

Company Registration No. 02623872 (England and Wales)

JBR RECOVERY LIMITED
ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



JBR RECOVERY LIMITED

COMPANY INFORMATION

Directors	C L Phipps S L Phipps B J Meddings S R B Meddings
Secretary	D A Harford
Company number	02623872
Registered office	Argentor House Oldbury Road West Bromwich B70 9BS
Auditor	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 2022

The directors present the strategic report for the year ended 31 March 2022.

Review of the business

The results for the year show a similar turnover compared to last year due to the gaining of a number of high value customers in the first half of the year. The new high value business delivers a smaller profit margin but at such high volumes as to be financially beneficial.

JBR operated in accordance with all government and regulatory guidelines regarding COVID. The epidemic caused a number of complications throughout the year but JBR remained operational through the majority of the period and coped well in comparison to many manufacturing businesses.

During the year the company continued with its plant refurbishment projects to upgrade and improve the efficiency of the plant. The inflow of new business was reduced in the first half of the year to assist in processing the backlog of materials.

The silver price increased by 8.4% during the year and increased the held stock value. Further profit will be realised from the silver price rise once the stocks have been processed.

The first half of the year 2022/23 has seen JBR secure more high value business. The company has a large quantity of purchased stock with significant levels of profit waiting to be processed.

The directors anticipate the full year 2022/23 to be profitable and the balance sheet of the company should be in a more healthy position.

Key performance indicators

		2021/22	2020/21
Receipts of materials for refining	Tonnes	2,027	1,923
Production overheads	£	4,243,470	3,275,869
Administration expenses	£	2,418,127	1,919,127
Plant repairs and upgrades	£	431,729	838,792
Metal stock market value	£	15,953,225	35,192,168
Raw Stock Processed	Tonnes	2,602	2,153
Production Overheads per Raw Stock Processed	£/Tonnes	1,630	1,521
Total Overheads per Raw Stock Processed	£/Tonnes	2,560	2,412

JBR RECOVERY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Promoting the success of the company

The board or directors of JBR Recovery Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a)-(f) of Companies Act 2006) in the decisions taken during the year ended 31 March 2022.

We identify the stakeholders in the company as its employees, suppliers, customers, shareholders and the additionally, the wider community. We consider they have acted in good faith to all stakeholders during the period.

- Our plans were designed to have a long-term beneficial impact on the Company and to contribute to its success in delivering high quality services across all business activities. Regular reviews are held across the key business areas including financial performance, risks and opportunities, health and safety, human resources and business operations.

- Our employees are fundamental to the delivery of our plans and we aim to be a responsible employer in our approach to the pay and benefits of our team. The health, safety and well-being of our team is one of our primary consideration in the way we approach business.

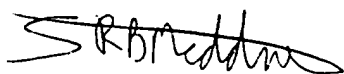
- We engage with our supplier and customers regularly as they are also key to our success. We implement appropriate payment practices and seek to prevent involvement in modern slavery, corruption, bribery and breaches of competition law.

- Our planned activities take into account the impact of our operations on the local communities, the environment and consider our wider social responsibilities. Specifically we pursue waste saving opportunities, react promptly to local concerns and take steps to offset our carbon emissions.

- As a board of directors, our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating within high standards of business conduct and overall good governance as expected for a business such as ours. In applying responsible behaviour, this contributes to our delivery of the plans and enables us to nurture our reputation.

- As a board of directors, our intention is to behave responsibly to our shareholders and treat them fairly and equally, so they too may benefit from the success of the business.

On behalf of the board



S R B Meddings
Director

20 December 2022

JBR RECOVERY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and financial statements for the year ended 31 March 2022.

Principal activities

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.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

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
S R B Meddings

Business relationships

We engage with our supplier and customers regularly as they are also key to our success. We implement appropriate payment practices and seek to prevent involvement in modern slavery, corruption, bribery and breaches of competition law. Our planned activities take into account the impact of our operations on the local communities, the environment and consider our wider social responsibilities. Specifically we pursue waste saving opportunities, react promptly to local concerns and take steps to offset our carbon emissions. As a board of directors, our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating within high standards of business conduct and overall good governance as expected for a business such as ours. In applying responsible behaviour, this contributes to our delivery of the plans and enables us to nurture our reputation.

