Company Registration No. SC296339 (Scotland)

MONO GLOBAL GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

MONO GLOBAL GROUP LIMITED

COMPANY INFORMATION

Directors	A Lockwood	
	G Hill	
	I Marshall	
	P Conacher	(Appointed 29 June 2020)
	G Clarke	(Appointed 30 July 2020)
	P Walsh	(Appointed 11 December 2020)
Secretary	P Conacher	
Company number	SC296339	
Registered office	Culzean House 36 Renfield Street Glasgow G2 1LU	
Auditor	Azets Audit Services Titanium 1 King's Inch Place Renfrew PA4 8WF	

MONO GLOBAL GROUP LIMITED

CONTENTS

MONO GLOBAL GROUP 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 group 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 10. Turnover increased to £41.5m (2019: £38.6m) and gross profit increased to £3.4m (2019: £1.7m) due to adjustments in relation to work in progress and revenue recognition in the prior year. The loss for the year after taxation was £1.4m (2019: £3.1m) and no dividends were declared or paid in the year (2019: £nil).

During the year the group 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 group 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 stablished 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 group is exposed to the risk of a downturn in activity within the telecommunications service sector. The group 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 group, 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 group to trade profitably over the medium term and develop a strong pipeline of work.

The group 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 group 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. 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.

Key performance indicators

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

	2020	**2019**
Turnover	£41.5m	£38.6m
Gross profit	£3.4m	£1.6m
EBITDA	£0.4m	(£1.3m)

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.

S172 Statement
The directors of the group 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 group 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 group'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 group is its people and we are committed to being a responsible business and employer. The group 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

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 and group continued to be that of the provision of support services to telecommunications operators and associated equipment manufacturers.

Directors

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

B Woods	(Resigned 29 June 2020)
B Barker	(Resigned 30 July 2020)
A Lockwood	
G Hill	
I Marshall	
P Conacher	(Appointed 29 June 2020)
G Clarke	(Appointed 30 July 2020)
P Walsh	(Appointed 11 December 2020)

Results and dividends

The results for the year are set out on page 10.

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

No preference 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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 group’s and company’s transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 auditor of the company 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 auditor of the company 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 group and parent company will continue in business. In satisfaction of this responsibility the directors have considered the group's ability to meet its liabilities as they fall due.

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

The group 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 group'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 group, 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 group 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 group 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 group'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 group and parent 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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MONO GLOBAL GROUP LIMITED

Opinion

We have audited the financial statements of Mono Global Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 group's and the parent company's affairs as at 31 August 2020 and of the group's 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 1.3 of the financial statements, which details the Group’s ability to continue as a going concern. In order to continue in operation for the next 12 months the Group 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 group's or the parent 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.

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 group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

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 GLOBAL GROUP LIMITED

GROUP 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		(3,595,498)	(3,599,603)
Operating loss	**4**	(183,174)	(1,987,847)
Interest payable and similar expenses	**8**	(1,259,397)	(1,131,302)
Loss before taxation		(1,442,571)	(3,119,149)
Tax on loss	**9**	-	(14,991)
Loss for the financial year	**24**	(1,442,571)	(3,134,140)

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

MONO GLOBAL GROUP LIMITED

GROUP BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Goodwill	**10**		1,062,024		1,571,519
Tangible assets	**11**		132,629		170,436
			1,194,653		1,741,955
Current assets					
Stocks	**14**	6,711,981		3,738,752	
Debtors	**15**	3,995,221		3,126,238	
		10,707,202		6,864,990	
Creditors: amounts falling due within one year	**16**	(25,873,263)		(18,054,106)	
Net current liabilities			(15,166,061)		(11,189,116)
Total assets less current liabilities			(13,971,408)		(9,447,161)
Creditors: amounts falling due after more than one year	**17**		(152,946)		(3,191,544)
Net liabilities			(14,124,354)		(12,638,705)
Capital and reserves					
Called up share capital	**22**		1,998,842		1,998,842
Share premium account			20,184		20,184
Other reserves	**23**		(334,218)		(291,140)
Profit and loss reserves	**24**		(15,809,162)		(14,366,591)
Total deficit			(14,124,354)		(12,638,705)

