

Company Registration No. SC175320 (Scotland)

MONO CONSULTANTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

MONO CONSULTANTS LIMITED

COMPANY INFORMATION

Directors	G Hill I H Marshall P Conacher P Walsh	(Appointed 29 June 2020) (Appointed 11 December 2020)
Secretary	Mr P Conacher	
Company number	SC175320	
Registered office	Culzean House 36 Renfield Street Glasgow G2 1LU	
Auditor	Azets Audit Services Titanium 1 King's Inch Place Renfrew PA4 8WF	

MONO CONSULTANTS LIMITED

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MONO CONSULTANTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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

Business model

The company provides an end-to-end solution to mobile network operators and infrastructure owners in the telecoms sector. This includes acquisition, design and deployment of sites across the UK.

Business review and results

The results are as shown in the profit and loss account on page 9. Turnover increased to £41.5m (2019: £38.6m) and gross profit increased to £3.4m (2019: £1.6m) due to adjustments in relation to work in progress and revenue recognition in the prior year. The profit for the year after taxation was £0.6m (2019: £1.1m (loss)) and no dividends were declared or paid in the year (2019: £nil).

During the year the company has significantly grown the accounts won in the prior year, meeting our strategic objective of reducing reliance on a limited number of customers. Quality of delivery remained high and the company retained its ROSPA Gold Award, reflecting the focus on health and safety in everything we do. Following the outbreak of the pandemic the company suffered from some initial disruption due to the lockdown and staff absence however this stabilised towards the end of the financial year. Overall, the directors are satisfied with the progress made in year in what have been very difficult circumstances for our employees due to the pandemic and their dedication to the business during this time has been commendable.

Principal risks and uncertainties

The company is exposed to the risk of a downturn in activity within the telecommunications service sector. The company manages this risk by focusing on the range and quality of the services it provides to its customers while identifying and pursuing new or additional opportunities.

The telecoms sector, and therefore the company, is not immune to the risks and uncertainties posed by operational and technological changes and by financial pressures within its customers and markets. However, the directors believe that major factors such as the completion of the spectrum auctions and the development of 5G plans will enable the company to trade profitably over the medium term and develop a strong pipeline of work.

The company is exposed to the risk of default by its trade debtors. The directors consider this risk to be minimised due to the customer base being largely blue-chip organisations with whom the company has a long term trading relationship combined with exercising strong credit control. The trade debtors presented in the balance sheet are stated net of provision for doubtful debts. Provision is made where the directors consider there to be a risk that the full amount of the outstanding receivable will not be recoverable.

In order to maintain liquidity and ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term finance. Short term finance is available through bank facilities which renew periodically and are repayable on demand and long-term finance is provided through equity investor loans held in the ultimate parent company. Forward looking cash flow projections are prepared on a regular basis to assess funding requirements. The credit risk on liquid funds is limited because the counterparties are banks with credit ratings assigned by international credit rating agencies.

Future developments

The outlook for the sector remains positive with significant growth expected from the roll out of 5G and removal of Huawei kit. Whilst the pandemic has undoubtedly caused some deferral of spend by customers, the directors believe this is likely to result in an even greater demand for services in 2021 given the network requirements.

MONO CONSULTANTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Key performance indicators

The directors consider the key performance indicators to be those that reflect the underlying trading performance of the company. The directors consider that turnover, gross profit and EBITDA provide the most representative measures of the company's performance.

	2020	2019
Revenue	£41.5m	£38.6m
Gross margin	£3.4m	£1.6m
EBITDA	£0.5m	(£1.2m)

In addition to the financial KPIs, the directors monitor a suite of operational KPIs relating to health & safety, productivity and quality. Further details of these KPIs are not published due to their commercial sensitivity.

MONO CONSULTANTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

S172 Statement

The directors of the company believe that they have acted in the way they consider to be both in good faith and would be most likely to promote the success of the company for the benefit of its members as a whole. The duties of the directors are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- The likely consequences of any decisions in the long-term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between shareholders of the company.

The directors have a business plan which is based around achieving the company's business objective of delivering a high quality end-to-end solution for our customers.

Business conduct and relationships

We understand the importance of engaging with all our stakeholders and the directors regularly discuss issues concerning employees, clients, suppliers, community and environment, health and safety and shareholders which inform our decision making processes. The directors are aware that their strategic decisions can have long term implications for the business and its stakeholders, and these implications are carefully assessed.