Energy and carbon report

In accordance with the Companies (Directors' Report) Regulations 2018, JBR Recovery Limited has prepared the following energy and carbon declaration. JBR Recovery Limited is not responsible for any energy consumption or emissions outside of the UK. This declaration therefore relates to both UK and Global energy use. Energy consumption disclosing only those required by Streamline Energy Carbon Reporting.

<i>Energy consumption</i>	2022 kWh
Aggregate of energy consumption in the year	
- Gas combustion	2,405,221
- Electricity purchased	2,601,301
- Fuel consumed for transport	30,205
	<hr/>
	5,036,727
	<hr/>

JBR RECOVERY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

	2022 metric tonnes
<i>Emissions of CO2 equivalent</i>	
Scope 1 - direct emissions	
- Gas combustion	432.94
- Fuel consumed for owned transport	7.74
	<hr/>
	440.68
Scope 2 - indirect emissions	
- Electricity purchased	503.04
Scope 3 - other indirect emissions	
- Fuel consumed for transport not owned by the	-
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Total gross emissions	943.72
	<hr/>
<i>Intensity ratio</i>	
Tonnes CO2e per tonne of raw material processed	0.36
	<hr/>

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per tonne of raw material processed.

Measures taken to improve energy efficiency

JBR as a business consistently strives to be as energy efficient as they possibly can be. The nature of the plant means they a large usage of electricity, gas, oxygen, nitrogen and coke. With all energy prices soaring JBR have spent considerable time focusing on blending materials to increase the efficiencies within the furnace thus not only reducing costs but increasing production efficiency.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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;
- 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.

JBR RECOVERY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Statement of disclosure to auditor

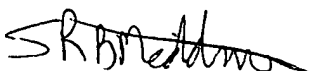
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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



S R B Meddings
Director

20 December 2022

JBR RECOVERY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JBR RECOVERY LIMITED

Opinion

We have audited the financial statements of JBR Recovery Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to the disclosures made in note 1.2 to the financial statements. The Company is reliant on short term rolling finance and the support of its suppliers to finance its silver bearing stocks with formal finance facilities renewed annually. The Directors retain strong relationships with the third party financiers and suppliers and are confident of the continuance of these and future support. Whilst the continuance of this support is outside of the direct control of the Company, the Directors have no reason to believe that such support will not continue.

Our opinion is not modified in respect of these matters.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the company's compliance with Health and Safety, Due Diligence and Environment Agency regulations, including the commitments made within, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risks of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that manual revenue entries are not supported, the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as the valuation of work in progress.

JBR RECOVERY LIMITED

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

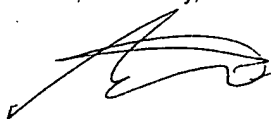
Audit procedures performed by the engagement team included:

- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by unexpected users;
- Assessed management's compliance with the commitments under the Environment Agency in relation to their Environmental Permit.
- Assessed management's compliance with the commitments under the Health and Safety Executive.
- Assessed management's compliance with due diligence procedures in regards to the sourcing of their raw materials.
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Attendance at the stock take including a stringent review of cut off at the various stages of the production process;
- Reviewing the company's litigation register as far as it related to non-compliance with laws and regulations and fraud; and
- Reviewing relevant board meeting minutes.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



Mark Robertson BA BSc CA (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young Manchester LLP

20 December 2022

Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

JBR RECOVERY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Turnover	3	223,849,581	227,832,274
Cost of sales		(220,959,952)	(226,492,603)
Gross profit		2,889,629	1,339,671
Administrative expenses		(2,418,171)	(1,919,127)
Operating profit/(loss)	4	471,458	(579,456)
Interest receivable and similar income	7	37	5,376
Interest payable and similar expenses	8	(106,133)	(144,710)
Profit/(loss) before taxation		365,362	(718,790)
Tax on profit/(loss)	9	293,317	158,144
Profit/(loss) for the financial year		658,679	(560,646)

