Company Registration No. SC264346 (Scotland)

SAND MONITORING SERVICES LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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SAND MONITORING SERVICES LIMITED

CONTENTS

SAND MONITORING SERVICES LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	**3**		162,993		126,941
Current assets					
Stocks		118,691		185,857	
Debtors	**4**	703,500		739,959	
Cash at bank and in hand		120,409		108,500	
		942,600		1,034,316	
Creditors: amounts falling due within one year	**5**	(504,824)		(852,375)	
Net current assets			437,776		181,941
Total assets less current liabilities			600,769		308,882
Creditors: amounts falling due after more than one year	**6**		(278,591)		(65,873)
Net assets			322,178		243,009
Capital and reserves					
Called up share capital	**7**		99		99
Profit and loss reserves			322,079		242,910
Total equity			322,178		243,009

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 September 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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.

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.

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

The financial statements were approved by the board of directors and authorised for issue on 26 May 2021 and are signed on its behalf by:

Mr A Kinsler
Director

Company Registration No. SC264346

SAND MONITORING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

Company information

Sand Monitoring Services Limited is a private company limited by shares incorporated in Scotland. The registered office is Johnstone House, 52-54 Rose Street, Aberdeen, AB10 1HA and the business address is Energy Development Centre, Claymore Drive, Bridge of Don, Aberdeen, AB23 8GD.

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 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 a mounts 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. 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. In addition the directors have considered the ongoing Coronavirus global pandemic and although there is uncertainty over the impact on both the oil and gas industry and the future cashflow of the company the directors are satisfied that they have sufficient resources to continue for a period of at least 12 months from the date of signing the financial statements. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT. Revenue is recognised on the supply of goods and the provision of services.

1.4 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.

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.

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:

Tenants improvements	20% straight line
Plant and machinery	20% straight line
Fixtures, fittings & equipment	20% straight line
Computer equipment	33.3% straight line

1 Accounting policies **(Continued)**

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 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.

1.7 Stocks and work in progress

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 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 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.

Basic financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, 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.

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.

1 Accounting policies **(Continued)**

1.10 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.

1.11 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.

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.

1.12 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.

1.13 Retirement benefits

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

1.14 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 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)**

1.15 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.

Grants relating to capital are recognised as 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.

1.16 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 are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 16 (2019 - 14).

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 October 2019	8,687	834,960	843,647
Additions	-	99,270	99,270
Disposals	-	(10,579)	(10,579)
At 30 September 2020	8,687	923,651	932,338
Depreciation and impairment			
At 1 October 2019	8,687	708,019	716,706
Depreciation charged in the year	-	55,447	55,447
Eliminated in respect of disposals	-	(2,808)	(2,808)
At 30 September 2020	8,687	760,658	769,345
Carrying amount			
At 30 September 2020	-	162,993	162,993
At 30 September 2019	-	126,941	126,941

4 Debtors

	2020	2019
Amounts falling due within one year:	**£**	**£**
Trade debtors	109,492	340,596
Corporation tax recoverable	58,085	14,747
Amounts owed by group undertakings	371,191	272,930
Other debtors	164,732	111,686
	703,500	739,959

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

5 Creditors: amounts falling due within one year

	2020	2019
	£	**£**
Bank loans and overdrafts	-	331,557
Trade creditors	169,158	170,682
Taxation and social security	67,334	16,804
Other creditors	268,332	333,332
	504,824	852,375

Included within other creditors are hire purchase liabilities of £21,055 (2019 - £26,938) which are secured over their related assets.

6 Creditors: amounts falling due after more than one year

	2020	2019
	£	**£**
Other creditors	278,591	65,873

Included within other creditors are hire purchase liabilities of £24,168 (2019 - £44,435) which are secured over their related assets.

7 Called up share capital

	2020	2019
	£	**£**
Ordinary share capital		
Issued and fully paid		
99 Ordinary Shares of £1 each	99	99

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, as follows:

	2020	2019
	£	£
	140,469	200,473

9 Related party transactions

At the year end the balance due from the parent company was £251,871 (2019 - £249,371).

10 Directors' transactions

Included within other creditors at 30 September 2020 is a balance of £155,387 (2019 - £156,054) due to the directors. No interest is charged and there are no fixed repayment terms.

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