

**Company Registration No. 06406273 (England and Wales)**

**ENABLELINK LIMITED**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

# ENABLELINK LIMITED

## COMPANY INFORMATION

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

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# **ENABLELINK LIMITED**

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# ENABLELINK LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present the strategic report for the shortened accounting Year ended 31 December 2020.

#### **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. This has been particularly apparent during the current period in respect of our response to the COVID pandemic

##### *Our business relationships*

The directors acknowledge the importance of developing the Company's business relationships with suppliers, customers and others. The COVID pandemic has meant that these relationships have had to be managed closely by the directors.

##### *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

#### **Fair review of the business**

The principal activity of the company continued to be that of recycling of scrap waste and metal. No 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 fallen slightly compared to the previous year.

Included in the company's turnover for the year are exports of £6.5m and the directors have considered the risks and uncertainties associated with Brexit. Currently, the directors are unaware of any issues which would severely impact upon the company being able to continue operations.

#### **Covid-19 risks and uncertainties**

Since the year end, the Company has seen an expansion of growth and sales, together with improved profitability.

#### **Development and performance**

The company has managed to see only a slight reduction in turnover for the period and the directors are looking to develop the company by moving to new premises during the subsequent financial year.

#### **Key performance indicators**

The company's turnover has fallen by £1.4m however due to an increase in the gross profit margin and reduction in overheads the net profit before tax is £2.7m (2019 £1.07m)

The shareholders funds at the balance sheet date amounted to £8.5m an increase of 37% from 2019, continuing the company's policy for retaining profits to fund future growth.

On behalf of the board

R C Millard

**Director**

24 September 2021

# ENABLELINK LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their annual report and financial statements for the Year ended 31 December 2020.

### 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 7.

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

### Directors

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

R C Millard

J Long

S Skitt

(Resigned 25 February 2020)

### 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 not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

### 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 2020***

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#### **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**

24 September 2021

# ENABLELINK LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENABLELINK LIMITED

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### Opinion

We have audited the financial statements of Enablelink Limited (the 'company') for the Year ended 31 December 2020 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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**

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##### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

##### **Responsibilities of directors**

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

##### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

We assessed 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 of 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.



## **ENABLELINK LIMITED**

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

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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 enquires 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.

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

24 September 2021

**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 2020

		Year ended 31 December 2020 £	Year ended 31 December 2019 £
	Notes		
<b>Turnover</b>	<b>3</b>	48,525,004	50,001,361
Cost of sales		(41,541,196)	(43,971,258)
<b>Gross profit</b>		6,983,808	6,030,103
Administrative expenses		(4,280,324)	(4,735,221)
Other operating income		168,332	20,070
<b>Operating profit</b>	<b>4</b>	2,871,816	1,314,952
Interest payable and similar expenses	<b>8</b>	(203,309)	(246,616)
<b>Profit before taxation</b>		2,668,507	1,068,336
Tax on profit	<b>9</b>	(381,306)	275,199
<b>Profit for the financial Year</b>		2,287,201	1,343,535

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 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	11		7,398,124		8,135,852
<b>Current assets</b>					
Stocks	12	1,513,500		1,425,000	
Debtors	13	13,097,190		9,256,252	
Cash at bank and in hand		1,410		1,340	
		<u>14,612,100</u>		<u>10,682,592</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(12,260,246)</u>		<u>(10,907,622)</u>	
<b>Net current assets/(liabilities)</b>			2,351,854		(225,030)
<b>Total assets less current liabilities</b>			<u>9,749,978</u>		<u>7,910,822</u>
<b>Creditors: amounts falling due after more than one year</b>	15		(696,954)		(1,246,562)
<b>Provisions for liabilities</b>					
Deferred tax liability	18	557,506		455,943	
		<u>(557,506)</u>		<u>(455,943)</u>	
<b>Net assets</b>			<u>8,495,518</u>		<u>6,208,317</u>
<b>Capital and reserves</b>					
Called up share capital	20		2		2
Profit and loss reserves			8,495,516		6,208,315
<b>Total equity</b>			<u>8,495,518</u>		<u>6,208,317</u>

The financial statements were approved by the board of directors and authorised for issue on 24 September 2021 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 2020

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 January 2019</b>		2	5,088,180	5,088,182
<b>Period ended 31 December 2019:</b>				
Profit and total comprehensive income for the period		-	1,343,535	1,343,535
Dividends	10	-	(223,400)	(223,400)
<b>Balance at 31 December 2019</b>		2	6,208,315	6,208,317
<b>Period ended 31 December 2020:</b>				
Profit and total comprehensive income for the period		-	2,287,201	2,287,201
<b>Balance at 31 December 2020</b>		2	8,495,516	8,495,518