We aim to build positive working relationships and partnerships with clients and throughout our supply chain. We work hard to develop and maintain these relationships as they are central to our sustainable business ethos. Our aim is to build strong stable long term working relationships with them and to be fair and transparent in all our dealings.

Employees

We believe the core strength of the company is its people and we are committed to being a responsible business and employer. The company aims to recruit, develop, motivate and retain the best talent. For the business to succeed we need to engage and enable our people to perform at their best, develop their skills and capabilities, while ensuring we operate as efficiently and productively as possible.

We take active steps to ensure that the views and interests of our people are captured and considered in our decision-making. Equally, we ensure employees are kept up to date with information regularly as regards to the group's strategy and performance.

Shareholders and investors

The directors are committed to openly engaging with our shareholders and investors, as we recognise the importance of transparency and a continuing effective dialogue. It is important to us that all stakeholders understand our strategy and objectives, and the company is committed to considering properly their questions, issues or feedback received.

This report was approved by the Board and signed on its behalf by:

P Conacher
Director
22 December 2020

MONO CONSULTANTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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

Principal activities

The principal activity of the company continued to be that of wireless telecommunications activities and other telecommunications activities.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G Hill

I H Marshall

B Woods

(Resigned 29 June 2020)

P Conacher

(Appointed 29 June 2020)

P Walsh

(Appointed 11 December 2020)

Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The directors have benefited from third party indemnity provisions in place during the financial year and to the date of this report.

Auditor

The auditor, Azets Audit Services, 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.

MONO CONSULTANTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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.

Going concern

The directors are required to prepare the statutory financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. In satisfaction of this responsibility the directors have considered the company's ability to meet its liabilities as they fall due.

The company's business activities, together with the factors likely to affect future development and performance are set out in the Strategic Report, including management of liquidity and credit risk.

The company meets its day to day working capital requirements through existing short term bank working capital facilities which renew periodically and are repayable on demand. Longer term funding is met through equity investor loans within the ultimate parent company. Management information tools including budgets and cashflow forecasts are used to monitor and manage current and future liquidity. The directors acknowledge there is a level of uncertainty in the general economic environment which may impact on the trading position of its customers and suppliers.

The directors have undertaken a recent and thorough review of the company's forecasts and the associated risks. These forecasts extend for a period beyond twelve months from the date of approval of these financial statements. The extent of this review and the forecasts reflect the current improved operating performance of the company, the anticipated customer order book and have been duly sensitised to illustrate the impact of variations in key assumptions including sales, working capital and operating costs. The directors are satisfied that the forecasts demonstrate that the company will continue to operate within its existing working capital facilities.

The directors fully expect the short-term working capital facilities from their bank to be extended at each renewal point over the next 12 months as has been the case for the previous 9 years. However, should the deterioration in the wider economy caused by Covid-19 result in a reduction in the available short-term working capital facilities from their bank, the company would be reliant on the support of its equity investors. Further assurance has been received from the group's primary equity investor that capital and interest repayments due on their existing debt will not be called for a period of at least twelve months from the date of approval of these financial statements with an offer having been made to the directors that the existing debt is converted to equity.

The directors acknowledge that the continued support of the equity investor is material to their assessment of the company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

As such, after making the enquiries referred to above, the directors believe there is a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing this report and the statutory financial statements.

On behalf of the board

P Conacher
Director

22 December 2020

MONO CONSULTANTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MONO CONSULTANTS LIMITED

Opinion

We have audited the financial statements of Mono Consultants Limited (the 'company') for the year ended 31 August 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of 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 August 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - risks and uncertainties relating to going concern

We draw attention to note 1.2 of the financial statements, which details the company's ability to continue as a going concern. In order to continue in operation for the next 12 months the company relies upon continued generation of sufficient cash flow from operations to remain within existing short-term working capital facilities and the confirmed continued postponement, or conversion to equity, of longer term debt from its equity funder.

