
RAYMOND BROWN MINERALS & RECYCLING LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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RAYMOND BROWN MINERALS & RECYCLING LTD

COMPANY INFORMATION

Directors	S Clasby W Roberts
Company secretary	W Roberts
Registered number	03601649
Registered office	2nd Floor, Fryern House Winchester Road Chandler's Ford Eastleigh SO53 2DR
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1st Floor One Valpy 20 Valpy Street Reading RG1 1AR
Bankers	Lloyds Bank Plc 3 Town Quay Southampton Hampshire SO14 2AQ

RAYMOND BROWN MINERALS & RECYCLING LTD

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RAYMOND BROWN MINERALS & RECYCLING LTD

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

Introduction

The Directors present their Strategic Report for the year ended 31 March 2023.

The Company is a subsidiary Company within the Group headed by Binder Holdco Limited. Performance of the Group is disclosed within the ultimate parent Company's financial statements.

Business review

The Company's principal activity during the year was that of providing support services to the Group.

The key financial and other performance indicators during the year were as follows:

	2023	2022
	£'000	£'000
Turnover	1,979	2,068
Company operating profit/loss	(7)	(52)
Average number of employees	20	26

Turnover was £1,979,043 for the year ended 31 March 2023, a decrease of £89,182 year on year. Turnover for year ended 31 March 2023 related solely to Group recharges for support services.

The Company made an operating loss of £7,213 (2022: *Operating loss of £51,709*).

The average number of employees during the year was 20, a decrease of 6 from the previous financial year (2022: 26).

The Company endeavours to minimise its environmental impact. The board believes that good environmental practices support the board's strategy by enhancing the reputation of the Company, the efficiency of production and delivery of quality products and services. Consequently, the Company continues to place environmental responsibilities high on the agenda and also places significant importance on environmental education throughout the community.

Principal risks and uncertainties

The Company's Directors meet regularly to evaluate the Company's risk appetite. In the view of the Directors the principal risks and uncertainties facing the Company can be broadly categorised as competitive, legislative and regulatory, health and safety, financial and information technology.

Competitive risks

The Group is reliant on certain major customers for contracts which are subject to periodic competitive tender or re-pricing. Renewal of these contracts is uncertain and based on financial and performance criteria. The Group mitigates competitive risks by working closely with customers to deliver excellent products and services, whilst seeking opportunities to grow and diversify the customer base.

RAYMOND BROWN MINERALS & RECYCLING LTD

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Legislative risks and regulatory risks

The Group must meet obligations with respect to certain UK standards across all of its business streams. These standards are subject to continuous revision and any new directive may have a material impact on the ability of the Group to deliver products and services at a profit. In addition, compliance imposes costs and failure to comply with the standards could materially affect the Group's ability to operate. We continue to review our operations and work alongside our customers to enable us to anticipate and react to future changes in the legislative and regulatory environments.

Health and safety risks

Safety is a top priority across the Company. The Company has robust health and safety procedures in place and our management have a commitment to health and safety matters. Sharing of good practice and learnings across our operations is encouraged to support continual improvement across the Company.

Financial risks

The Group has established a risk and financial management framework, the primary objective of which is to protect the Group from events that hinder the achievement of its performance objectives. The framework aims to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

Exposure to price, credit, liquidity and cash flow risk

Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. The Group has exposure to changes in commodity prices and mitigates this risk through the delivery of a variety of product and service lines as well as looking to actively manage its cost base.

The Group has seen some increases in its cost base over the last eighteen months as a result of increases in fuel and energy costs and to date has largely been able to mitigate these through a combination of increases in sale prices and fixed rate electricity supply agreements.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Group policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. The Group of which the Company is a part of limits individual trade debtor counterparty exposure to £350,000 (2022: £350,000) and at the reporting date no single trade debtor exceeded 7% (2022: 11%) of the group trade debtor amount.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets throughout the Group. The Group also manages liquidity risk via an overdraft facility and funding from the wider group which the Company is part of.

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments on a variable rate debt. The Group periodically reviews its exposure to changes to variable interest rates and the Group looks to manage this exposure to changes in interest rates through the use of interest rate caps. The Group's exposure to variable interest rates is limited.

RAYMOND BROWN MINERALS & RECYCLING LTD

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Information technology risk

The loss of the Group's IT network or data held within it could result in significant reputational and financial damage. The Group has a dedicated IT function, with skill and experience in maintaining and monitoring IT infrastructure. Business data is regularly backed up and stored in a secure location. Email and internet filtering technology and firewall software is in place to restrict the impact of cyber attacks.

