

Company Registration No. 06406273 (England and Wales)

ENABLELINK LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2022

ENABLELINK LIMITED

COMPANY INFORMATION

Directors	R C Millard J Long
Secretary	R C Millard
Company number	06406273
Registered office	The Pitch Budden Road Coseley West Midlands WV14 8JN
Auditor	Bache Brown & Co Limited Swinford House Albion Street Brierley Hill West Midlands DY5 3EE
Business address	The Pitch Budden Road Coseley West Midlands WV14 8JN
Bankers	National Westminster Bank 267 Castle Street, Dudley, West Midlands, DY1 1YY

ENABLELINK LIMITED

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ENABLELINK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Review of the business

The principal activity of the company continued to be that of recycling of waste metal and scrap.

In September 2022, the company started renting an additional site to expand its trading operations. No other fundamental changes have occurred in the business during the period.

Principal risks and uncertainties

The company has continued to perform well in the volatile scrap market. Turnover has increased by £23.5m (26.5%) compared to the previous year.

Development and performance

The company has managed to increase its turnover for the period. During this period the company has incurred expenditure of £2.12m on development of new premises which will become operational from September 2023.

Key performance indicators

Whilst the company's turnover has increased by £23.5m, there has been a slight reduction in the gross profit margin of just under 1% to 10.9%, together with the increase in overheads, results in a net profit before tax of £3.9m (2021 - £5.6m).

The shareholders funds at the balance sheet date amounted to £14m an increase of 15.8% from 2021, continuing the company's policy for retaining profits to fund future growth.

Section 172 Statement

Long term results

The directors have reviewed the company's strategy during the year and concluded that it remains appropriate to support the long term success of the company.

Interest of company's employees

Our employees are critical to the success of the Company and the directors are aware of their responsibility for ensuring that their decisions consider the interest of employees.

Our business relationships

The directors acknowledge the importance of developing the Company's business relationships with suppliers, customers and others.

The community and the environment

The directors are aware of the impact the Company's operations on the community and the environment. As a result of which the directors are constantly seeking professional advice and assistance in this area

On behalf of the board

R C Millard

Director

8 September 2023

ENABLELINK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal activities

The principal activity of the company continued to be that of recycling of waste metal and scrap.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £1,623,000. 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:

R C Millard

J Long

Future developments

The directors consider that the company is well placed to continue on a profitable basis.

Auditor

In accordance with the company's articles, a resolution proposing that Bache Brown & Co Limited be reappointed as auditor of the company will be put at a General Meeting.

Energy and carbon report

As the company has consumed more than 40,000 kWh of energy in this reporting period, it is required to report on its emissions, energy consumption or energy efficiency activities.

	2022 kWh
<i>Energy consumption</i>	
Aggregate of energy consumption in the year	
- Gas combustion	15,747
- Electricity purchased	815,995
- Fuel consumed for transport	13,620,994
	<hr/>
	14,452,736
	<hr/> <hr/>

ENABLELINK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 metric tonnes
<i>Emissions of CO2 equivalent</i>	
Scope 1 - direct emissions	
- Gas combustion	2.87
- Fuel consumed for owned transport	3,401.24
	<hr/>
	3,404.11
Scope 2 - indirect emissions	
- Electricity purchased	157.80
Scope 3 - other indirect emissions	
- Fuel consumed for transport not owned by the	-
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Total gross emissions	3,561.91
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<i>Intensity ratio</i>	
Tonnes CO2e per £k of turnover	0.032
	<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 £1,000 of turnover, the recommended ratio for the sector.

Measures taken to improve energy efficiency

It has been a difficult year for the sector with the recovery from the impact of the coronavirus pandemic, in addition to the exit of the European Union, impacting on supply chains. A large focus on efficiency and reductions will be made when trading patterns return to normal.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

ENABLELINK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 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.

On behalf of the board

R C Millard
Director

8 September 2023

ENABLELINK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENABLELINK LIMITED

Opinion

We have audited the financial statements of Enablelink Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows 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 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 December 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.

Conclusions relating to going concern

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 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.

ENABLELINK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ENABLELINK 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 or the directors' report.

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 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.

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

Approach to assessing the risks of misstatement due to irregularities, including fraud

We assess the risk of material misstatement in respect of fraud by meeting with management to understand where it considered there was susceptibility to fraud.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant reporting frameworks which are likely to affect the company include FRS102, the Companies Act 2006 and the relevant tax laws. In addition we determined that there were no significant laws and regulations which have a direct effect on the amounts and disclosures in the financial statements.

Audit response to risks identified

We considered the risk of fraud through management override on controls. We also considered how management bias may impact upon performance targets.

