Company Registration No. SC264346 (Scotland)

SAND MONITORING SERVICES LIMITED

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2022

PAGES FOR FILING WITH REGISTRAR

SAND MONITORING SERVICES LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	4		125,304		176,785
Current assets					
Stocks		183,840		173,371	
Debtors	5	995,053		1,027,462	
Cash at bank and in hand		44		59	
		1,178,937		1,200,892	
Creditors: amounts falling due within one year	6	(954,898)		(1,059,565)	
Net current assets			224,039		141,327
Total assets less current liabilities			349,343		318,112
Creditors: amounts falling due after more than one year	7		(220,082)		(224,385)
Net assets			129,261		93,727
Capital and reserves					
Called up share capital			99		99
Profit and loss reserves			129,162		93,628
Total equity			129,261		93,727

The director of the company has elected not to include a copy of the income statement within the financial statements.

For the financial year ended 30 September 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

SAND MONITORING SERVICES LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 SEPTEMBER 2022

The financial statements were approved by the board of directors and authorised for issue on 30/05/23 and are signed on its behalf by:

Andrew Kinsler

....

A Kinsler
Director

1 Accounting policies

Company information
Sand Monitoring Services Limited is a private company limited by shares and is registered and incorporated in Scotland. The registered office is Johnstone House, 52-54 Rose Street, Aberdeen, United Kingdom, AB10 1HA.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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.

Going concern
Post year end management accounts prepared by the company indicate an improved trading position. The director is confident that this improvement will continue with the investment in research and development, in recent years, being realised as commercial production commences. The director has assessed the Balance Sheet and likely future cash flows at the date of approving these financial statements. The company depends on a bank overdraft and loan funding for day to day working capital requirements and based on future forecasts and discussions with the company's lenders the directors believe that sufficient funds are available to pay liabilities as they fall due for at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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.

Research and development expenditure
Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

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:

Leasehold improvements	20% straight line
Plant and equipment	20% straight line
Fixtures and fittings	20% straight line
Computers	33% 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 Accounting policies (Continued)

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.

Cash and cash equivalents
Cash and cash equivalents are basic financial instruments and include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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 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 trade and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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.

1 Accounting policies (Continued)

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including trade and other 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.

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

Derecognition of financial liabilities

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of 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.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

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.

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 statement of financial position 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 profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1 Accounting policies (Continued)

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.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

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.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Employees

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

	2022 Number	2021 Number
Total	13	15

3 *Director's remuneration*

	2022 £	2021 £
Remuneration paid to directors	82,882	104,593

4 Tangible fixed assets

	Leasehold improvements	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 October 2021	8,687	1,003,112	1,011,799
Additions	2,349	10,287	12,636
Disposals	-	(33)	(33)
At 30 September 2022	11,036	1,013,366	1,024,402
Depreciation and impairment			
At 1 October 2021	8,687	826,327	835,014
Depreciation charged in the year	39	64,045	64,084
At 30 September 2022	8,726	890,372	899,098
Carrying amount			
At 30 September 2022	2,310	122,994	125,304
At 30 September 2021	-	176,785	176,785

5 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	145,449	66,477
Corporation tax recoverable	54,708	84,299
Amounts owed by group undertakings	496,073	417,527
Other debtors	251,528	80,544
Prepayments and accrued income	47,295	378,615
	995,053	1,027,462

Within the amounts owed by group undertakings, a balance of £251,871 (2021 - £251,871) is unlikely to be repaid within the next 12 months.

6 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank overdrafts	198,759	219,098
Obligations under finance leases	8,525	15,643
Other borrowings	66,657	69,286
Trade creditors	243,199	164,625
Taxation and social security	68,765	47,222
Other creditors	160,196	165,663
Accruals and deferred income	208,797	378,028
	954,898	1,059,565

The bank hold a floating charge over the company's assets in relation to the bank overdrafts.

Obligations under finance leases and hire purchase contracts, amounting to £8,525 (2021 - £15,643) are secured over the assets to which they relate.

7 Creditors: amounts falling due after more than one year

	Notes	2022	2021
		£	£
Obligations under finance leases		-	8,525
Other borrowings		220,082	215,860
		220,082	224,385

Obligations under finance leases and hire purchase contracts amounting to £nil (2021 - £8,525) are secured over their related assets.

8 Operating lease commitments

Lessee

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

	2022	2021
	£	£
Within one year	22,993	57,472
Between one and five years	-	22,993
	22,993	80,465

9 Related party transactions

At the year end date a balance of £251,871 (2021 - £251,871) was due from Sand Monitoring Services (Holdings) Limited, the ultimate controlling party of the group.

At the year end date a balance of £244,202 (2021 - £165,656) was due from Sand Management Services SDN BHD, a company under common control based in Malaysia. During the year the company made sales of £374,841 to Sand Management Services SDN BHD.

At the start of the year a balance of £66,677 was due to a director of the company. During the year the director advanced funds to the company of £6,000 and the company incurred expenses on behalf of the director totalling £5,654. At the end of the year the company was due the director £67,023.

At the year end date a balance of £61,488 (2021 - £75,953) was due to a former director of the company.

10 Parent company

The company's ultimate controlling party is Sand Monitoring Services (Holdings) Limited. The registered office is Johnstone House, 52-54 Rose Street, Aberdeen, AB10 1HA.