The Directors implement risk mitigation strategies when possible to manage these risks.

Outlook

The Group's prospects will be dependent on the UK economy and commodity prices. The Group believes that by continuing with its core strategies, and given its spread of contracts and customers, it is well positioned to take advantage of opportunities.

This report was approved by the board on 1/12/2023 and signed on its behalf.

Wayne Roberts

W Roberts
Director

RAYMOND BROWN MINERALS & RECYCLING LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Directors present their report and the financial statements for the year ended 31 March 2023.

Principal activity

The Company is principally engaged in the supply of support services to the Raymond Brown Group.

Results and dividends

The profit for the year, after taxation, amounted to £727,177 (2022: £320,840).

The Directors did not recommend the payment of a dividend in the year (2022: £Nil).

Directors

The Directors who served during the year and after year end were:

S Clasby
W Roberts

Directors' responsibilities statement

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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Future developments

The Directors aim to maintain the management policies which have resulted in the Group's growth in recent years. They consider that the next year will show a further growth in sales from continuing operations across all of its product and service lines.

RAYMOND BROWN MINERALS & RECYCLING LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Going concern

The Group (of which the company is a subsidiary, headed by Binder Holdco Limited) business activities, together with the factors likely to affect its future development, performance and position are outlined in the Group Strategic Report, along with the Group's objectives, policies and processes for managing its capital, its financial management objectives and its exposure to risks. The financial position of the Group, its cashflows, liquidity position and borrowing facilities are outlined in the financial statements.

A review of both short and long term stress tested financial forecasts covering the anticipated activity levels and liquidity has been undertaken to provide comfort that there is sufficient liquidity to support the Group over the next twelve months from approval of this report. More information on going concern is set out in note 2.3 to the financial statements.

The Group's senior debt facilities with Lloyds PLC are due to expire on 10 August 2024 and the Group is expecting to use surplus cash to repay these facilities in full at that date.

The Directors have not identified any material uncertainties around the going concern assumptions and have reasonable expectation that the Group has adequate resources to continue its operational existence for a period of at least twelve months from signing these financial statements. Thus they continue to adopt the going concern basis for accounting in preparing the annual financial statements.

Qualifying third party indemnity provisions

The Company purchased and maintained appropriate insurance cover in respect of Directors' and Officers' liabilities.

Disclosure of information to auditor

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 1/12/2023 and signed on its behalf.

Wayne Roberts

W Roberts
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAYMOND BROWN MINERALS & RECYCLING LTD

Opinion

We have audited the financial statements of Raymond Brown Minerals & Recycling Ltd (the 'Company') for the year ended 31 March 2023, which comprise the Statement of income and retained earnings, the Statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2023 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as cost of living crisis and rising interest rates, we assessed and challenged the reasonableness of estimates made by the Directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAYMOND BROWN MINERALS &
RECYCLING LTD (CONTINUED)**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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 the 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAYMOND BROWN MINERALS &
RECYCLING LTD (CONTINUED)**

Matter on which we are required to report under the Companies Act 2006

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 or the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAYMOND BROWN MINERALS & RECYCLING LTD (CONTINUED)

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The Company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, to understand these:

- We enquired of management, and those charged with governance, concerning the companies policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud. We corroborated the results of our enquires to relevant supporting documentation.
- We identified whether there is a culture of honesty and ethical behaviour and whether there is a strong emphasis of prevention and deterrence of fraud.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102 and the Companies Act 2006).
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAYMOND BROWN MINERALS & RECYCLING LTD (CONTINUED)

The engagement team's assessment of the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur

- We assessed the susceptibility of the companies financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - journal entries, with a focus on material manual journals, including those with unusual account combinations
 - potential management bias in determining significant estimates and judgements, particularly in relation to assessing the impairment of certain assets, calculating the fair value of certain financial assets
- Our audit procedures involved:
 - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
 - identifying unusual or high risk journals to investigate and verify; and
 - challenging assumptions and judgements made by management in its significant accounting estimates and judgements.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

The engagement partner's assessment of whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations

- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the entity operates; and
 - understanding of the legal and regulatory requirements specific to the entity.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAYMOND BROWN MINERALS & RECYCLING LTD (CONTINUED)

Matters about non-compliance with laws and regulations and fraud that were communicated with the engagement team

- We did not identify any matters relating to non-compliance with laws and regulation and fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our 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.