In response we performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of any significant transactions outside the normal course of business, reviewing accounting estimates for management bias

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries with management around actual and potential claims. Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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.

ENABLELINK LIMITED

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

Stephen Dunn
Senior Statutory Auditor
For and on behalf of Bache Brown & Co Limited

8 September 2023

Chartered Certified Accountants
Statutory Auditors

Swinford House
Albion Street
Brierley Hill
West Midlands
DY5 3EE

ENABLELINK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

		Year ended 31 December 2022 £	Year ended 31 December 2021 £
	Notes		
Turnover	3	112,393,574	88,866,755
Cost of sales		(100,101,731)	(78,386,731)
Gross profit		12,291,843	10,480,024
Administrative expenses		(7,969,405)	(4,629,969)
Other operating income		25	-
Operating profit	4	4,322,463	5,850,055
Interest receivable and similar income	8	1,390	-
Interest payable and similar expenses	9	(460,992)	(278,882)
Profit before taxation		3,862,861	5,571,173
Tax on profit	10	(327,517)	(1,124,935)
Profit for the financial year		3,535,344	4,446,238

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

ENABLELINK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		19,050,768		13,313,714
Current assets					
Stocks	13	1,877,800		2,650,000	
Debtors	14	13,924,758		13,906,517	
Cash at bank and in hand		20,927		22,410	
		<u>15,823,485</u>		<u>16,578,927</u>	
Creditors: amounts falling due within one year	15	<u>(15,447,012)</u>		<u>(15,713,603)</u>	
Net current assets			376,473		865,324
Total assets less current liabilities			<u>19,427,241</u>		<u>14,179,038</u>
Creditors: amounts falling due after more than one year	16		(3,190,221)		(139,407)
Provisions for liabilities					
Deferred tax liability	19	2,162,920		1,877,875	
		<u>(2,162,920)</u>		<u>(1,877,875)</u>	
Net assets			<u>14,074,100</u>		<u>12,161,756</u>
Capital and reserves					
Called up share capital	21		2		2
Profit and loss reserves			<u>14,074,098</u>		<u>12,161,754</u>
Total equity			<u>14,074,100</u>		<u>12,161,756</u>

The financial statements were approved by the board of directors and authorised for issue on 8 September 2023 and are signed on its behalf by:

R C Millard
Director

Company Registration No. 06406273

ENABLELINK LIMITED

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

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 January 2021		2	8,495,516	8,495,518
Period ended 31 December 2021:				
Profit and total comprehensive income for the period		-	4,446,238	4,446,238
Dividends	11	-	(780,000)	(780,000)
Balance at 31 December 2021		2	12,161,754	12,161,756
Period ended 31 December 2022:				
Profit and total comprehensive income for the period		-	3,535,344	3,535,344
Dividends	11	-	(1,623,000)	(1,623,000)
Balance at 31 December 2022		2	14,074,098	14,074,100

ENABLELINK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	25	5,728,399	8,663,985
Interest paid		(460,992)	(278,882)
Income taxes paid		(101,941)	(179,193)
Net cash inflow from operating activities		<u>5,165,466</u>	<u>8,205,910</u>
Investing activities			
Purchase of tangible fixed assets		(6,430,449)	(6,490,435)
Proceeds from disposal of tangible fixed assets		2,071,550	1,491,502
Loans to directors		1,434,900	(843,989)
Interest received		1,390	-
Net cash used in investing activities		<u>(2,922,609)</u>	<u>(5,842,922)</u>
Financing activities			
Repayment of borrowings		592,002	(57,656)
Repayment of bank loans		(66,667)	(266,667)
Payment of finance leases obligations		(1,251,357)	(963,675)
Dividends paid		(1,623,000)	(780,000)
Net cash used in financing activities		<u>(2,349,022)</u>	<u>(2,067,998)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(106,165)</u>	<u>294,990</u>
Cash and cash equivalents at beginning of year		22,410	(272,580)
Cash and cash equivalents at end of year		<u><u>(83,755)</u></u>	<u><u>22,410</u></u>
Relating to:			
Cash at bank and in hand		20,927	22,410
Bank overdrafts included in creditors payable within one year		<u><u>(104,682)</u></u>	<u><u>-</u></u>

ENABLELINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Enablelink Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Pitch, Budden Road, Coseley, West Midlands, WV14 8JN.

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 under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

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

Depreciation 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:

Land and buildings Leasehold improvements	20.0% straight line basis.
Plant and machinery	12.5% reducing balance basis
Fixtures, fittings & equipment	10.0% reducing balance / 25.0% straight line basis.
Motor vehicles	25.0% reducing balance 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.

