

Company Registration No. SC175320 (Scotland)

**MONO CONSULTANTS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

# MONO CONSULTANTS LIMITED

## COMPANY INFORMATION

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

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# MONO CONSULTANTS LIMITED

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# MONO CONSULTANTS LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 AUGUST 2019**

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The directors present the strategic report for the year ended 31 August 2019.

### **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 significantly to £38.6m (2018: £31.9m) however gross profit reduced to £1.6m (2018: £1.7m) due to adjustments in relation to work in progress and revenue recognition as detailed further below. The loss for the year after taxation was £1.1m (2018: £1.4m) and no dividends were declared or paid in the year (2018: £nil).

During the year the directors remained focussed on expanding the customer base to reduce reliance on a limited number of customers and make the company more resilient. Progress against this objective is demonstrated by two significant new customers being added in the year who are expected to deliver revenue growth over the next 12 months. Throughout the period the company continued to deliver a high quality of service to key customers whilst monitoring, and where possible reducing, our cost to serve. The directors believe this leaves the company well positioned to meet the growth in activity we anticipate over the next 3 years resulting from the roll out of 5G and removal of Huawei kit from the network.

Whilst the company has performed well against its strategic objectives, the financial result for the year was disappointing. Following the work in progress review undertaken on a limited number of projects in the previous financial year, the directors extended the exercise to incorporate all projects in the company. The review resulted in a negative adjustment to brought forward reserves of £9.3m of which £1.5m relates to the financial year ended 31 August 2018. As part of the review, the directors also reassessed the revenue recognition policies which resulted in a negative adjustment to brought forward reserves of £2.6m of which £0.2m relates to the financial year ended 31 August 2018. As a result of these adjustments, the comparative figures for 2018 in the financial statements are restated. Whilst the outcome of the review was disappointing, the directors are satisfied the remaining work in progress balance will be recovered in full and the revenue recognition policies are appropriate for the company's operations.

### **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.

# MONO CONSULTANTS LIMITED

## STRATEGIC REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2019*

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### Future developments

The roll out of 5G has been slower than initially anticipated however the directors remain confident that this represents a significant opportunity for the company over the next 24 months. In addition, the confirmation by the UK government that all Huawei kit must be removed from the network by 2027 is expected to result in a significant increase in demand for services in the coming years.

### 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.

	2019	2018
Revenue	£38.6m	£31.9m
Gross margin	£1.6m	£1.7m
EBITDA	(£1.2m)	(£1.5m)

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.

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 2019**

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The directors present their annual report and financial statements for the year ended 31 August 2019.

### 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	
G Kennedy	(Resigned 26 July 2019)
G Kerr	(Resigned 26 July 2019)
I 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.

### Post reporting date events

The occurrence of the global outbreak of COVID-19 subsequent to the year-end has resulted in an elevated level of uncertainty within the UK economy.

Whilst the sector in which the company operates has been categorised as "critical" by the UK Government and therefore services may continue during lockdown periods, the directors would still expect the pandemic to have an indirect impact on productivity. However, at this time the directors believe there to be no quantifiable impact on the carrying value of assets in the balance sheet that results in either an adjusting or non-adjusting post balance sheet event.

### Auditor

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

# **MONO CONSULTANTS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **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.

### **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.

# **MONO CONSULTANTS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **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.

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

P Conacher  
**Director**

22 December 2020

# MONO CONSULTANTS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MONO CONSULTANTS LIMITED

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#### Opinion

We have audited the financial statements of Mono Consultants Limited (the 'company') for the year ended 31 August 2019 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 2019 and of its loss 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**

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### **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**

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### **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 2019