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

MONO GLOBAL GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Investments	**12**		15,057,782		15,057,782
Current assets					
Debtors	**15**	328,173		335,048	
Cash at bank and in hand		487		487	
		328,660		335,535	
Creditors: amounts falling due within one year	**16**	(48,007,787)		(42,339,858)	
Net current liabilities			(47,679,127)		(42,004,323)
Total assets less current liabilities			(32,621,345)		(26,946,541)
Creditors: amounts falling due after more than one year	**17**		(147,661)		(3,191,544)
Net liabilities			(32,769,006)		(30,138,085)
Capital and reserves					
Called up share capital	**22**		1,998,842		1,998,842
Share premium account			20,184		20,184
Other reserves	**23**		(334,218)		(291,140)
Profit and loss reserves	**24**		(34,453,814)		(31,865,971)
Total deficit			(32,769,006)		(30,138,085)

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £2,587,843 (2019 - £12,747,736 loss).

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. SC296339

MONO GLOBAL GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2020

	Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 September 2018	1,998,842	20,184	(385,928)	(11,232,451)	(9,599,353)
Year ended 31 August 2019:					
Loss and total comprehensive income for the year	-	-	-	(3,134,140)	(3,134,140)
Transfers	-	-	94,788	-	94,788
Balance at 31 August 2019	1,998,842	20,184	(291,140)	(14,366,591)	(12,638,705)
Year ended 31 August 2020:					
Loss and total comprehensive income for the year	-	-	-	(1,442,571)	(1,442,571)
Transfers	-	-	(43,078)	-	(43,078)
Balance at 31 August 2020	1,998,842	20,184	(334,218)	(15,809,162)	(14,124,354)

MONO GLOBAL GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2020

	Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 September 2018	1,998,842	20,184	(385,928)	(19,118,235)	(17,485,137)
Year ended 31 August 2019:					
Loss and total comprehensive income for the year	-	-	-	(12,747,736)	(12,747,736)
Transfers	-	-	94,788	-	94,788
Balance at 31 August 2019	1,998,842	20,184	(291,140)	(31,865,971)	(30,138,085)
Year ended 31 August 2020:					
Loss and total comprehensive income for the year	-	-	-	(2,587,843)	(2,587,843)
Transfers	-	-	(43,078)	-	(43,078)
Balance at 31 August 2020	1,998,842	20,184	(334,218)	(34,453,814)	(32,769,006)

MONO GLOBAL GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	**28**		(262,010)		1,092,835
Interest paid			(383,664)		(492,258)
Income taxes refunded/(paid)			1,997		-
Net cash (outflow)/inflow from operating activities			(643,677)		600,577
Investing activities					
Purchase of tangible fixed assets		(52,336)		(85,701)	
Net cash used in investing activities			(52,336)		(85,701)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(696,013)		514,876
Cash and cash equivalents at beginning of year			(3,121,018)		(3,635,894)
Cash and cash equivalents at end of year			(3,817,031)		(3,121,018)
Relating to:					
Bank overdrafts included in creditors payable within one year			(3,817,031)		(3,121,018)

1 Accounting policies

Company information

Mono Global Group Limited ("the company") is a private limited company domiciled and incorporated in Scotland. The registered office is Culzean House, 36 Renfield Street, Glasgow, G2 1LU.

The group consists of Mono Global Group Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

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

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Mono Global Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 August 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1 Accounting policies **(Continued)**

1.3 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 group and parent company will continue in business. In satisfaction of this responsibility the directors have considered the group's ability to meet its liabilities as they fall due.

