

**SAND MONITORING SERVICES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021
PAGES FOR FILING WITH THE REGISTRAR**

SAND MONITORING SERVICES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

Contents

Balance Sheet	3
Notes to the Financial Statements	4

SAND MONITORING SERVICES LIMITED
BALANCE SHEET
AS AT 30 SEPTEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	3	176,785	162,993
		176,785	162,993
Current assets			
Stocks		173,371	118,691
Debtors	4	1,027,462	703,500
Cash at bank and in hand		59	120,409
		1,200,892	942,600
Creditors			
Amounts falling due within one year	5	(1,059,565)	(504,824)
		141,327	437,776
Net current assets			
		318,112	600,769
Creditors			
Amounts falling due after more than one year	6	(224,385)	(278,591)
		93,727	322,178
Net assets			
		93,727	322,178
Capital and reserves			
Called-up share capital	7	99	99
Profit and loss account		93,628	322,079
		93,727	322,178
Total shareholder's funds		93,727	322,178

For the financial year ending 30 September 2021 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its financial statements for the financial year in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Profit and Loss Account has not been delivered.

The financial statements of Sand Monitoring Services Limited (registered number: SC264346) were approved and authorised for issue by the Director on 25 May 2022. They were signed on its behalf by:

A Kinsler
Director

SAND MONITORING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

Sand Monitoring Services Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The address of the Company's registered office is Johnstone House, 52-54 Rose Street, Aberdeen, AB10 1HA, United Kingdom.

The financial statements have been prepared under the historical cost convention, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the company and rounded to the nearest £.

Going concern

The directors have assessed the Balance Sheet and likely future cash flows at the date of approving these financial statements. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and to meet its financial obligations as they fall due for at least 12 months from the date of signing 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. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

During the financial year, the COVID-19 global pandemic impacted the operations of the company. At the time of signing the financial statements, the government legislation to mitigate the spread of COVID-19 had been lifted and the company has adjusted its operations as appropriate. This has been factored in by the directors, who have considered the future cashflow of the company, and they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in the Profit and Loss Account in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in the Statement of Comprehensive Income.

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.

Employee benefits

Short term benefits

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

SAND MONITORING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

Defined contribution schemes

The Company operates a defined contribution scheme. The amount charged to the Profit and Loss Account in respect of pension costs and other post-retirement benefits is the contributions payable in the financial year. Differences between contributions payable in the financial year and contributions actually paid are included as either accruals or prepayments in the Balance Sheet.

Finance costs

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

Taxation

Current tax

Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax assets and liabilities are not discounted.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Leasehold improvements	5 years straight line
Plant and machinery	5 years straight line
Fixtures and fittings	5 years straight line
Office equipment	3 years straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

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.

SAND MONITORING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production of qualifying assets, that are capitalised as part of the cost of those assets. Capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Leases

The Company as lessee

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the Profit and Loss Account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Profit and Loss Account as described below.

Non-financial assets

At each balance sheet date, the company reviews 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).

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Provision is made for obsolete, slow-moving or defective items where appropriate.

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 assets and include deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

SAND MONITORING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

Basic financial assets

Basic financial assets, which include debtors and bank balances, are initially measured at transaction price including transaction costs.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, 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.

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

Government grants

Government grants are recognised based on the performance model and are measured at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received.

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

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

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.

2. Employees

	2021	2020
	Number	Number
Monthly average number of persons employed by the Company during the year, including directors	15	16

SAND MONITORING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

3. Tangible assets

	Leasehold improve- ments	Plant and machinery	Fixtures and fittings	Office equipment	Total
	£	£	£	£	£
Cost					
At 01 October 2020	8,687	713,541	31,407	178,703	932,338
Additions	0	74,230	0	5,231	79,461
At 30 September 2021	8,687	787,771	31,407	183,934	1,011,799
Accumulated depreciation					
At 01 October 2020	8,687	553,771	31,085	175,802	769,345
Charge for the financial year	0	62,624	68	2,977	65,669
At 30 September 2021	8,687	616,395	31,153	178,779	835,014
Net book value					
At 30 September 2021	0	171,376	254	5,155	176,785
At 30 September 2020	0	159,770	322	2,901	162,993

4. Debtors

	2021	2020
	£	£
Trade debtors	66,477	109,492
Amounts owed by Group undertakings	417,527	371,191
Corporation tax	84,299	58,085
Other debtors	459,159	164,732
	1,027,462	703,500

Included within amounts owed by Group undertakings is a balance of £251,871 (2020 - £251,871) which is unlikely to be repaid within the next 12 months.

SAND MONITORING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

5. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank overdrafts	219,098	0
Trade creditors	164,625	169,158
Other creditors	612,977	247,277
Other taxation and social security	47,222	67,334
Obligations under finance leases and hire purchase contracts	15,643	21,055
	1,059,565	504,824

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 are secured over their related assets.

6. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Obligations under finance leases and hire purchase contracts	8,525	24,168
Other creditors	215,860	254,423
	224,385	278,591

Obligations under finance leases and hire purchase contracts are secured over their related assets.

7. Called-up share capital

	2021	2020
	£	£
Allotted, called-up and fully-paid		
99 Ordinary shares of £ 1.00 each	99	99

8. Financial commitments

Other financial commitments

	2021	2020
	£	£
	80,465	140,469

SAND MONITORING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

9. Related party transactions

Transactions with owners holding a participating interest in the entity

	2021	2020
	£	£
Amounts owed by owners	251,871	251,871

There are no fixed terms of repayment and no interest is charged.

Transactions with the entity's directors

	2021	2020
	£	£
Amounts owed to directors	142,630	155,387

There are no fixed terms of repayment and no interest is charged.

Guarantees

The directors provided personal guarantees in relation to loans taken out by the company to the value of £27,188 (2020 - £45,233) as at 30 September 2021.

10. Ultimate controlling party

Parent Company:

Sand Monitoring Services (Holdings) Limited
 Johnstone House, 52-54 Rose Street, Aberdeen, AB10 1HA.

The company's ultimate holding company is Sand Monitoring Services (Holdings) Limited which is registered in the UK.

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.