Grant Thornton UK LLP

Andrew Wood
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Reading
Date: 1/12/2023

RAYMOND BROWN MINERALS & RECYCLING LTD

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Turnover	4	1,979,043	2,068,225
Cost of sales		(39,204)	(41,493)
Gross profit		1,939,839	2,026,732
Administrative expenses		(1,950,309)	(2,081,191)
Exceptional administrative expenses	12	3,257	2,750
Operating loss	5	(7,213)	(51,709)
Interest receivable and similar income	9	1,462,211	766,066
Interest payable and expenses	10	(742,301)	(408,473)
Profit before tax		712,697	305,884
Tax on profit	11	14,480	14,956
Profit after tax		727,177	320,840
Retained earnings at the beginning of the year		9,021,171	8,700,331
		9,021,171	8,700,331
Profit for the year		727,177	320,840
Retained earnings at the end of the year		9,748,348	9,021,171

There were no recognised gains and losses for 2023 or 2022 other than those included in the Statement of income and retained earnings.

The notes on pages 14 to 28 form part of these financial statements.

RAYMOND BROWN MINERALS & RECYCLING LTD
REGISTERED NUMBER:03601649

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	34,037	52,859
Investments	14	2,000	2,000
		<u>36,037</u>	<u>54,859</u>
Current assets			
Debtors: amounts falling due within one year	15	2,920,759	178,462
Cash at bank and in hand	16	202,285	1,139,135
		<u>3,123,044</u>	<u>1,317,597</u>
Creditors: amounts falling due within one year	17	(474,024)	(379,246)
Net current assets		<u>2,649,020</u>	<u>938,351</u>
Debtors: amounts falling due more than one year	15	17,353,509	17,605,796
Total assets less current liabilities		<u>20,038,566</u>	<u>18,599,006</u>
Creditors: amounts falling due after more than one year	18	(10,290,216)	(9,577,833)
Net assets		<u><u>9,748,350</u></u>	<u><u>9,021,173</u></u>
Capital and reserves			
Called up share capital	20	2	2
Profit and loss account	21	9,748,348	9,021,171
		<u><u>9,748,350</u></u>	<u><u>9,021,173</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1/12/2023

Wayne Roberts

W Roberts
Director

The notes on pages 14 to 28 form part of these financial statements.

RAYMOND BROWN MINERALS & RECYCLING LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. General information

The Company is a private Company incorporated in the UK (registered number: 03601649) and its registered address is 2nd Floor, Fryern House, Winchester Road, Chandler's Ford, Eastleigh, England, SO53 2DR.

The Company is principally engaged in the provision of support services to companies in the Raymond Binder Holdco Group.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Binder Holdco Limited as at 31 March 2023 and these financial statements may be obtained from Companies House.

RAYMOND BROWN MINERALS & RECYCLING LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.3 Going concern**

In assessing the Company's and overall Group's going concern position, the Directors have considered the forecast trading and the financial position of the Company and Group. Projected profit and loss, balance sheet and cash flow forecasts for the Company and Group for the period to 31 March 2025 have been prepared. These cash flow projections show that the Group is able to meet its covenant requirements and has sufficient funding to be able to meet its liabilities as they fall due.

The Company' Directors also meet regularly to manage its day to day working capital requirements through its own cash balances and banking facilities. The Group's senior facilities with Lloyds PLC are due to expire on 10 August 2024 and the Group is expecting to use surplus cash to repay these facilities in full at that date.

The financial forecasts for the year ending 31 March 2025 continue to include different scenarios of increasing severity of impact in order to confirm that, under each one, the Company and Group can continue to operate as a going concern. A base case financial forecast has been prepared with the main assumptions around sales volumes and metal revenues being based on current expectations of the markets in which the Group trades. The base case financial forecasts and cash flow projections showed adequate headroom over the banking facility covenants and sufficient liquidity during the forecast period. These financial forecasts have been stressed tested for 5% and 10% decreases in metal prices and aggregate sales volumes, and prior to any mitigation actions around a slowdown in activity levels, these forecasts show adequate liquidity and the Group staying within its current facilities' covenants. The Group has seen increases in its cost base over the last eighteen months from increases in fuel and energy costs. To date these increases have been mitigated through a combination of increases in sale prices and fixed rate electricity supply agreements, and the Group expects to continue with limiting impacts of cost increases through these approaches adopted to date.