1.5 Impairment of fixed assets

At each reporting period 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

ENABLELINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

ENABLELINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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, other than those held at fair value through profit and loss, 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal 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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 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.

1.10 Taxation

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

ENABLELINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

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

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.14 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.

ENABLELINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 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.

3 Turnover and other revenue

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

	2022 £	2021 £
Turnover analysed by class of business		
Scrap metal	112,393,574	88,866,755
	<u>112,393,574</u>	<u>88,866,755</u>
	2022 £	2021 £
Turnover analysed by geographical market		
UK	98,346,925	69,146,545
Overseas	14,046,649	19,720,210
	<u>112,393,574</u>	<u>88,866,755</u>
	2022 £	2021 £
Other revenue		
Interest income	1,390	-
	<u>1,390</u>	<u>-</u>

4 Operating profit

	2022 £	2021 £
Operating profit for the period is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(4,567)	-
Research and development costs	1,212,576	1,423,325
Depreciation of owned tangible fixed assets	1,844,287	1,220,051
Depreciation of tangible fixed assets held under finance leases	163,039	107,359
Profit on disposal of tangible fixed assets	(267,522)	(40,788)
	<u>2,948,113</u>	<u>2,710,047</u>

ENABLELINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	12,000	10,000
For other services		
All other non-audit services	36,950	29,150

6 Employees

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

	2022 Number	2021 Number
Directors	2	2
Admin	11	6
Production	41	32
Total	54	40

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	3,286,420	1,873,244
Social security costs	410,043	210,622
Pension costs	51,608	36,280
	3,748,071	2,120,146

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	970,288	328,935

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

	2022 £	2021 £
Remuneration for qualifying services	297,101	228,420

ENABLELINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8	Interest receivable and similar income	2022	2021
		£	£
	Interest income		
	Other interest income	1,390	-
		<u> </u>	<u> </u>
9	Interest payable and similar expenses	2022	2021
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	17,155	68,341
	Interest on invoice finance arrangements	239,145	132,753
		<u> </u>	<u> </u>
		256,300	201,094
	Other finance costs:		
	Interest on finance leases and hire purchase contracts	204,649	76,525
	Other interest	43	1,263
		<u> </u>	<u> </u>
		460,992	278,882
		<u> </u>	<u> </u>
10	Taxation	2022	2021
		£	£
	Current tax		
	UK corporation tax on profits for the current period	-	(195,434)
	Adjustments in respect of prior periods	42,472	-
		<u> </u>	<u> </u>
	Total current tax	42,472	(195,434)
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	217,896	868,123
	Changes in tax rates	68,809	450,690
	Adjustment in respect of prior periods	(1,660)	1,556
		<u> </u>	<u> </u>
	Total deferred tax	285,045	1,320,369
		<u> </u>	<u> </u>
	Total tax charge	327,517	1,124,935
		<u> </u>	<u> </u>

ENABLELINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Taxation

(Continued)

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

	2022 £	2021 £
Profit before taxation	3,862,861	5,571,173
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	733,944	1,058,523
Tax effect of expenses that are not deductible in determining taxable profit	1,214	4,679
Adjustments in respect of prior years	42,472	-
Depreciation on assets not qualifying for tax allowances	113,117	34,278
Research and development tax credit	(299,506)	(211,558)
Deferred tax adjustments in respect of prior years	(1,660)	1,556
Enhanced Capital Allowances	(330,873)	(213,233)
Deferred tax calculated at 25%	68,809	450,690
Taxation charge for the period	327,517	1,124,935

11 Dividends

	2022 £	2021 £
Interim paid	1,623,000	780,000

ENABLELINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Tangible fixed assets

	Land and buildings Leasehold improvements £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2022	2,037,396	12,852,567	396,197	2,069,236	17,355,396
Additions	2,118,738	6,654,514	214,171	560,985	9,548,408
Disposals	-	(2,239,483)	-	(271,750)	(2,511,233)
At 31 December 2022	4,156,134	17,267,598	610,368	2,358,471	24,392,571
Depreciation and impairment					
At 1 January 2022	472,892	2,428,432	296,092	844,266	4,041,682
Depreciation charged in the year	603,166	1,081,448	27,140	295,572	2,007,326
Eliminated in respect of disposals	-	(578,338)	-	(128,867)	(707,205)
At 31 December 2022	1,076,058	2,931,542	323,232	1,010,971	5,341,803
Carrying amount					
At 31 December 2022	3,080,076	14,336,056	287,136	1,347,500	19,050,768
At 31 December 2021	1,564,504	10,424,135	100,105	1,224,970	13,313,714

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £	2021 £
Plant and machinery	5,623,858	3,929,248