Our opinion is not modified with respect to this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

MONO CONSULTANTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MONO CONSULTANTS LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

MONO CONSULTANTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MONO CONSULTANTS 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Fraser Campbell (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

22 December 2020

Titanium 1
King's Inch Place
Renfrew
PA4 8WF

MONO CONSULTANTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	2019 £
Turnover	3	41,540,903	38,608,523
Cost of sales		(38,128,579)	(36,996,767)
Gross profit		3,412,324	1,611,756
Administrative expenses		(3,034,593)	(2,934,114)
Operating profit/(loss)	4	377,731	(1,322,358)
Interest receivable and similar income	7	360,490	339,800
Interest payable and similar expenses	8	(133,454)	(147,995)
Profit/(loss) before taxation		604,767	(1,130,553)
Tax on profit/(loss)	9	-	(14,991)
Profit/(loss) for the financial year		604,767	(1,145,544)

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

MONO CONSULTANTS LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		132,629		170,436
Investments	11		211,800		211,800
			<u>344,429</u>		<u>382,236</u>
Current assets					
Stocks	12	6,711,981		3,738,752	
Debtors	13	24,415,376		22,910,137	
		<u>31,127,357</u>		<u>26,648,889</u>	
Creditors: amounts falling due within one year	14	(20,682,939)		(16,852,330)	
Net current assets			<u>10,444,418</u>		<u>9,796,559</u>
Total assets less current liabilities			<u>10,788,847</u>		<u>10,178,795</u>
Creditors: amounts falling due after more than one year	15		(5,285)		-
Net assets			<u><u>10,783,562</u></u>		<u><u>10,178,795</u></u>
Capital and reserves					
Called up share capital	19		2		2
Profit and loss reserves	20		10,783,560		10,178,793
Total equity			<u><u>10,783,562</u></u>		<u><u>10,178,795</u></u>

The financial statements were approved by the board of directors and authorised for issue on 22 December 2020 and are signed on its behalf by:

P Conacher
Director

Company Registration No. SC175320

MONO CONSULTANTS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 September 2018	2	11,324,337	11,324,339
Year ended 31 August 2019:			
Loss and total comprehensive income for the year	-	(1,145,544)	(1,145,544)
Balance at 31 August 2019	2	10,178,793	10,178,795
Year ended 31 August 2020:			
Profit and total comprehensive income for the year	-	604,767	604,767
Balance at 31 August 2020	2	10,783,560	10,783,562

MONO CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Company information

Mono Consultants Limited is a private company limited by shares incorporated in Scotland. The registered office is Culzean House, 36 Renfield Street, Glasgow, G2 1LU.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Mono Global Group Limited. These consolidated financial statements are available from its registered office, 36 Renfield Street, Glasgow, G2 1LU.

MONO CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies **(Continued)**

1.2 Going concern

The directors are required to prepare the statutory financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. In satisfaction of this responsibility the directors have considered the company's ability to meet its liabilities as they fall due.

The company's business activities, together with the factors likely to affect future development and performance are set out in the Strategic Report, including management of liquidity and credit risk.

The company meets its day to day working capital requirements through existing short term bank working capital facilities which renew periodically and are repayable on demand. Longer term funding is met through equity investor loans within the ultimate parent company. Management information tools including budgets and cashflow forecasts are used to monitor and manage current and future liquidity. The directors acknowledge there is a level of uncertainty in the general economic environment which may impact on the trading position of its customers and suppliers.

The directors have undertaken a recent and thorough review of the company's forecasts and the associated risks. These forecasts extend for a period beyond twelve months from the date of approval of these financial statements. The extent of this review and the forecasts reflect the current improved operating performance of the company, the anticipated customer order book and have been duly sensitised to illustrate the impact of variations in key assumptions including sales, working capital and operating costs. The directors are satisfied that the forecasts demonstrate that the company will continue to operate within its existing working capital facilities.

The directors fully expect the short-term working capital facilities from their bank to be extended at each renewal point over the next 12 months as has been the case for the previous 9 years. However, should the deterioration in the wider economy caused by Covid-19 result in a reduction in the available short-term working capital facilities from their bank, the company would be reliant on the support of its equity investors. Further assurance has been received from the group's primary equity investor that capital and interest repayments due on their existing debt will not be called for a period of at least twelve months from the date of approval of these financial statements with an offer having been made to the directors that the existing debt is converted to equity.

