

Company Registration No. 03088958 (England and Wales)

AUGER SITE INVESTIGATIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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AUGER SITE INVESTIGATIONS LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | D W Brewster S E W Gilsdorf A B Mattson |
| Secretary | D W Brewster |
| Company number | 03088958 |
| Registered office | Hanover Buildings 11-13 Hanover Street Liverpool L1 3DN |
| Auditor | UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW |

AUGER SITE INVESTIGATIONS LIMITED

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AUGER SITE INVESTIGATIONS LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Fair review of the business

The principal activity of the Company is the investigation of water mains and drains for insurance companies along with the provision of site investigation services for insurance subsidence claims.

The Company continues with a risk based approach in invoicing insurance based excess amounts before completing any works on site.

Throughout the year ended 31 December 2021, the Company continued to provide services to insurance companies, in site investigations, water main repairs and drain repairs. Sales grew by 22% to £17.5 million from £14.4 million in 2020.

This growth reflects the continued investment in our machinery, equipment and vehicles and our staff resources, increasing our ability to continue to provide high quality services throughout the UK and giving cause for further optimism for 2022 and beyond. The Company is fully supported by its ultimate parent Sdiptech AB.

Management continues to monitor the performance of the business through weekly and monthly data including key performance indicators such as time taken to recover debts, review of the financial position and fluctuations in the income statement.

Management is satisfied with the financial performance and position as at 31 December 2021.

The Company's financial instruments comprise cash and liquid resources and various items such as trade debtors and trade creditors, etc that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

The Company is exposed to the usual credit related losses in the event of non-payment by customers but the risks have been mitigated through various processes to ensure that such events will not endanger the Company's financial stability.

On behalf of the board



D W Brewster
Director

Date: 02/09/2022

AUGER SITE INVESTIGATIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company is the investigation of water mains and drains for insurance companies.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £5,000,000. 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:

D W Brewster
S E W Gilsdorf
A B Mattson

Auditor

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

AUGER SITE INVESTIGATIONS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

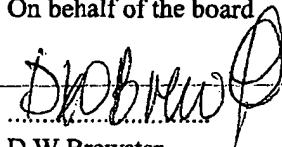
Strategic report

The company has chosen in accordance with Companies Act 2006, 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 a review of the company's business and the principal risks and uncertainties facing the company.

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



D W Brewster

Director

Date: 02/09/2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AUGER SITE INVESTIGATIONS LIMITED

Opinion

We have audited the financial statements of Auger Site Investigations Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF AUGER SITE INVESTIGATIONS LIMITED

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.

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF AUGER SITE INVESTIGATIONS LIMITED

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.

Based on our understanding of the company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to revenue and profit.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with Alcumus ISOQAR Limited, review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF AUGER SITE INVESTIGATIONS LIMITED

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.

Julie Mellows

Julie Mellows (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

Date: 2/9/22

Chartered Accountants
Statutory Auditor

AUGER SITE INVESTIGATIONS LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2021**

| | | 2021 | 2020 |
|--|--------------|-------------|-------------|
| | Notes | £ | £ |
| Turnover | 3 | 17,469,740 | 14,378,638 |
| Cost of sales | | (8,066,622) | (6,313,525) |
| Gross profit | | 9,403,118 | 8,065,113 |
| Administrative expenses | | (3,218,937) | (2,900,151) |
| Other operating income | | - | 41,960 |
| Operating profit | 4 | 6,184,181 | 5,206,922 |
| Interest receivable and similar income | 7 | 101,716 | 39,655 |
| Interest payable and similar expenses | 8 | - | (2,858) |
| Profit before taxation | | 6,285,897 | 5,243,719 |
| Tax on profit | 9 | (1,199,009) | (1,370,203) |
| Profit for the financial year | | 5,086,888 | 3,873,516 |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

