

Company Registration No. 01229225 (England and Wales)

ELAND CABLES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

ELAND CABLES LIMITED

COMPANY INFORMATION

Directors	P Brown J S Pelland K Chapman
Secretary	J S Pelland
Company number	01229226
Registered office	120 Highgate Studios 53-79 Highgate Road London NW5 1TL
Auditor	HW Fisher LLP Acre House 11-15 William Road London NW1 3ER United Kingdom
Business address	120 Highgate Studios 53-79 Highgate Road London NW5 1TL

ELAND CABLES LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 22

ELAND CABLES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

Fair review of the business

The company is engaged in the supply of electrical cables and cable accessories.

The directors are pleased to report an operating profit of £2.5m (2019: £3.0m) on sales of £107.6m (2019: £103.4m).

The net assets of the company at 31 December 2020 amounted to £11.9m (2019: £10.9m).

Both the level of business, results and the position at the end of the financial year were in line with the directors' expectations.

During the year ended 31 December 2020 the company made charitable donations amounting to £59,242 (2019: £56,684).

Covid-19

The company has remained operational throughout the pandemic and has delivered satisfactory results given the associated challenges. At the date of approval of the financial statements, the directors have a reasonable expectation that the company will continue to do so.

Principal risks and uncertainties

The company's activities expose it to a variety of financial risks including copper price risk, credit risk and foreign currency risk. The company's overall risk management programme focuses on the unpredictability of the market and seeks to minimise potential adverse effects on the company's financial performance. The directors determine, as required, the degree to which it is appropriate to use financial instruments to mitigate risk.

The directors review and agree policies for managing each of these risks as summarised below:

Fluctuating copper prices

The directors recognise the impact of fluctuating copper prices on revenues and stock value. They believe that this is adequately monitored and mitigated by the company's systems and procedures.

Credit risk

The company's principal financial assets are cash and trade debtors. The credit risk associated with the cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore from the company's trade debtors.

In order to manage credit risk the directors set limits for customers based on a combination of payment history, third party credit references and trade credit insurance.

Foreign currency risk

The company is exposed to transaction foreign exchange risk. The risk of any currency fluctuation is mitigated by using foreign exchange banking facilities and forward foreign exchange contracts.

Key performance indicators

In the opinion of the directors the Key Performance Indicators are turnover and profit, these figures are given above.

ELAND CABLES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Other performance indicators

The company adheres to the following accreditations for quality:

- ISO 9001 Quality Management Certification
- ISO 14001 Environmental Certification
- ISO 17025 UKAS Accredited Laboratory
- ISO 45001 Occupational Health and Safety Certification

Section 172(1) statement

Section 414CZA(1) of the Companies Act 2006 requires the directors to explain how they considered the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 ('S172 (1)') when performing their duty to promote the success of the company. When making decisions, each director ensures that they act in the way that would most likely promote the company's success for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the following matters:

(a) The likely consequences of any decision in the long term

The directors understand the business and the evolving environment in which the company operates, including the challenges of operating across various international jurisdictions. A customer-centric approach is at the heart of every decision.

(b) The interests of the company's employees

The directors recognise that the success of the business depends on attracting, retaining and motivating high quality employees. The directors take into account the implications of decisions which may affect their perception as a responsible employer, on determining remuneration and benefits, and on providing a healthy and safe workplace environment, where relevant. The directors are proud to have completed the migration of its OHSAS 18001 accreditation to ISO 45001 Occupational Health & Safety Management.

(c) The need to foster the company's business relationships with suppliers, customers and others

The directors seek to promote strong mutually beneficial relationships with suppliers, customers, the regulators and authorities. Such general principles are critical in the delivery of the company's strategy. The company's relationships with all of its stakeholders are based on trust and respect.

(d) The impact of the company's operations on the community and the environment

The company is committed to understanding the interests of these stakeholder groups. The directors receive information on these topics on a periodic basis to provide relevant information for specific board decisions. This year again, the company renewed its ISO 14001 Environmental accreditation.