# ENABLELINK LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25	1,053,875		3,685,013	
Interest paid		(203,309)		(246,616)	
Income taxes refunded/(paid)		124,685		(399,622)	
<b>Net cash inflow from operating activities</b>		975,251		3,038,775	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(723,569)		(3,158,263)	
Proceeds on disposal of tangible fixed assets		660,725		829,667	
Receipts arising from loans made		(135,680)		-	
<b>Net cash used in investing activities</b>		(198,524)		(2,328,596)	
<b>Financing activities</b>					
Repayment of borrowings		(549,629)		(250,653)	
Proceeds of new bank loans		400,000		-	
Repayment of bank loans		(66,666)		-	
Payment of finance leases obligations		(812,865)		(344,068)	
Dividends paid		-		(223,400)	
<b>Net cash used in financing activities</b>		(1,029,160)		(818,121)	
<b>Net decrease in cash and cash equivalents</b>		(252,433)		(107,942)	
Cash and cash equivalents at beginning of Year		(20,147)		87,795	
<b>Cash and cash equivalents at end of Year</b>		(272,580)		(20,147)	
<b>Relating to:</b>					
Cash at bank and in hand		1,410		1,340	
Bank overdrafts included in creditors payable within one year		(273,990)		(21,487)	

# ENABLELINK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **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.

# ENABLELINK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### 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.

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.

# ENABLELINK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### **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.

#### **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.



# ENABLELINK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### **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.

#### **Other financial liabilities**

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

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

#### **Derecognition of financial liabilities**

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

### 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.

#### **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.

# ENABLELINK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### **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 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### **1.15 Foreign exchange**

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

## ENABLELINK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 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:

	2020 £	2019 £
<b>Turnover analysed by class of business</b>		
Scrap metal	48,525,004	50,001,361
	<u>48,525,004</u>	<u>50,001,361</u>
	2020 £	2019 £
<b>Other significant revenue</b>		
Grants received	161,292	-
	<u>161,292</u>	<u>-</u>
	2020 £	2019 £
<b>Turnover analysed by geographical market</b>		
UK	41,978,695	40,388,295
Overseas	6,546,309	9,613,066
	<u>48,525,004</u>	<u>50,001,361</u>

#### 4 Operating profit

	2020 £	2019 £
Operating profit for the period is stated after charging/(crediting):		
Research and development costs	502,614	572,547
Government grants	(161,292)	-
Depreciation of owned tangible fixed assets	894,179	861,300
Depreciation of tangible fixed assets held under finance leases	269,490	355,763
Loss on disposal of tangible fixed assets	192,248	270,593
	<u>1,697,338</u>	<u>2,060,203</u>

# ENABLELINK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 5 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	8,750	8,000
<b>For other services</b>		
All other non-audit services	33,050	19,900

### 6 Employees

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

	2020 Number	2019 Number
Directors	2	3
Admin	6	8
Production	26	32
Total	34	43

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	1,795,561	2,065,688
Social security costs	212,422	234,574
Pension costs	28,700	35,447
	2,036,683	2,335,709

### 7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	616,082	477,083

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

	2020 £	2019 £
Remuneration for qualifying services	530,170	321,629

# ENABLELINK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 8 Interest payable and similar expenses

	2020	2019
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	2,348	73
Interest on invoice finance arrangements	141,114	179,766
	<u>143,462</u>	<u>179,839</u>
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	58,962	63,438
Other interest	885	3,339
	<u>203,309</u>	<u>246,616</u>

### 9 Taxation

	2020	2019
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	279,743	-
Adjustments for prior periods research and development tax credits	-	(347,585)
	<u>279,743</u>	<u>(347,585)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	101,563	72,386
	<u>101,563</u>	<u>72,386</u>
Total tax charge/(credit)	<u>381,306</u>	<u>(275,199)</u>

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

	2020	2019
	£	£
Profit before taxation	<u>2,668,507</u>	<u>1,068,336</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	507,016	202,984
Tax effect of expenses that are not deductible in determining taxable profit	1,353	545
Tax effect of utilisation of tax losses not previously recognised	(19,103)	-
Depreciation on assets not qualifying for tax allowances	16,186	10,276
Research and development tax credit	(124,146)	(489,004)
	<u>381,306</u>	<u>(275,199)</u>
Taxation charge/(credit) for the period	<u>381,306</u>	<u>(275,199)</u>

# ENABLELINK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 10 Dividends

	2020 £	2019 £
Interim paid	-	223,400

### 11 Tangible fixed assets

	Land and buildings Leasehold improvements £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2020	472,202	8,726,278	345,015	1,795,458	11,338,953
Additions	-	802,945	124	475,845	1,278,914
Disposals	-	(586,324)	-	(737,203)	(1,323,527)
At 31 December 2020	472,202	8,942,899	345,139	1,534,100	11,294,340
<b>Depreciation and impairment</b>					
At 1 January 2020	216,319	2,079,698	253,916	653,168	3,203,101
Depreciation charged in the Year	67,488	855,057	25,164	215,960	1,163,669
Eliminated in respect of disposals	-	(220,608)	-	(249,946)	(470,554)
At 31 December 2020	283,807	2,714,147	279,080	619,182	3,896,216
<b>Carrying amount</b>					
At 31 December 2020	188,395	6,228,752	66,059	914,918	7,398,124
At 31 December 2019	255,883	6,646,580	91,099	1,142,290	8,135,852