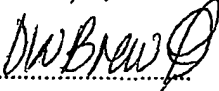
AUGER SITE INVESTIGATIONS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|--------------------|------------------|--------------------|------------------|
| Fixed assets | | | | | |
| Intangible assets | 11 | 215,390 | | - | |
| Tangible assets | 12 | 2,010,392 | | 1,483,340 | |
| | | <u>2,225,782</u> | | <u>1,483,340</u> | |
| Current assets | | | | | |
| Stocks | 13 | 61,132 | | 82,680 | |
| Debtors | 14 | 2,076,081 | | 3,058,989 | |
| Cash at bank and in hand | | 5,320,542 | | 5,082,617 | |
| | | <u>7,457,755</u> | | <u>8,224,286</u> | |
| Creditors: amounts falling due within one year | 15 | <u>(1,298,797)</u> | | <u>(1,617,605)</u> | |
| Net current assets | | <u>6,158,958</u> | | <u>6,606,681</u> | |
| Total assets less current liabilities | | <u>8,384,740</u> | | <u>8,090,021</u> | |
| Provisions for liabilities | | | | | |
| Deferred tax liability | 17 | <u>355,262</u> | | <u>147,431</u> | |
| | | | <u>(355,262)</u> | | <u>(147,431)</u> |
| Net assets | | <u>8,029,478</u> | | <u>7,942,590</u> | |
| Capital and reserves | | | | | |
| Called up share capital | 19 | 100 | | 100 | |
| Profit and loss reserves | | 8,029,378 | | 7,942,490 | |
| Total equity | | <u>8,029,478</u> | | <u>7,942,590</u> | |

The financial statements were approved by the board of directors and authorised for issue on 02/09/2022 and are signed on its behalf by:


D W Brewster
Director

Company Registration No. 03088958

AUGER SITE INVESTIGATIONS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

| | Notes | Share capital £ | Profit and loss reserves £ | Total £ |
|--|-----------|--------------------|----------------------------------|-------------|
| Balance at 1 January 2020 | | 100 | 4,068,974 | 4,069,074 |
| Year ended 31 December 2020: | | | | |
| Profit and total comprehensive income for the year | | - | 3,873,516 | 3,873,516 |
| Balance at 31 December 2020 | | 100 | 7,942,490 | 7,942,590 |
| Year ended 31 December 2021: | | | | |
| Profit and total comprehensive income for the year | | - | 5,086,888 | 5,086,888 |
| Dividends | 10 | - | (5,000,000) | (5,000,000) |
| Balance at 31 December 2021 | | 100 | 8,029,378 | 8,029,478 |

AUGER SITE INVESTIGATIONS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|--|-------|--------------------|---|------------------|---|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 23 | 7,309,139 | | 5,396,066 | |
| Interest paid | | - | | (2,858) | |
| Income taxes paid | | (846,286) | | (1,302,192) | |
| Net cash inflow from operating activities | | 6,462,853 | | 4,091,016 | |
| Investing activities | | | | | |
| Purchase of intangible assets | | (269,238) | | - | |
| Purchase of tangible fixed assets | | (1,170,912) | | (374,729) | |
| Proceeds on disposal of tangible fixed assets | | 113,600 | | 39,758 | |
| Interest received | | 101,716 | | 39,655 | |
| Net cash used in investing activities | | (1,224,834) | | (295,316) | |
| Financing activities | | | | | |
| Payment of finance leases obligations | | (94) | | (22,037) | |
| Dividends paid | | (5,000,000) | | - | |
| Net cash used in financing activities | | (5,000,094) | | (22,037) | |
| Net increase in cash and cash equivalents | | 237,925 | | 3,773,663 | |
| Cash and cash equivalents at beginning of year | | 5,082,617 | | 1,308,954 | |
| Cash and cash equivalents at end of year | | 5,320,542 | | 5,082,617 | |

AUGER SITE INVESTIGATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Auger Site Investigations Limited is a private company limited by shares incorporated in England and Wales. The registered office is Hanover Buildings, 11-13 Hanover Street, Liverpool, L1 3DN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Income is recognised when the contract or a stage of the contract is complete. Turnover shown in the profit and loss account is measured on an accruals basis, exclusive of Value Added Tax.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, the revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

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 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

AUGER SITE INVESTIGATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Amortisation 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:

| | |
|----------------------|-------------------|
| Software development | 20% straight line |
|----------------------|-------------------|

1.6 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:

| | |
|-----------------------|-------------------|
| Plant and equipment | 20% straight line |
| Fixtures and fittings | 20% straight line |
| Motor vehicles | 20% 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.