(e) The desirability of the company maintaining a reputation for high standards of business conduct

The directors recognise the importance of acting in ways which promote high standards of business conduct. The board periodically reviews and approves clear operating frameworks, including the company's ISO 9001 Quality Management and ISO 17025 UKAS accredited laboratory to ensure that its high standards are maintained both within the businesses and the business relationships the company has with stakeholders.

(f) The need to act fairly between members of the company

The directors aim to act fairly between the company's members when delivering the company's strategy. Long-term sustainability of the business for the members and for its stakeholders remains one of the directors' primary objectives.

On behalf of the board

J S Pelland
Director
30 June 2021

ELAND CABLES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Results and dividends

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

Ordinary dividends were paid amounting to £521,000 (2019: £1,012,000). 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:

P Brown
J S Pelland
K Chapman

Changes in presentation of the financial statements

The company has chosen in accordance with Companies Act 2005, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of the financial risk management objectives and policies of the company.

Auditor

A resolution proposing the reappointment of HW Fisher LLP as auditors will be put to the members.

Streamlined Energy and Carbon Reporting (SECR) Disclosure

Our SECR disclosure presents our carbon footprint across scopes 1 and 2, together with appropriate intensity metrics and our total energy use of electricity and gas.

Energy consumption used to calculate metrics	3,049,217 (KWH)
	tCO²e
Scope 1 - direct emissions	16
Scope 2 - indirect emissions	78
	<hr/>
Total CO²e (tonnes)	94
	<hr/> <hr/>
Intensity Ratio	
Total Full time Employees	157
Total CO ² e per FTE (tonnes)	0.60
Total CO ² e per £k revenue	0.0009

Data note for the reporting period 1 January 2020 to 31 December 2020

Reporting method

We have followed the 2019 HM Government Environmental Reporting Guidelines.

We have also used the GHG Reporting Protocol.

Emissions factor source

2020 UK Government's conversion factors for company reporting.

ELAND CABLES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Scope 1: Direct GHG emissions:

Direct GHG emissions occur from sources that are owned or controlled by the organisation, for example fuel combustion or organisation vehicles, etc.

Scope 2: Electricity indirect GHG emissions:

This is mainly defined as electricity but heat and steam can apply where it is supplied to the organisation from outside their own premises.

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

J S Pelland
Director

30 June 2021

ELAND CABLES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

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.

ELAND CABLES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ELAND CABLES LIMITED

Opinion

We have audited the financial statements of Eland Cables 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 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.

ELAND CABLES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ELAND CABLES LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

Auditor's responsibilities for the audit of the financial statements

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

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

As part of our planning process:

- We enquired of management the systems and controls the company have in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The company confirmed there was no fraud in the period.
- We obtained an understanding of the legal and regulatory frameworks applicable to the group. We determined that the following were most relevant: FRS 102, Companies Act 2006, ISO 9001, ISO 45001, ISO 14001, ISO 17025
- Using our knowledge of the company, together with the discussions held with the company at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimate.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Performing a physical verification of key assets and stock items (including testing of the stock system).
- Testing key revenue lines, in particular cut-off, for evidence of management bias.
- Obtaining third-party confirmation of material bank and loan balances.
- Documenting and verifying all significant related party balances and transactions.

ELAND CABLES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ELAND CABLES LIMITED

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.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Mandy Janes (Senior Statutory Auditor)

For and on behalf of HW Fisher LLP

Chartered Accountants

Statutory Auditor

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

30 June 2021

ELAND CABLES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	107,606,655	103,444,087
Cost of sales		(93,873,039)	(86,965,054)
Gross profit		13,733,646	16,479,033
Administrative expenses		(11,519,924)	(13,435,008)
Other operating income		358,629	-
Operating profit	4	2,572,351	3,044,025
Interest payable and similar expenses	7	(560,672)	(659,709)
Profit before taxation		2,011,679	2,384,316
Tax on profit	8	(490,582)	(522,313)
Profit for the financial year		1,521,097	1,862,003

The Statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

ELAND CABLES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Patents	10		-		710
Tangible assets	11		6,685,395		6,560,083
			<u>6,685,395</u>		<u>6,560,793</u>
Current assets					
Stocks	12	13,862,885		14,933,738	
Debtors	13	33,985,616		29,638,060	
Cash at bank and in hand		548,176		407,691	
		<u>48,396,677</u>		<u>44,979,489</u>	
Creditors: amounts falling due within one year	14	(41,926,300)		(39,214,086)	
Net current assets			<u>6,470,377</u>		<u>5,765,403</u>
Total assets less current liabilities			<u>13,155,772</u>		<u>12,326,196</u>
Creditors: amounts falling due after more than one year	15		(838,243)		(1,200,989)
Provisions for liabilities			<u>(439,872)</u>		<u>(247,647)</u>
Net assets			<u><u>11,877,657</u></u>		<u><u>10,877,560</u></u>
Capital and reserves					
Called up share capital	20	2,012,500		2,012,500	
Share premium account		125,637		125,637	
Other reserves		89,947		89,947	
Profit and loss reserves		9,649,573		8,649,476	
Total equity			<u><u>11,877,657</u></u>		<u><u>10,877,560</u></u>

The financial statements were approved by the board of directors and authorised for issue on 30 June 2021 and are signed on its behalf by:

J S Pelland
Director

Company Registration No. 01229226

ELAND CABLES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 January 2019		2,012,500	125,637	89,947	7,799,473	10,027,557
Year ended 31 December 2019:						
Profit and total comprehensive income for the year		-	-	-	1,862,003	1,862,003
Dividends	9	-	-	-	(1,012,000)	(1,012,000)
Balance at 31 December 2019		2,012,500	125,637	89,947	8,649,476	10,877,560
Year ended 31 December 2020:						
Profit and total comprehensive income for the year		-	-	-	1,521,097	1,521,097
Dividends	9	-	-	-	(521,000)	(521,000)
Balance at 31 December 2020		2,012,500	125,637	89,947	9,649,573	11,877,657

Other reserves

Other reserves comprises of a revaluation reserve and a capital redemption reserve.

ELAND CABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Eland Cables Limited is a Limited company domiciled and incorporated in England and Wales. The registered office is 120 Highgate Studios, 53-79 Highgate Road, London, NW5 1TL.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Reduced Disclosure Framework of 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.

The company has taken advantage of the following disclosure exemptions:

- The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv).
- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- The requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29A providing the equivalent disclosures required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated.
- The requirement of Section 33 Related Party Disclosures paragraph 33.7.

1.2 Going concern

Having considered the effect of Covid-19, the directors are confident that the company has adequate resources to continue in operational existence for the foreseeable future and that it will continue as a going concern for a period of at least 12 months from the date of approval of these financial statements.

1.3 Turnover

Turnover represents amounts receivable for the supply of goods net of VAT.

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 Intangible fixed assets - patents

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost less estimated residual value of the patents over its expected useful life of ten years.

ELAND CABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

1.5 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on tangible fixed assets at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	1% - 5% Straight line
Computer equipment	10% - 33.3% Straight line
Fixtures and fittings	5% - 20% Straight line
Motor vehicles	7% - 14% Straight line

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

1.6 Impairment of fixed assets

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

1.7 Stocks

Stocks 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.

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.

1.8 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 material financial instruments.

Financial instruments are recognised in the company's statement of financial position 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.

ELAND CABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

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, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price.

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.

ELAND CABLES 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.

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

The company makes payments to defined contribution pension schemes for certain employees. Contributions payable to these schemes are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

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.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

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.

ELAND CABLES 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.