13 Stocks

	2022 £	2021 £
Finished goods and goods for resale	1,877,800	2,650,000

14 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	11,777,736	10,022,315
Corporation tax recoverable	154,353	195,434
Other debtors	1,462,822	3,184,157
Prepayments and accrued income	529,847	504,611
	13,924,758	13,906,517

ENABLELINK LIMITED

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

15 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	17	104,682	66,667
Obligations under finance leases	18	899,602	2,083,814
Other borrowings	17	7,069,859	6,477,857
Trade creditors		6,897,759	6,601,859
Corporation tax		-	100,550
Other taxation and social security		88,518	70,653
Other creditors		294,620	263,371
Accruals and deferred income		91,972	48,832
		<u>15,447,012</u>	<u>15,713,603</u>

16 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Obligations under finance leases	18	<u>3,190,221</u>	<u>139,407</u>

17 Loans and overdrafts

	2022 £	2021 £
Bank loans	-	66,667
Bank overdrafts	104,682	-
Other loans	7,069,859	6,477,857
	<u>7,174,541</u>	<u>6,544,524</u>
Payable within one year	<u>7,174,541</u>	<u>6,544,524</u>

The other loans are secured on trade debtors.

The bank overdraft and bank loan are secured by a bank debenture over all assets of the company dated 7 December 2009.

18 Finance lease obligations

	2022 £	2021 £
Future minimum lease payments due under finance leases:		
Within one year	899,602	2,083,814
In two to five years	3,190,221	139,407
	<u>4,089,823</u>	<u>2,223,221</u>

ENABLELINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Finance lease obligations

(Continued)

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2.86 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Included in finance lease obligation is £383,440 which is secured by a debenture over the company's assets.

19 Deferred taxation

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

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Advances capital allowances	3,410,662	1,877,875
Tax losses	(1,247,742)	-
	<u>2,162,920</u>	<u>1,877,875</u>
		2022
Movements in the year:		£
Liability at 1 January 2022		1,877,875
Charge to profit or loss		216,236
Effect of change in tax rate - profit or loss		68,809
		<u>2,162,920</u>
Liability at 31 December 2022		<u>2,162,920</u>

The amount of deferred tax liability set out above is expected to reverse within twelve months is £nil and relates to accelerated capital allowances that are expected to mature within future periods.

20 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	51,608	36,280
	<u>51,608</u>	<u>36,280</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.

21 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	2	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

ENABLELINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

22 Related party transactions

Transactions with related parties

During the period the company traded on a commercial basis with the following business which the directors family have a material interest. Costs in the accounts for the period include £220,000 (2021 - £220,000) to J D Services for rent, £151,200 (2021 - £288,000) to JD Services (Plant) Limited for plant hire, £1,656,031 (2021- £1,127,643) to JML Haulage Limited for transport, and £1,728,035 (2021 - £1,8143,632) to MT Transport Limited for transport.

23 Directors' transactions

Dividends totalling £1,623,000 (2021 - £780,000) were paid in the year in respect of shares held by the company's directors.

As at 31 December 2022 the directors loan account was overdrawn by £187,406 (2021 - £1,622,306 overdrawn).

24 Ultimate controlling party

The ultimate controlling party is R C Millard who is a director and owns 100% of the issued share capital.

25 Cash generated from operations

	2022 £	2021 £
Profit for the year after tax	3,535,344	4,446,238
Adjustments for:		
Taxation charged	327,517	1,124,935
Finance costs	460,992	278,882
Investment income	(1,390)	-
Gain on disposal of tangible fixed assets	(267,522)	(40,788)
Depreciation and impairment of tangible fixed assets	2,007,326	1,327,410
Movements in working capital:		
Decrease/(increase) in stocks	772,200	(1,136,500)
(Increase)/decrease in debtors	(1,494,222)	230,096
Increase in creditors	388,154	2,433,712
Cash generated from operations	5,728,399	8,663,985

ENABLELINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

26 Analysis of changes in net debt

	1 January 2022	Cash flows	New finance leases	31 December 2022
	£	£	£	£
Cash at bank and in hand	22,410	(1,483)	-	20,927
Bank overdrafts	-	(104,682)	-	(104,682)
	<u>22,410</u>	<u>(106,165)</u>	<u>-</u>	<u>(83,755)</u>
Borrowings excluding overdrafts	(6,544,524)	(525,335)	-	(7,069,859)
Obligations under finance leases	(2,223,221)	1,251,357	(3,117,959)	(4,089,823)
	<u>(8,745,335)</u>	<u>619,857</u>	<u>(3,117,959)</u>	<u>(11,243,437)</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.