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		2019	2018
	Notes	£	as restated £
<b>Turnover</b>	<b>3</b>	38,608,523	31,872,917
Cost of sales		(36,996,767)	(30,135,472)
		<hr/>	<hr/>
<b>Gross profit</b>		1,611,756	1,737,445
Administrative expenses		(2,934,114)	(3,358,382)
		<hr/>	<hr/>
<b>Operating loss</b>	<b>4</b>	(1,322,358)	(1,620,937)
Interest receivable and similar income	<b>7</b>	339,800	379,570
Interest payable and similar expenses	<b>8</b>	(147,995)	(129,587)
		<hr/>	<hr/>
<b>Loss before taxation</b>		(1,130,553)	(1,370,954)
Tax on loss	<b>9</b>	(14,991)	(19,408)
		<hr/>	<hr/>
<b>Loss for the financial year</b>		(1,145,544)	(1,390,362)
		<hr/> <hr/>	<hr/> <hr/>

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 2019

		2019		2018 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		170,436		240,569
Investments	11		211,800		211,800
			<u>382,236</u>		<u>452,369</u>
<b>Current assets</b>					
Stocks	12	3,738,752		6,878,510	
Debtors	13	22,910,137		21,264,769	
		<u>26,648,889</u>		<u>28,143,279</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(16,852,330)</u>		<u>(17,271,309)</u>	
<b>Net current assets</b>			<u>9,796,559</u>		<u>10,871,970</u>
<b>Total assets less current liabilities</b>			<u>10,178,795</u>		<u>11,324,339</u>
<b>Capital and reserves</b>					
Called up share capital	18		2		2
Profit and loss reserves	19		10,178,793		11,324,337
<b>Total equity</b>			<u>10,178,795</u>		<u>11,324,339</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 2019

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	Share capital	Profit and loss reserves	Total
	£	£	£
<b>As restated for the period ended 31 August 2018:</b>			
<b>Balance at 1 September 2017</b>	2	21,976,746	21,976,748
Prior year adjustment	-	(9,262,047)	(9,262,047)
	<hr/>	<hr/>	<hr/>
<b>As restated</b>	2	12,714,699	12,714,701
<b>Year ended 31 August 2018:</b>			
Loss and total comprehensive income for the year	-	(1,390,362)	(1,390,362)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 August 2018</b>	2	11,324,337	11,324,339
<b>Year ended 31 August 2019:</b>			
Loss and total comprehensive income for the year	-	(1,145,544)	(1,145,544)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 August 2019</b>	2	10,178,793	10,178,795
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# MONO CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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### 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 2019

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### 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. 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 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.

#### 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 2019

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### 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 2019

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### 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.

#### **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.

### 1.8 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.

# MONO CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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**1 Accounting policies** **(Continued)**

**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.

**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**

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 2019

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### 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 loss

	2019	2018
	£	£
Operating loss for the year is stated after charging:		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	5	1,088
Fees payable to the company's auditor for the audit of the company's financial statements	27,436	20,425
Depreciation of owned tangible fixed assets	155,834	152,803
Operating lease charges	230,227	315,130
	<u>          </u>	<u>          </u>

# MONO CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 5 Employees

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

	2019 Number	2018 Number
Professional	143	138
Administration	31	31
Total	<u>174</u>	<u>169</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	7,601,672	7,053,052
Social security costs	863,797	813,724
Pension costs	488,895	451,066
	<u>8,954,364</u>	<u>8,317,842</u>

### 6 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	632,803	643,115
Company pension contributions to defined contribution schemes	102,929	104,661
	<u>735,732</u>	<u>747,776</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2018: 5).

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

	2019 £	2018 £
Remuneration for qualifying services	145,063	144,973
Company pension contributions to defined contribution schemes	23,868	23,868
	<u>168,931</u>	<u>168,841</u>

# MONO CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7	Interest receivable and similar income	2019	2018
		£	£
	Interest income		
	Interest receivable on intercompany loans	339,800	379,570
		<u>                    </u>	<u>                    </u>
8	Interest payable and similar expenses	2019	2018
		£	£
	Interest on bank overdrafts and loans	147,995	129,587
		<u>                    </u>	<u>                    </u>
9	Taxation	2019	2018
		£	£
	<b>Current tax</b>		
	Adjustments in respect of prior periods	-	(1,982)
		<u>                    </u>	<u>                    </u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	-	21,390
	Write down or reversal of write down of deferred tax asset	14,991	-
		<u>                    </u>	<u>                    </u>
	Total deferred tax	14,991	21,390
		<u>                    </u>	<u>                    </u>
	Total tax charge	14,991	19,408
		<u>                    </u>	<u>                    </u>