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

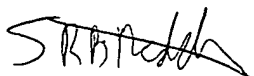
JBR RECOVERY LIMITED

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	10	165,640		186,056	
Tangible assets	11	1,337,185		1,695,580	
		<u>1,502,825</u>		<u>1,881,636</u>	
Current assets					
Stocks	12	2,568,764	14,494,657		
Work in progress and bullion	13	11,906,833	14,871,068		
Debtors	14	5,700,212	1,590,442		
Cash at bank and in hand		98,195	3,348		
		<u>20,274,004</u>	<u>30,959,515</u>		
Creditors: amounts falling due within one year	15	<u>(21,590,255)</u>	<u>(33,082,758)</u>		
Net current liabilities		<u>(1,316,251)</u>	<u>(2,123,243)</u>		
Total assets less current liabilities		<u>186,574</u>	<u>(241,607)</u>		
Creditors: amounts falling due after more than one year	16	<u>(656,292)</u>	<u>(943,395)</u>		
Net liabilities		<u><u>(469,718)</u></u>	<u><u>(1,185,002)</u></u>		
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		
Other reserves	21	169,815	113,210		
Profit and loss reserves	21	<u>(1,283,216)</u>	<u>(1,941,895)</u>		
Total equity		<u><u>(469,718)</u></u>	<u><u>(1,185,002)</u></u>		

The financial statements were approved by the board of directors and authorised for issue on 20 December 2022 and are signed on its behalf by:



S R B Meddings
Director

Company Registration No. 02623872

JBR RECOVERY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 April 2020	350,000	53,683	240,000	56,605	(1,381,249)	(680,961)
Year ended 31 March 2021:						
Loss and total comprehensive income for the year	-	-	-	-	(560,646)	(560,646)
Transfers	-	-	-	56,605	-	56,605
Balance at 31 March 2021	350,000	53,683	240,000	113,210	(1,941,895)	(1,185,002)
Year ended 31 March 2022:						
Profit and total comprehensive income for the year	-	-	-	-	658,679	658,679
Transfers	-	-	-	56,605	-	56,605
Balance at 31 March 2022	<u>350,000</u>	<u>53,683</u>	<u>240,000</u>	<u>169,815</u>	<u>(1,283,216)</u>	<u>(469,718)</u>

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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 2022 and these financial statements may be obtained from Mathon Court, Mathon, Malvern, Worcestershire, WR13 5NZ.

1.2 Going concern

During the period the Company achieved a profit after tax of £658,679 (2021 - £560,646 loss) and at the year-end its current liabilities exceeded its current assets by £1,316,251 (2021 - £2,123,243). Since the year end the Company has traded profitably and consequently there has been a significant improvement in the net asset position.

The group finance arrangements are not due for repayment within twelve months however, the other third party finance facilities are rolling facilities which are reviewed annual with no fixed repayment term and amounts due to trade suppliers are due on demand. The Directors retain strong relationships with all third party financiers and trade suppliers and have no reason to believe that the support from them will not continue in the future. On this basis, the directors consider that the Company is able to meet its liabilities as they fall due.

The directors have reviewed the forecast cash and metal position for the next twelve months based on the present finance facilities and continued support of their suppliers. After careful stock management and production capacity considerations the directors anticipate that the present finance arrangements remain sufficient for the foreseeable future. This, along with the continued support of group companies and the positive performance post year-end has provided the Directors with confidence the Company can continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements. Thus they continue to adopt the going concern basis in these financial statements.

If a company were unable to continue in operational existence for the foreseeable future, amendments would have to be made to adjust the balance sheet values to their recoverable amounts. In this instance, the Directors consider that the balance sheet stock value would be higher than its accounting valuation at cost. Provisions would also be made for future liabilities that may arise and to reclassify fixed assets as current assets.

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.3 Turnover

Turnover represents the amounts of metal recovered, recasting charges and other services net of VAT. Where the processing charges exceed the value of metal recovered then the excess charges are included as turnover. 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/processing charges are recognised when the work is complete.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Software	10% on a straight line basis
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1.5 Tangible fixed assets

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

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.

1.6 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).

1.7 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.