The directors acknowledge that the continued support of the equity investor is material to their assessment of the company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

As such, after making the enquiries referred to above, the directors believe there is a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing this report and the statutory financial statements.

1.3 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow into the company.

Revenue comprises the invoiced value of goods sold and services provided to customers, net of VAT. Revenue is recognised as service milestones are accepted by customers.

Revenue and profit before taxation are attributable to the principal activity of the company.

1.4 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.

MONO CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

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:

Fixtures and fittings	50% on cost
Office equipment	at varying rates on cost

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.

1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.6 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.

1.7 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

MONO CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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.

Derecognition of financial liabilities

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

1.8 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.

1.9 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.

MONO CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 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.

1.11 Retirement benefits

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

1.12 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.

1.13 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.

MONO CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The company makes estimates and assumptions confirming the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that will have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

Accounting for work in progress

Work in progress is carried at the lower of cost and net realisable value. Calculation of net realisable value requires management to measure actual and projected profit recovery on contracts. Measurement of projected profit recovery is inherently uncertain.

3 Turnover

Turnover is attributable to the one principal activity of the company and all turnover is derived in the United Kingdom.

4 Operating profit/(loss)

	2020	2019
	£	£
Operating profit/(loss) for the year is stated after charging:		
Exchange (gains)/losses	-	5
Fees payable to the company's auditor for the audit of the company's financial statements	37,514	27,436
Depreciation of owned tangible fixed assets	100,713	155,834
Operating lease charges	210,171	230,227
	<u> </u>	<u> </u>

MONO CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

5 Employees

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

	2020 Number	2019 Number
Professional	142	143
Administration	32	31
Total	<u>174</u>	<u>174</u>

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	7,690,570	7,601,672
Social security costs	871,769	863,797
Pension costs	515,251	488,895
	<u>9,077,590</u>	<u>8,954,364</u>

6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	415,077	632,803
Company pension contributions to defined contribution schemes	68,277	102,929
	<u>483,354</u>	<u>735,732</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2019: 5).

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

	2020 £	2019 £
Remuneration for qualifying services	144,743	145,063
Company pension contributions to defined contribution schemes	23,868	23,868
	<u>168,611</u>	<u>168,931</u>

MONO CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

7	Interest receivable and similar income	2020	2019
		£	£
	Interest income		
	Interest receivable on intercompany loans	360,490	339,800
		<u> </u>	<u> </u>
8	Interest payable and similar expenses	2020	2019
		£	£
	Interest on bank overdrafts and loans	133,454	147,995
		<u> </u>	<u> </u>
9	Taxation	2020	2019
		£	£
	Deferred tax		
	Write down or reversal of write down of deferred tax asset	-	14,991
		<u> </u>	<u> </u>

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Profit/(loss) before taxation	604,767	(1,130,553)
	<u> </u>	<u> </u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	114,906	(214,805)
Tax effect of expenses that are not deductible in determining taxable profit	779	1,087
Tax effect of income not taxable in determining taxable profit	(626)	-
Other non-reversing timing differences	-	2,478
Deferred tax not recognised	(115,059)	226,231
	<u> </u>	<u> </u>
Taxation charge for the year	-	14,991
	<u> </u>	<u> </u>

MONO CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Tangible fixed assets	Fixtures and Office equipment fittings		Total
	£	£	£
Cost			
At 1 September 2019	185,778	591,186	776,964
Additions	15,325	47,581	62,906
At 31 August 2020	201,103	638,767	839,870
Depreciation and impairment			
At 1 September 2019	83,984	522,544	606,528
Depreciation charged in the year	37,620	63,093	100,713
At 31 August 2020	121,604	585,637	707,241
Carrying amount			
At 31 August 2020	79,499	53,130	132,629
At 31 August 2019	101,794	68,642	170,436

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

	2020 £	2019 £
Office equipment	10,570	-

11 Fixed asset investments	2020 £	2019 £
Investments in subsidiaries	211,800	211,800

The company holds 100% of the issued share capital of Mono Consultants (Southern) Limited, a company registered in Scotland. The company's principal activity was that of project managers for construction projects. On 1 February 2001 the trade of Mono Consultants (Southern) Limited was transferred to Mono Scotland Limited.