1.7 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

AUGER SITE INVESTIGATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.8 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.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

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.

AUGER SITE INVESTIGATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.11 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.

1.12 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.

AUGER SITE INVESTIGATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

1.13 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.

1.14 Retirement benefits

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

1.15 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.

Lease payments are recognised as an expense over the lease term on a straight line basis. The aggregate benefit of the lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

AUGER SITE INVESTIGATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.16 Government grants

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

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

1.17 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.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

| | 2021 £ | 2020 £ |
|--|-----------------------------|-----------------------------|
| Turnover analysed by class of business | | |
| Rendering of services | 17,469,740 | 14,378,638 |
| | <u> </u> | <u> </u> |
| | 2021 £ | 2020 £ |
| Other significant revenue | | |
| Interest income | 101,716 | 39,655 |
| Grants received - Coronavirus Job Retention Scheme | - | 41,960 |
| | <u> </u> | <u> </u> |

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

AUGER SITE INVESTIGATIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****4 Operating profit**

| | 2021 | 2020 |
|---|-------------------|-------------------|
| | £ | £ |
| Operating profit for the year is stated after charging/(crediting): | | |
| Government grants | - | (41,960) |
| Fees payable to the company's auditor for the audit of the company's financial statements | 11,267 | 16,000 |
| Depreciation of owned tangible fixed assets | 538,293 | 409,834 |
| (Profit)/loss on disposal of tangible fixed assets | (8,033) | 53,200 |
| Amortisation of intangible assets | 53,848 | - |
| Operating lease charges | 64,000 | 64,000 |
| | <u> </u> | <u> </u> |

5 Employees

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

| | 2021 | 2020 |
|-----------------------------|-------------------|-------------------|
| | Number | Number |
| Administrative staff | 45 | 33 |
| Management staff | 8 | 7 |
| Site investigation staff | 28 | 25 |
| Drain repair staff | 25 | 21 |
| Water mains staff | 21 | 17 |
| Assistant engineer trainees | 18 | 10 |
| | <u> </u> | <u> </u> |
| Total | 145 | 113 |
| | <u> </u> | <u> </u> |

Their aggregate remuneration comprised:

| | 2021 | 2020 |
|-----------------------|-------------------|-------------------|
| | £ | £ |
| Wages and salaries | 4,495,192 | 2,939,342 |
| Social security costs | 446,609 | 1,055,275 |
| Pension costs | 176,316 | 133,328 |
| | <u> </u> | <u> </u> |
| | 5,118,117 | 4,127,945 |
| | <u> </u> | <u> </u> |

Included in the above costs is £188,302 (2020: £Nil) of wages and salaries that the company has capitalised as development expenditure.

AUGER SITE INVESTIGATIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****6 Directors' remuneration**

| | 2021 | 2020 |
|--------------------------------------|-------------|-------------|
| | £ | £ |
| Remuneration for qualifying services | 158,654 | 150,000 |

7 Interest receivable and similar income

| | 2021 | 2020 |
|--|-------------|-------------|
| | £ | £ |
| Interest income | | |
| Interest on bank deposits | 12,798 | 20,571 |
| Interest receivable from group companies | 88,918 | 19,084 |
| Total income | 101,716 | 39,655 |

Investment income includes the following:

| | | |
|--|---------|--------|
| Interest on financial assets not measured at fair value through profit or loss | 101,716 | 39,655 |
|--|---------|--------|

8 Interest payable and similar expenses

| | 2021 | 2020 |
|--|-------------|-------------|
| | £ | £ |
| Other finance costs: | | |
| Interest on finance leases and hire purchase contracts | - | 2,858 |