A worst-case scenario has been prepared to identify potential covenant breaches which would require a reduction in revenues and volumes in excess of 40% which is considered unlikely given the existence of cash on hand and long term contracts, and current metal prices which are in part hedged through until September 2024. In addition, further mitigating actions could be taken including refinancing or sale of assets, reductions in costs and capital expenditure.

The Directors have not identified any material uncertainties around the going concern assumptions and have reasonable expectation that the Company and Group has adequate resources to continue its operational existence for a period of at least twelve months from signing these financial statements. Thus they continue to adopt the going concern basis for accounting in preparing the annual financial statements.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of services

Revenue arising from the sale of back office support services is recognised at the point in time when control of the asset is transferred to the customer i.e. at the point when the services are delivered to the customer.

RAYMOND BROWN MINERALS & RECYCLING LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Operating sites	- Over the life of the lease applicable to each site
Plant and machinery	- 20% reducing balance & 4-5 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in the Statement of income and retained earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in the Statement of income and retained earnings for the period.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

RAYMOND BROWN MINERALS & RECYCLING LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.9 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

RAYMOND BROWN MINERALS & RECYCLING LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.14 Pensions****Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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**NOTES TO THE FINANCIAL STATEMENTS
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3. Judgements in applying accounting policies and key sources of estimation uncertainty
Critical judgements in applying the entity's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 2 above, management has made the following judgements that have the most significant impact on the amounts recognised in the financial statements.

Impairment of non financial assets

Where there are indicators of impairment of individual assets, the Company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet permitted to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Key sources of estimation uncertainty
Taxation

Management estimation and judgement are required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 11 and 19.

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Other revenue	1,163	-
Support services recharges to other group undertakings	1,977,880	2,068,225
	<u>1,979,043</u>	<u>2,068,225</u>

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets	34,722	70,665
Operating leases	92,949	94,769
Loss on disposal of fixed assets	-	5,800
	<u>-</u>	<u>5,800</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

6. Auditor's remuneration

	2023 £	2022 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	13,390	14,000
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	3,520	3,200
Accounts preparation services	2,266	2,100
	5,786	5,300

7. Employees

Staff costs were as follows:

	2023 £	2022 £
Wages and salaries	774,871	917,988
Social security costs	92,881	110,724
Cost of defined contribution scheme	32,096	32,653
	899,848	1,061,365

The average monthly number of employees, including the Directors, during the year was as follows:

	2023 No.	2022 No.
Support	18	22
Management	2	4
	20	26

8. Directors' remuneration

None of the Directors received any emoluments in respect of their qualifying services to the Company directly through the Company during the year under review and the previous period. The Directors are remunerated through other Group companies and their emoluments are disclosed in the financial statements in which the transactions occur.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9. Interest receivable

	2023	2022
	£	£
Interest receivable from group companies	1,462,211	766,066

10. Interest payable and similar expenses

	2023	2022
	£	£
Bank interest and similar charges	296	-
Loans from group undertakings	742,005	406,451
Finance leases and hire purchase contracts	-	2,022
	742,301	408,473

11. Taxation

	2023	2022
	£	£
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(6,329)	(15,901)
Adjustments in respect of prior periods	(8,151)	945
Total deferred tax	(14,480)	(14,956)
Taxation on profit on ordinary activities	(14,480)	(14,956)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2022: *lower than*) the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	712,697	305,884
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	135,412	58,118
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,567	4,071
Fixed asset permanent differences	(1,216)	(3,620)
Adjustments to tax charge in respect of prior periods - deferred tax	(8,151)	945
Group relief claimed	(141,573)	(70,654)
Differences in tax rates	(1,519)	(3,816)
Total tax credit for the year	(14,480)	(14,956)

Factors that may affect future tax charges

On 3 March 2021 the Chancellor announced that corporation tax rates would increase from 19% to 20% to 25%, dependent on a Company's taxable profits. This increase came into effect on 1st April 2023. Deferred tax assets/liabilities have been revalued to 25%, the rate the Company anticipates to pay corporation tax based on current projected profits.