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

	2019	2018
	£	£
Loss before taxation	(1,130,553)	(1,370,954)
	<u>                    </u>	<u>                    </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(214,805)	(260,481)
Tax effect of expenses that are not deductible in determining taxable profit	1,087	2,939
Other non-reversing timing differences	2,478	1,197
Under/(over) provided in prior years	-	(1,982)
Deferred tax adjustments in respect of prior years	-	(2,517)
Deferred tax not recognised	226,231	280,252
	<u>                    </u>	<u>                    </u>
Taxation charge for the year	14,991	19,408
	<u>                    </u>	<u>                    </u>

# MONO CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 10 Tangible fixed assets

	Fixtures and Office equipment fittings		Total
	£	£	£
<b>Cost</b>			
At 1 September 2018	208,465	744,406	952,871
Additions	20,282	65,419	85,701
Disposals	(42,969)	(218,639)	(261,608)
At 31 August 2019	185,778	591,186	776,964
<b>Depreciation and impairment</b>			
At 1 September 2018	81,503	630,799	712,302
Depreciation charged in the year	45,450	110,384	155,834
Eliminated in respect of disposals	(42,969)	(218,639)	(261,608)
At 31 August 2019	83,984	522,544	606,528
<b>Carrying amount</b>			
At 31 August 2019	101,794	68,642	170,436
At 31 August 2018	126,962	113,607	240,569

### 11 Fixed asset investments

	Notes	2019 £	2018 £
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 36 Renfield Street, Glasgow, G2 1LU.

# MONO CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

<b>11</b>	<b>Fixed asset investments</b>	<b>(Continued)</b>	
	<b>Movements in fixed asset investments</b>	<b>Shares in group undertakings</b>	
		<b>£</b>	
	<b>Cost or valuation</b>		
	At 1 September 2018 & 31 August 2019	211,800	
		<hr/>	
	<b>Carrying amount</b>		
	At 31 August 2019	211,800	
		<hr/> <hr/>	
	At 31 August 2018	211,800	
		<hr/> <hr/>	
<b>12</b>	<b>Stocks</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	Raw materials and consumables	94,471	94,934
	Work in progress	3,644,281	6,783,576
		<hr/>	<hr/>
		3,738,752	6,878,510
		<hr/> <hr/>	<hr/> <hr/>
<b>13</b>	<b>Debtors</b>	<b>2019</b>	<b>2018</b>
	<b>Amounts falling due within one year:</b>	<b>£</b>	<b>£</b>
	Trade debtors	2,274,930	1,676,132
	Corporation tax recoverable	1,982	1,982
	Amounts owed by group undertakings	10,178,793	19,068,580
	Other debtors	1,751	1,300
	Prepayments and accrued income	840,700	501,784
		<hr/>	<hr/>
	Deferred tax asset (note 16)	13,298,156	21,249,778
		-	14,991
		<hr/>	<hr/>
		13,298,156	21,264,769
		<hr/> <hr/>	<hr/> <hr/>
	<b>Amounts falling due after more than one year:</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	Amounts owed by group undertakings	9,611,981	-
		<hr/> <hr/>	<hr/> <hr/>
	<b>Total debtors</b>	<b>22,910,137</b>	<b>21,264,769</b>
		<hr/> <hr/>	<hr/> <hr/>

# MONO CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 13 Debtors (Continued)

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.

### 14 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Bank loans and overdrafts	15	3,121,507	3,636,383
Trade creditors		6,345,647	5,336,029
Amounts owed to group undertakings		712,688	712,688
Taxation and social security		999,082	771,987
Other creditors		131,064	111,920
Accruals and deferred income		5,542,342	6,702,302
		<u>16,852,330</u>	<u>17,271,309</u>

### 15 Loans and overdrafts

	2019 £	2018 £
Bank overdrafts	<u>3,121,507</u>	<u>3,636,383</u>
Payable within one year	<u>3,121,507</u>	<u>3,636,383</u>

The company has banking arrangements in place for a £4,500,000 overdraft facility. As at 31 August 2019, the overdraft facility utilised totalled £3,121,507 (2018: £3,636,383). 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.