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

	2020 £	2019 £
Plant and machinery	1,985,431	2,333,600
Motor vehicles	-	213,871
	1,985,431	2,547,471

### 12 Stocks

	2020 £	2019 £
Finished goods and goods for resale	1,513,500	1,425,000

# ENABLELINK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 13 Debtors

	2020	2019
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	11,584,335	8,338,135
Corporation tax recoverable	-	124,685
Other debtors	1,255,264	605,672
Prepayments and accrued income	257,591	187,760
	<u>13,097,190</u>	<u>9,256,252</u>

### 14 Creditors: amounts falling due within one year

	Notes	2020	2019
		£	£
Bank loans and overdrafts	16	540,657	21,487
Obligations under finance leases	17	353,330	444,575
Other borrowings	16	6,535,513	6,442,505
Trade creditors		3,942,671	3,754,040
Corporation tax		279,743	-
Other taxation and social security		212,073	52,692
Other creditors		297,559	26,458
Accruals and deferred income		98,700	165,865
		<u>12,260,246</u>	<u>10,907,622</u>

### 15 Creditors: amounts falling due after more than one year

	Notes	2020	2019
		£	£
Bank loans and overdrafts	16	66,667	-
Obligations under finance leases	17	630,287	796,562
Trade creditors		-	450,000
		<u>696,954</u>	<u>1,246,562</u>

## ENABLELINK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 16 Loans and overdrafts

	2020 £	2019 £
Bank loans	333,334	-
Bank overdrafts	273,990	21,487
Other loans	6,535,513	6,442,505
	<u>7,142,837</u>	<u>6,463,992</u>
Payable within one year	7,076,170	6,463,992
Payable after one year	<u>66,667</u>	<u>-</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.

#### 17 Finance lease obligations

	2020 £	2019 £
Future minimum lease payments due under finance leases:		
Within one year	353,330	444,575
In two to five years	630,287	796,562
	<u>983,617</u>	<u>1,241,137</u>

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.

#### 18 Deferred taxation

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

	Liabilities 2020 £	Liabilities 2019 £
<b>Balances:</b>		
Advances capital allowances	<u>557,506</u>	<u>455,943</u>



# ENABLELINK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 18 Deferred taxation (Continued)

	2020 £
<b>Movements in the Year:</b>	
Liability at 1 January 2020	455,943
Charge to profit or loss	101,563
Liability at 31 December 2020	<u>557,506</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 the same period.

### 19 Retirement benefit schemes

	2020 £	2019 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>28,700</u>	<u>35,447</u>

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

### 20 Share capital

	2020 Number	2019 Number	2020 £	2019 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

### 21 Operating lease commitments

#### Lessor

The operating leases represent a lease of a vehicle to a third party. The lease is negotiated over terms of 3.5 years

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2020 £	2019 £
Within one year	-	14,450
Between two and five years	-	21,117
	<u>-</u>	<u>35,567</u>

### 22 Related party transactions

#### Transactions with related parties

## ENABLELINK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 22 Related party transactions

(Continued)

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 £184,000 to J D Services for rent, £276,480 to JD Services (Plant) Limited for plant hire, £351,702 to JML Haulage Limited for transport, and £2,404,718 to MT Transport Limited for transport.

#### 23 Directors' transactions

Dividends totalling £0 (2019 - £223,400) were paid in the Year in respect of shares held by the company's directors.

As at 31 December 2020, there is an overdrawn director loan balance of £778,317.

#### 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

	2020 £	2019 £
Profit for the Year after tax	2,287,201	1,343,535
<b>Adjustments for:</b>		
Taxation charged/(credited)	381,306	(275,199)
Finance costs	203,309	246,616
Loss on disposal of tangible fixed assets	192,248	270,593
Depreciation and impairment of tangible fixed assets	1,163,669	1,217,064
<b>Movements in working capital:</b>		
Increase in stocks	(88,500)	(223,250)
(Increase)/decrease in debtors	(3,187,306)	130,565
Increase in creditors	101,948	975,089
<b>Cash generated from operations</b>	<b>1,053,875</b>	<b>3,685,013</b>

## ENABLELINK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 26 Analysis of changes in net debt

	1 January 2020	Cash flows	New finance leases	31 December 2020
	£	£	£	£
Cash at bank and in hand	1,340	70	-	1,410
Bank overdrafts	(21,487)	(252,503)	-	(273,990)
	(20,147)	(252,433)	-	(272,580)
Borrowings excluding overdrafts	(6,442,505)	(426,342)	-	(6,868,847)
Obligations under finance leases	(1,241,137)	812,865	(555,345)	(983,617)
	(7,703,789)	134,090	(555,345)	(8,125,044)

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.