The company holds 100% of the issued share capital of Mono Electrical Services Limited, a company registered in Scotland. The company's principal activity was that of manufacturing electrical equipment. On 12 January 2006 the trade and assets of Mono Electrical Services Limited were transferred to Mono Consultants Limited.

Copies of the financial statements of Mono Consultants (Southern) Limited and Mono Electrical Services are available from their registered office at Culzean House, 36 Renfield Street, Glasgow, G2 1LU.

MONO CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

11 Fixed asset investments (Continued)

Movements in fixed asset investments

Shares in group undertakings

Cost or valuation

At 1 September 2019 & 31 August 2020

211,800

Carrying amount

At 31 August 2020

211,800

At 31 August 2019

211,800

12 Stocks

2020

2019

£

£

Raw materials and consumables

101,645

94,471

Work in progress

6,610,336

3,644,281

6,711,981

3,738,752

13 Debtors

2020

2019

£

£

Amounts falling due within one year:

Trade debtors

3,568,337

2,274,930

Corporation tax recoverable

-

1,982

Amounts owed by group undertakings

10,783,560

10,178,793

Other debtors

600

1,751

Prepayments and accrued income

426,284

840,700

14,778,781

13,298,156

2020

2019

£

£

Amounts falling due after more than one year:

Amounts owed by group undertakings

9,636,595

9,611,981

Total debtors

24,415,376

22,910,137

Amounts owned by group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. Interest is charged at 5% on a loan owing from Mono Global Group Limited amounting to £11,004,238.

MONO CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans and overdrafts	16	3,817,519	3,121,507
Obligations under finance leases	17	5,285	-
Trade creditors		5,175,192	6,345,647
Amounts owed to group undertakings		712,688	712,688
Corporation tax		15	-
Other taxation and social security		2,569,312	999,082
Other creditors		217,943	131,064
Accruals and deferred income		8,184,985	5,542,342
		<u>20,682,939</u>	<u>16,852,330</u>

15 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Obligations under finance leases	17	<u>5,285</u>	<u>-</u>

16 Loans and overdrafts

	2020 £	2019 £
Bank overdrafts	<u>3,817,519</u>	<u>3,121,507</u>
Payable within one year	<u>3,817,519</u>	<u>3,121,507</u>

The company has banking arrangements in place for a £4,500,000 overdraft facility. As at 31 August 2020, the overdraft facility utilised totalled £3,817,519 (2019: £3,121,507). The company has contingent liabilities in respect of guarantees on its overdraft facility which are secured by a floating charge held over all assets of the company and the following group members; Mono Global Group Limited, Mono Global Limited, Mono Scotland Limited and Tracklift Limited.

17 Finance lease obligations

	2020 £	2019 £
Future minimum lease payments due under finance leases:		
Within one year	5,285	-
In two to five years	5,285	-
	<u>10,570</u>	<u>-</u>

MONO CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	515,251	488,895

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.

At 31 August 2020, the company owed £68,851 (2019: £60,599) in respect of pension contributions.

19 Share capital

	2020	2019
	£	£
Ordinary share capital Issued and fully paid		
2 Ordinary of £1 each	2	2

20 Profit and loss reserves

	2020	2019
	£	£
At the beginning of the year	10,178,793	11,324,337
Profit/(loss) for the year	604,767	(1,145,544)
At the end of the year	10,783,560	10,178,793

21 Operating lease commitments

Lessee

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

	2020	2019
	£	£
Within one year	241,750	243,174
Between two and five years	622,326	521,194
In over five years	383,921	355,456
	1,247,997	1,119,824

22 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

MONO CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Related party transactions (Continued)

	Sale of Services		Purchase of Services	
	2020	2019	2020	2019
	£	£	£	£
Other related parties	-	71,695	242,183	179,670
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

	2020	2019
	£	£
Amounts due to related parties		
Other related parties	41,129	96,791
	<u> </u>	<u> </u>

Other information

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

23 Ultimate controlling party

The company's immediate and ultimate parent undertaking is Mono Global Group Limited, a company incorporated in Scotland. The smallest and largest group for which consolidated financial statements are prepared is Mono Global Group Limited. A copy of the financial statements of Mono Global Group Limited are available from the registered office at Culzean House, 36 Renfield Street, Glasgow, G2 1LU.

In the opinion of the directors there is no individual ultimate controlling party.

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.