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.8 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.

1.9 Cash at bank and in hand

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

1.10 Financial instruments

Unless the arrangements constitutes a financing arrangement, debt instruments that are payable or receivable within one year are measured at the undiscounted amount of 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 or where related to group borrowings, at the inter-group rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

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

1.12 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. 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.

1.13 Retirement benefits

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

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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 following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Going concern

In order to assess whether it is appropriate for the company to be reported as a going concern, the directors have applied judgement, having made the appropriate enquiries and having considered the business activities and the company's principal risks and uncertainties. In arriving at this judgement there are a large number of estimates and assumptions involved in calculating the future cash flow projections. These include managements estimates of revenue, production levels, future capital expenditure and the continuance of existing finance facilities.

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.

Stock Valuation

The valuation of work in progress, shown in the balance sheet, involves an element of estimating the costs to complete for the various stages and 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. In addition certain stocks have an undetermined silver content which needs to be estimated. The company uses historical results and applies a consistent method to estimate these stocks, 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 the minimum level needed to maximise output.

3 Turnover and other revenue

An analysis of the company's turnover, generated in the United Kingdom, is as follows:

	2022 £	2021 £
Turnover analysed by class of business		
Metal sales and recasting	223,849,581	227,832,274
	<u> </u>	<u> </u>
	2022 £	2021 £
Other significant revenue		
Interest income	37	5,376
	<u> </u>	<u> </u>

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Turnover and other revenue

(Continued)

The company recycles silver and other precious metals on the bullion market. Whilst the suppliers of its silver bearing material have a wide geographical market, the sale of metals is consider to be in the same market and therefore no geographical analysis is appropriate.

4 Operating profit/(loss)

	2022 £	2021 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange losses/(gains)	118,045	(15,866)
Fees payable to the company's auditor for the audit of the company's financial statements	19,000	19,000
Depreciation of owned tangible fixed assets	418,432	403,351
Amortisation of intangible assets	20,416	20,249
Operating lease charges	274,127	303,927

5 Employees

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

	2022 Number	2021 Number
Production	42	31
Commercial / administration	6	6
	48	37

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	1,663,450	1,323,198
Social security costs	169,814	134,425
Pension costs	55,337	50,595
	1,888,601	1,508,218

6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	251,538	143,904
Company pension contributions to defined contribution schemes	15,000	15,000
	266,538	158,904

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

6 Directors' remuneration

(Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

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

	2022 £	2021 £
Remuneration for qualifying services	236,163	-
Amounts receivable under long term incentive schemes	15,000	-

Only the directors are considered to be key management personnel.

7 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	37	5,376

8 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and loans	49,528	88,105
Interest payable to group undertakings	56,605	56,605
	106,133	144,710

9 Taxation

	2022 £	2021 £
Current tax		
Group tax relief	(32,693)	(123,752)
Other tax reliefs	-	(34,392)
Total current tax	(32,693)	(158,144)
Deferred tax		
Previously unrecognised tax loss, tax credit or timing difference	(260,624)	-
Total tax credit	(293,317)	(158,144)

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

9 Taxation

(Continued)

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

	2022 £	2021 £
Profit/(loss) before taxation	365,362	(718,790)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	69,419	(136,570)
Tax effect of expenses that are not deductible in determining taxable profit	-	2,996
Tax effect of utilisation of tax losses not previously recognised	(337,473)	-
Adjustments in respect of prior years	(32,693)	-
Permanent capital allowances in excess of depreciation	(3,422)	-
Depreciation on assets not qualifying for tax allowances	-	109
Research and development tax credit	-	(34,392)
Other tax adjustments	10,852	-
Deferred tax not recognised	-	9,713
Taxation credit for the year	(293,317)	(158,144)

At 31 March 2022, the company had unrelieved tax losses of £3,355,000 (2021 - £3,832,000). A deferred tax asset of £260,623 (2021 - £nil) is recognised in these accounts in respect of group profits but no deferred tax asset has been recognised on the remaining losses to the extent they exceed deferred tax liabilities. The unrecognised losses represent a deferred tax asset of £496,000 (2021 - £798,000).