There are no estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3 Turnover and other revenue

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

	2020	2019
	£	£
Turnover		
Sales of goods	107,606,655	103,444,087

The total turnover of the company for the year has been derived from its principal activity carried out from its premises in the UK and no geographical analysis is presented.

4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	20,000	20,000
Depreciation of owned tangible fixed assets	451,999	377,648
Amortisation of intangible assets	710	2,476
Operating lease charges	462,299	513,576

Auditor's remuneration is disclosed in the group accounts on a consolidated basis.

Exchange differences recognised in profit or loss during the year amounted to a loss of £64,376 (2019: (£60,811))

5 Employees

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

	2020	2019
	Number	Number
Administration and sales	157	174

ELAND CABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Employees **(Continued)**

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	7,260,092	8,795,536
Social security costs	772,753	996,580
Pension costs	176,009	195,267
	<u>8,208,854</u>	<u>9,987,383</u>

Included in the above figures is Wages and salaries totaling £66,275 (2019: £396,965) which have been capitalised as part of fixed assets.

6 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	2,035,246	2,410,181
Company pension contributions to defined contribution schemes	11,000	20,167
	<u>2,046,246</u>	<u>2,430,348</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2019 - 4).

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

	2020	2019
	£	£
Remuneration for qualifying services	1,418,257	1,688,867
Company pension contributions to defined contribution schemes	2,500	4,167
	<u>1,420,757</u>	<u>1,693,034</u>

7 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank borrowings	537,995	640,275
Interest on finance leases and hire purchase contracts	12,877	13,974
Other interest on financial liabilities	9,800	5,460
	<u>560,672</u>	<u>659,709</u>

ELAND CABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Taxation	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	298,357	389,666
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	192,225	132,647
	<u> </u>	<u> </u>
Total tax charge	490,582	522,313
	<u> </u>	<u> </u>

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:

	2020	2019
	£	£
Profit before taxation	2,011,679	2,384,316
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	382,219	453,020
Tax effect of expenses that are not deductible in determining taxable profit	53,699	104,610
Permanent capital allowances in excess of depreciation	85,880	21,089
Adjustment in respect of prior periods	(6,174)	(27,795)
Other tax adjustments	(25,042)	(28,611)
	<u> </u>	<u> </u>
Taxation charge for the year	490,582	522,313
	<u> </u>	<u> </u>

9 Dividends	2020	2019
	£	£
Interim paid	521,000	1,012,000
	<u> </u>	<u> </u>

ELAND CABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Intangible fixed assets					
					Patent £
Cost					
At 1 January 2020 and 31 December 2020					17,833
Amortisation and impairment					
At 1 January 2020					17,123
Amortisation charged for the year					710
At 31 December 2020					17,833
Carrying amount					
At 31 December 2020					-
At 31 December 2019					710
11 Tangible fixed assets					
	Land and buildings freehold	Compute equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2020	3,365,066	3,123,430	2,478,915	1,024,857	9,992,268
Additions	30,000	240,317	97,829	266,221	634,367
Disposals	-	-	-	(111,090)	(111,090)
At 31 December 2020	3,395,066	3,363,747	2,576,744	1,179,988	10,515,545
Depreciation and impairment					
At 1 January 2020	426,824	1,549,269	1,348,505	107,587	3,432,185
Depreciation charged in the year	66,384	195,852	10,136	179,627	451,999
Eliminated in respect of disposals	-	-	-	(54,034)	(54,034)
At 31 December 2020	493,208	1,745,121	1,358,641	233,180	3,830,150
Carrying amount					
At 31 December 2020	2,901,858	1,618,626	1,218,103	946,808	6,685,395
At 31 December 2019	2,938,242	1,574,161	1,130,410	917,270	6,560,083
12 Stocks					
			2020	2019	
			£	£	
Finished goods and goods for resale			13,862,885	14,933,738	