AUGER SITE INVESTIGATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Taxation

| | 2021 £ | 2020 £ |
|--|-----------|-----------|
| Current tax | | |
| UK corporation tax on profits for the current period | 1,022,162 | 1,000,472 |
| Adjustments in respect of prior periods | (30,984) | 358,411 |
| Total current tax | 991,178 | 1,358,883 |
| Deferred tax | | |
| Origination and reversal of timing differences | 157,248 | 11,320 |
| Changes in tax rates | 47,524 | - |
| Adjustment in respect of prior periods | 3,059 | - |
| Total deferred tax | 207,831 | 11,320 |
| Total tax charge | 1,199,009 | 1,370,203 |

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:

| | 2021 £ | 2020 £ |
|--|-----------|-----------|
| Profit before taxation | 6,285,897 | 5,243,719 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%) | 1,194,320 | 996,307 |
| Tax effect of expenses that are not deductible in determining taxable profit | 950 | 18,775 |
| Adjustments in respect of prior years | (30,984) | 358,411 |
| Permanent capital allowances in excess of depreciation | (53,600) | (14,610) |
| Deferred tax adjustments in respect of prior years | 3,059 | - |
| Remeasurement of deferred tax for changes in tax rates | 85,264 | 11,320 |
| Taxation charge for the year | 1,199,009 | 1,370,203 |

AUGER SITE INVESTIGATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Dividends

| | 2021 | 2020 |
|--------------|-------------|-------------|
| | £ | £ |
| Interim paid | 5,000,000 | - |

11 Intangible fixed assets

| | Software development £ |
|------------------------------------|---------------------------------------|
| Cost | |
| At 1 January 2021 | - |
| Additions | 269,238 |
| At 31 December 2021 | 269,238 |
| Amortisation and impairment | |
| At 1 January 2021 | - |
| Amortisation charged for the year | 53,848 |
| At 31 December 2021 | 53,848 |
| Carrying amount | |
| At 31 December 2021 | 215,390 |
| At 31 December 2020 | - |

AUGER SITE INVESTIGATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Tangible fixed assets

| | Plant and equipment £ | Fixtures and fittings £ | Motor vehicles £ | Total £ |
|------------------------------------|--------------------------------------|--|---------------------------------|--------------------|
| Cost | | | | |
| At 1 January 2021 | 779,288 | 100,974 | 2,238,133 | 3,118,395 |
| Additions | 206,474 | 2,324 | 962,114 | 1,170,912 |
| Disposals | (29,409) | - | (391,453) | (420,862) |
| At 31 December 2021 | 956,353 | 103,298 | 2,808,794 | 3,868,445 |
| Depreciation and impairment | | | | |
| At 1 January 2021 | 402,764 | 66,281 | 1,166,010 | 1,635,055 |
| Depreciation charged in the year | 121,343 | 10,698 | 406,252 | 538,293 |
| Eliminated in respect of disposals | (18,977) | - | (296,318) | (315,295) |
| At 31 December 2021 | 505,130 | 76,979 | 1,275,944 | 1,858,053 |
| Carrying amount | | | | |
| At 31 December 2021 | 451,223 | 26,319 | 1,532,850 | 2,010,392 |
| At 31 December 2020 | 376,524 | 34,693 | 1,072,123 | 1,483,340 |

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

| | 2021 £ | 2020 £ |
|----------------|-------------------|-------------------|
| Motor vehicles | - | 12,061 |

13 Stocks

| | 2021 £ | 2020 £ |
|------------------|-------------------|-------------------|
| Work in progress | 61,132 | 82,680 |

AUGER SITE INVESTIGATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Debtors

| | 2021 | 2020 |
|---|------------------|------------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 1,902,034 | 1,828,972 |
| Corporation tax recoverable | - | 85,706 |
| Amounts owed by group undertakings | - | 1,000,000 |
| Other debtors | 56,318 | 61,428 |
| Prepayments and accrued income | 117,729 | 82,883 |
| | <u>2,076,081</u> | <u>3,058,989</u> |