### 16 Deferred taxation

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

	Assets 2019 £	Assets 2018 £
Balances:		
Tax losses	<u>-</u>	<u>14,991</u>

# MONO CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

<b>16</b>	<b>Deferred taxation</b>	<b>(Continued)</b>
		<b>2019</b>
	<b>Movements in the year:</b>	<b>£</b>
	Asset at 1 September 2018	(14,991)
	Charge to profit or loss	14,991
		<hr/>
	Asset at 31 August 2019	-
		<hr/> <hr/>

<b>17</b>	<b>Retirement benefit schemes</b>	<b>2019</b>	<b>2018</b>
	<b>Defined contribution schemes</b>	<b>£</b>	<b>£</b>
	Charge to profit or loss in respect of defined contribution schemes	488,895	451,066
		<hr/> <hr/>	<hr/> <hr/>

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 2019, the company owed £60,599 (2018: £54,039) in respect of pension contributions.

<b>18</b>	<b>Share capital</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	<b>Ordinary share capital Issued and fully paid</b>		
	2 Ordinary of £1 each	2	2
		<hr/> <hr/>	<hr/> <hr/>

<b>19</b>	<b>Profit and loss reserves</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>as restated £</b>
	At the beginning of the year	23,201,528	21,976,746
	Prior year adjustment	(11,877,191)	(9,262,047)
		<hr/>	<hr/>
	As restated	11,324,337	12,714,699
	Loss for the year	(1,145,544)	(1,390,362)
		<hr/>	<hr/>
	At the end of the year	10,178,793	11,324,337
		<hr/> <hr/>	<hr/> <hr/>

# MONO CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 20 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:

	2019	2018
	£	£
Within one year	243,174	178,325
Between two and five years	521,194	525,443
In over five years	355,456	443,171
	<u>1,119,824</u>	<u>1,146,939</u>

### 21 Events after the reporting date

The occurrence of the global outbreak of COVID-19 subsequent to the year-end has resulted in an elevated level of uncertainty within the UK economy.

Although a vaccine has now been identified, the on-going impact of the pandemic on the telecoms sector and wider UK economy remains uncertain.

However the directors believe there to be no quantifiable impact on the carrying value of assets in the balance sheet that results in either an adjusting or non-adjusting post balance sheet event.

### 22 Related party transactions

#### Transactions with related parties

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

	Sale of Services		Purchase of Services	
	2019	2018	2019	2018
	£	£	£	£
Other related parties	71,695	-	179,670	278,297
	<u>71,695</u>	<u>-</u>	<u>179,670</u>	<u>278,297</u>

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2019	2018
	£	£
Other related parties	96,791	29,420
	<u>96,791</u>	<u>29,420</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.

# MONO CONSULTANTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 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.

### 24 Prior period adjustment

#### Reconciliation of changes in equity

	Notes	1 September 2017 £	31 August 2018 £
<b>Adjustments to prior year</b>			
Work in progress written off	1	(7,754,496)	(9,277,191)
Revenue recognition	2	(2,424,000)	(2,600,000)
Total adjustments		(10,178,496)	(11,877,191)
Equity as previously reported		22,893,197	23,201,530
Equity as adjusted		12,714,701	11,324,339

#### Reconciliation of changes in profit/(loss) for the previous financial period

	Notes	2018 £
<b>Adjustments to prior year</b>		
Work in progress written off	1	(2,439,144)
Revenue recognition	2	(176,000)
Total adjustments		(2,615,144)
Profit as previously reported		1,224,782
Loss as adjusted		(1,390,362)

#### Notes to reconciliation

##### (1) Work in progress written off

The company has restated its comparative figures in respect of aged work in progress balances which management considered to be irrecoverable in view of reassessment of contract recovery data in those prior periods.

##### (2) Revenue recognition

During the reassessment of work in progress, it was identified that the revenue recognition adopted on certain contracts was not fully in accordance with UK GAAP. As a result the company has restated its comparative figures.

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.