transactions with group companies which are wholly owned members of the group.

The company sold goods totalling £8,889 (2016 - £Nil) to a director in the year. There were no amounts outstanding at the year end.

25 Controlling party

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

Phipps & Company Limited prepares group financial statements and copies can be obtained from the registered office at Mathon Court, Mathon, Malvern, Worcestershire, WR13 5NZ.