10 Intangible fixed assets

	Software £
Cost	
At 1 April 2021 and 31 March 2022	206,305
Amortisation and impairment	
At 1 April 2021	20,249
Amortisation charged for the year	20,416
At 31 March 2022	40,665
Carrying amount	
At 31 March 2022	165,640
At 31 March 2021	186,056

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

11 Tangible fixed assets

	Short leasehold land & buildings £	Plant & machinery £	Fixtures fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2021	374,796	6,807,401	261,137	35,975	7,479,309
Additions	5,951	52,862	1,224	-	60,037
At 31 March 2022	380,747	6,860,263	262,361	35,975	7,539,346
Depreciation and impairment					
At 1 April 2021	270,562	5,252,849	224,443	35,875	5,783,729
Depreciation charged in the year	20,950	391,030	6,452	-	418,432
At 31 March 2022	291,512	5,643,879	230,895	35,875	6,202,161
Carrying amount					
At 31 March 2022	89,235	1,216,384	31,466	100	1,337,185
At 31 March 2021	104,234	1,554,552	36,694	100	1,695,580

12 Stocks

	2022 £	2021 £
Raw materials and consumables	2,568,764	14,494,657

13 Work in progress and bullion

	2022 £	2021 £
Bullion	-	4,335,004
Work in progress	11,906,833	10,536,064
	11,906,833	14,871,068

14 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	5,138,726	794,720
Amounts owed by group undertakings	-	261,362
Other debtors	119,837	127,007
Prepayments and accrued income	181,025	407,353
	5,439,588	1,590,442

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

14 Debtors		(Continued)	
		2022 £	2021 £
Amounts falling due after more than one year:			
Deferred tax asset (note 18)		260,624	-
Total debtors		5,700,212	1,590,442
15 Creditors: amounts falling due within one year		2022 £	2021 £
	Notes		
Bank loans and overdrafts	17	8,386,815	6,452,735
Trade creditors		12,851,743	26,283,906
Taxation and social security		36,093	41,893
Other creditors		1,046	9,287
Accruals and deferred income		314,558	294,937
		21,590,255	33,082,758
16 Creditors: amounts falling due after more than one year		2022 £	2021 £
	Notes		
Other borrowings	17	656,292	943,395
17 Loans and overdrafts		2022 £	2021 £
Bank loans		-	1,000,000
Bank overdrafts		8,386,815	5,452,735
Loans from group undertakings		656,292	943,395
		9,043,107	7,396,130
Payable within one year		8,386,815	6,452,735
Payable after one year		656,292	943,395

The bank and overdrafts include a silver overdraft of £6,572,393 (2021 - £3,070,631). The bank loans and overdrafts are secured on assets of the company with the silver overdraft being secured on the bullion and work in progress. Additionally, the borrowings are secured by way of a charge on the freehold property of the parent company.

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

17 Loans and overdrafts

(Continued)

The group loan is unsecured, interest free and repayable with at least 12 months notice. In accordance with accounting standards the loan is discounted at the intra-group borrowing rate.

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:

	Assets 2022 £	Assets 2021 £
Balances:		
Tax losses	260,624	-
	<u>260,624</u>	<u>-</u>
		2022
Movements in the year:		£
Liability at 1 April 2021		-
Credit to profit or loss		(260,624)
Asset at 31 March 2022		<u>(260,624)</u>

19 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>55,337</u>	<u>50,595</u>

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.

20 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>350,000</u>	<u>350,000</u>	<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.

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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.

Capital redemption reserve

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

Other reserve

The other reserve represents the FRS102 adjustment for notional discounting on the interest free loan from parent and represents a further investment in the company from the parent.

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 2022, the maximum potential liability under this agreement was £98,195 (2021: £3,348).

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:

	2022 £	2021 £
Within one year	168,382	168,973
Between two and five years	646,598	659,931
In over five years	789,970	945,020
	<u>1,604,950</u>	<u>1,773,924</u>

24 Related party transactions

Including in creditors is an amount of £14,792 (2021: £nil) due to certain directors of the company. 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.

JBR RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

25 Ultimate 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.