15 Creditors: amounts falling due within one year

| | Notes | 2021 | 2020 |
|------------------------------------|-------|------------------|------------------|
| | | £ | £ |
| Obligations under finance leases | 16 | - | 94 |
| Trade creditors | | 432,984 | 493,233 |
| Corporation tax | | 59,186 | - |
| Other taxation and social security | | 553,738 | 815,185 |
| Other creditors | | 6,354 | 2,909 |
| Accruals and deferred income | | 246,535 | 306,184 |
| | | <u>1,298,797</u> | <u>1,617,605</u> |

The obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

16 Finance lease obligations

| | 2021 | 2020 |
|---|----------|-----------|
| | £ | £ |
| Future minimum lease payments due under finance leases: | | |
| Within one year | <u>-</u> | <u>94</u> |

AUGER SITE INVESTIGATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

| | Liabilities 2021 £ | Liabilities 2020 £ |
|--------------------------------|--------------------------|--------------------------|
| Balances: | | |
| Accelerated capital allowances | 355,262 | 147,431 |
| | <u> </u> | <u> </u> |
| Movements in the year: | | 2021 £ |
| Liability at 1 January 2021 | | 147,431 |
| Charge to profit or loss | | 207,831 |
| | | <u> </u> |
| Liability at 31 December 2021 | | 355,262 |
| | | <u> </u> |

18 Retirement benefit schemes

| | 2021 £ | 2020 £ |
|---|-------------------|-------------------|
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | 176,316 | 133,328 |
| | <u> </u> | <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.

19 Share capital

| | 2021 Number | 2020 Number | 2021 £ | 2020 £ |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|
| Ordinary share capital | | | | |
| Issued and fully paid | | | | |
| Ordinary shares of £1 each | 100 | 100 | 100 | 100 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

AUGER SITE INVESTIGATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

20 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:

| | 2021 | 2020 |
|----------------------------|----------------|----------------|
| | £ | £ |
| Within one year | 64,000 | 64,000 |
| Between two and five years | 234,667 | 256,000 |
| In over five years | - | 42,667 |
| | <u>298,667</u> | <u>362,667</u> |

21 Related party transactions

Transactions with related parties

The company rents its premises from the Brewster Family SSAS, of which the director Mr D W Brewster is a trustee. During the period the company was charged rent of £64,000 (2020: £64,000).

22 Ultimate controlling party

The immediate parent company is Ingleby (2030) Limited, which is incorporated in England and Wales, and the ultimate parent company is Sdiptech AB (Publ.), which is incorporated in Sweden.

Auger Site Investigations Limited is included in the consolidated financial statements of Sdiptech AB (Publ.) which can be obtained from its website at sdiptech.se/investor-relations/financial-information or from its registered office at Stureplan 15, Stockholm 11145, Sweden.

AUGER SITE INVESTIGATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

23 Cash generated from operations

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Profit for the year after tax | 5,086,888 | 3,873,516 |
| Adjustments for: | | |
| Taxation charged | 1,199,009 | 1,370,203 |
| Finance costs | - | 2,858 |
| Investment income | (101,716) | (39,655) |
| (Gain)/loss on disposal of tangible fixed assets | (8,033) | 53,200 |
| Amortisation and impairment of intangible assets | 53,848 | - |
| Depreciation and impairment of tangible fixed assets | 538,293 | 409,834 |
| Movements in working capital: | | |
| Decrease/(increase) in stocks | 21,548 | (19,559) |
| Decrease/(increase) in debtors | 897,202 | (704,612) |
| (Decrease)/increase in creditors | (377,900) | 450,281 |
| Cash generated from operations | 7,309,139 | 5,396,066 |

24 Analysis of changes in net funds

| | 1 January 2021 £ | Cash flows £ | 31 December 2021 £ |
|----------------------------------|------------------------|-----------------|--------------------------|
| Cash at bank and in hand | 5,082,617 | 237,925 | 5,320,542 |
| Obligations under finance leases | (94) | 94 | - |
| | 5,082,523 | 238,019 | 5,320,542 |