12. Exceptional items

	2023 £	2022 £
Restructuring and legal costs	(3,257)	(2,750)

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Operating sites £	Plant and machinery £	Total £
Cost or valuation			
At 1 April 2022	157,042	347,330	504,372
Additions	-	15,900	15,900
At 31 March 2023	<u>157,042</u>	<u>363,230</u>	<u>520,272</u>
Depreciation			
At 1 April 2022	134,607	316,906	451,513
Charge for the year on owned assets	22,435	12,287	34,722
At 31 March 2023	<u>157,042</u>	<u>329,193</u>	<u>486,235</u>
Net book value			
At 31 March 2023	<u>-</u>	<u>34,037</u>	<u>34,037</u>
At 31 March 2022	<u>22,435</u>	<u>30,424</u>	<u>52,859</u>

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2022	2,000
At 31 March 2023	<u>2,000</u>
Net book value	
At 31 March 2023	<u>2,000</u>
At 31 March 2022	<u>2,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Raymond Brown A303 Properties Ltd	2nd Floor, Fryern House Winchester Road, Chandler's Ford, Eastleigh, England, SO53 2DR	Rental of land and property	Ordinary	100%
Raymond Brown Rookery Properties Limited	2nd Floor, Fryern House Winchester Road, Chandler's Ford, Eastleigh, England, SO53 2DR	Ownership of land and property	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2023 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Raymond Brown A303 Properties Limited	652,851	148,542
Raymond Brown Rookery Properties Limited	(170,508)	(66,189)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Debtors

	2023 £	2022 £
Due after more than one year		
Amounts owed by group undertakings	17,353,509	17,605,796
	2023 £	2022 £
Due within one year		
Amounts owed by group undertakings	2,490,558	-
Corporation tax	9,035	9,035
Other tax	285,593	50,956
Prepayments and accrued income	41,785	27,755
Deferred taxation	93,788	79,308
Other debtors	-	11,408
	2,920,759	178,462

16. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	202,285	1,139,135

17. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	67,761	28,536
Amounts owed to group undertakings	26,702	-
Other taxation and social security	21,165	25,945
Other creditors	5,952	7,080
Accruals and deferred income	352,444	317,685
	474,024	379,246

Amounts owed to group undertakings are unsecured and charged interest at 4% plus SONIA at the reporting date. They have no fixed date of repayment and are repayable on demand.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

18. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Amounts owed to group undertakings	10,290,216	9,577,833

Confirmation has been obtained that the balances owed to group undertakings will not be called for repayment within 12 months of the approval of these financial statements. The amounts owed to group entities reflect the long term funding in place across the Group.

Amounts owed to group undertakings are unsecured and charged interest at 4% plus SONIA at the reporting date. They have no fixed date of repayment.

19. Deferred taxation

	2023 £	2022 £
At beginning of year	79,308	64,352
Charged to profit or loss	6,329	15,901
Adjustment in respect of prior period	8,151	(945)
At end of year	93,788	79,308

The deferred tax asset is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	93,285	79,600
Other short term timing differences	503	(292)
	93,788	79,308

20. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
2 (2022: 2) Ordinary shares of £1 each	2	2

All the ordinary shares carry equal participation in assets, right to dividends and voting power.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

21. Reserves**Profit and loss account**

Includes all current and prior period retained profit and losses.

22. Contingent liabilities

The Group has cross guarantees with Lloyds Bank Plc and Opera Finance International S.A.. At 31 March 2023 the gross amounts owing in relation to these guarantees were:

- Lloyds Bank plc: £7,391,000 (2022: £7,391,000), and;
- Opera Finance International S.A: £2,044,769 (2022: £1,767,559).

23. Pension commitments

The Company operates a defined contribution pension scheme for the benefit of the employees and Directors.

Pension payments recognised as an expense during the year amount to £32,096 (2022: £32,653). Contributions outstanding at the year end were £5,791 (2022: £5,802) and are recognised in other creditors.

24. Commitments under operating leases

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Land and buildings		
Not later than 1 year	28,000	28,000
Later than 1 year and not later than 5 years	11,200	39,200
	<u>39,200</u>	<u>67,200</u>
	2023 £	2022 £
Other		
Not later than 1 year	64,619	44,617
Later than 1 year and not later than 5 years	56,053	84,116
	<u>120,672</u>	<u>128,733</u>

RAYMOND BROWN MINERALS & RECYCLING LTD

**NOTES TO THE FINANCIAL STATEMENTS
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25. Related party transactions

The Company is exempt from disclosing any transactions or balances with other members of the Group headed by Binder Holdco Limited, whose consolidated financial statements are publicly available at Companies House.

26. Controlling party

The ultimate parent of the Company is Binder Holdco Limited incorporated in the United Kingdom and is the Company's controlling related party by virtue of holding 100% of the share capital.

The smallest and largest group of undertakings for which group accounts have been drawn up is that headed by Binder Holdco Limited which is registered in England and Wales. The registered office address of the Company is the same as Binder Holdco Limited.