ELAND CABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Debtors		2020	2019
Amounts falling due within one year:		£	£
Trade debtors		26,819,656	22,211,853
Corporation tax recoverable		186,745	32,373
Amounts owed by group undertakings		3,992,576	3,992,576
Other debtors		2,070,059	1,846,134
Prepayments and accrued income		916,580	1,555,124
		<u>33,985,616</u>	<u>29,638,060</u>
		<u><u>33,985,616</u></u>	<u><u>29,638,060</u></u>
14 Creditors: amounts falling due within one year		2020	2019
	Notes	£	£
Loans and other bank borrowings	16	27,171,270	23,278,030
Obligations under finance leases	17	245,605	209,934
Trade creditors		11,871,327	13,919,008
Other taxation and social security		248,269	254,505
Accruals and deferred income		2,389,879	1,552,609
		<u>41,926,300</u>	<u>39,214,086</u>
		<u><u>41,926,300</u></u>	<u><u>39,214,086</u></u>
15 Creditors: amounts falling due after more than one year		2020	2019
	Notes	£	£
Bank Loans	16	529,307	687,955
Obligations under finance leases	17	308,936	513,034
		<u>838,243</u>	<u>1,200,989</u>
		<u><u>838,243</u></u>	<u><u>1,200,989</u></u>
16 Loans and other bank borrowings		2020	2019
		£	£
Bank loans		688,545	837,044
Other bank borrowings		27,012,032	23,128,941
		<u>27,700,577</u>	<u>23,965,985</u>
		<u><u>27,700,577</u></u>	<u><u>23,965,985</u></u>
Payable within one year		27,171,270	23,278,030
Payable after one year		529,307	687,955
		<u><u>27,700,577</u></u>	<u><u>23,965,985</u></u>

ELAND CABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Loans and other bank borrowings **(Continued)**

Other bank borrowings relate to Import Line Facilities and a Receivables Discounting Agreement.

These are secured by fixed charges over all present freehold and leasehold property; First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and First Floating Charge over all assets and undertakings both present and future.

A composite company unlimited multilateral guarantee is given by Eland Cables and Eland Electrical Limited.

After the year end on 12 January 2021, the bank loan of £688,545 was refinanced via a new term loan of £2,100,000.

17 Finance lease obligations	2020	2019
Future minimum lease payments due under finance leases:	£	£
Within one year	245,605	232,476
In two to five years	344,934	542,866
	<u>590,539</u>	<u>775,342</u>
Less: future finance charges	(35,998)	(52,374)
	<u><u>554,541</u></u>	<u><u>722,968</u></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 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

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	Liabilities
	2020	2019
Balances:	£	£
Accelerated capital allowances	439,872	247,647
	<u><u>439,872</u></u>	<u><u>247,647</u></u>

19 Retirement benefit schemes	2020	2019
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	176,009	195,267
	<u><u>176,009</u></u>	<u><u>195,267</u></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.

ELAND CABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20	Share capital				
		2020	2019	2020	2019
	Ordinary share capital	Number	Number	£	£
	Issued and fully paid				
	Ordinary shares of £1 each	2,012,500	2,012,500	2,012,500	2,012,500
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

21 Operating lease commitments

Lessee

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

	2020	2019
	£	£
Within one year	175,563	243,963
Between two and five years	237,217	112,770
	<u> </u>	<u> </u>
	<u>412,780</u>	<u>356,733</u>

22 Related party transactions

The company has taken advantage of the exemption conferred by Paragraph 33.1A of FRS 102 from the requirement to disclose transactions with group companies.

As at 31 December 2020 the company had loaned two of the directors £107,375 (2019: £64,650) and £888,816 (2019: £894,214) respectively.

23 Events after the reporting date

After the year end the company has purchased a new building to expand its capacity.

24 Ultimate controlling party

The immediate and ultimate parent company of Eland Cables Limited is Eland Electrical Limited, a company incorporated in England and Wales. The consolidated financial statements for the group can be obtained from Companies House.

The ultimate controlling party is P Brown.

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.