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

The group 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 group'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 group, 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 group 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 financial years. However, should the deterioration in the wider economy caused by Covid-19 result in a reduction in the available facilities , the group 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 group'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 group and parent 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.

1.4 Turnover

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

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 group.

1 Accounting policies **(Continued)**

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 to 20 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	20 - 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 recognised in the profit and loss account.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1 Accounting policies **(Continued)**

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

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

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

1.9 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.

1.10 Compound instruments

The component parts of compound instruments issued by the group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

1.11 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

1 Accounting policies (Continued)

Fair value measurement of financial instruments

The component parts of compound instruments issued by the group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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.

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 group 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 group after deducting all of its liabilities.

1 Accounting policies **(Continued)**

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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.12 Equity instruments

Equity instruments issued by the group 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 group.

1.13 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 group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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 if, and only if, there is 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.

1.14 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.

1.15 Retirement benefits

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

1.16 Share-based payments

The group grants equity settled share-based payments to certain employees.

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

1.17 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 leased asset are consumed.

1 Accounting policies **(Continued)**

1.18 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.

1.19 Accounting for The Mono Global Group Employee Benefit Trust

Mono Global Group Limited, as the sponsoring entity of The Mono Global Group Employee Benefit Trust, recognises the assets and liabilities of the Employee Benefit Trust in the Group's accounts as it has deemed control under the guidance of Section 9 of FRS 102. The Group and Company accounts for the Employee Benefit Trust as follows:

- Until such time as the Company's own shares held by the Employee Benefit Trust vest unconditionally in employees, the consideration paid for the shares is deducted from equity.

- Consideration paid or received for the purchase or sale of the Company's own shares in the Employee Benefit Trust is shown as a separate amount in the Statement of Changes in Equity.

- Other assets and liabilities of the Employee Benefit Trust are recognised as assets and liabilities of the Group and Company.

- No gain or loss is recognised in the Income Statement or Other Comprehensive Income on the purchase, sale, issue or cancellation of the Company's own shares.

- Finance costs and administration expenses are charged as they accrue.

- Any dividend income arising on the Company's own shares is excluded from the Statement of Comprehensive Income and deducted from the aggregate of dividends paid.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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 and key accounting estimates

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

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.

Share Options

Vesting period and fair value at grant date in respect of share options granted require estimation.

Compound financial instruments

Fair value at issue in respect of debt-like element of A Ordinary shares requires estimation.

3 Turnover and other revenue

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

4 Operating loss

	2020	2019
	£	£
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
Depreciation of owned tangible fixed assets	95,428	155,834
Depreciation of tangible fixed assets held under finance leases	5,285	-
Amortisation of intangible assets	509,495	509,495
Operating lease charges	210,171	230,227

5 Auditor's remuneration

	2020	2019
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	4,000	4,000
Audit of the financial statements of the company's subsidiaries	33,514	27,436
	37,514	31,436

6 Employees

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

	Group 2020	2019	Company 2020	2019
	Number	Number	Number	Number
Professional	145	146	4	6
Administration	32	31	-	-
Total	177	177	4	6

Their aggregate remuneration comprised:

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Wages and salaries	7,681,171	7,696,460	(9,399)	94,788
Social security costs	871,769	863,797	-	-
Pension costs	515,251	488,895	-	-
	9,068,191	9,049,152	(9,399)	94,788

7 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	406,893	715,335
Company pension contributions to defined contribution schemes	68,277	102,929
	475,170	818,264

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

7 Directors' remuneration (Continued)

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

	2020 £	2019 £
Remuneration for qualifying services	141,668	176,069
Company pension contributions to defined contribution schemes	23,868	23,868

8 Interest payable and similar expenses

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	133,454	148,010
Dividends on redeemable preference shares not classified as equity	297,071	210,323
Other interest on financial liabilities	828,872	772,969
	1,259,397	1,131,302

9 Taxation

	2020 £	2019 £
Deferred tax		
Write down or reversal of write down of deferred tax asset	-	14,991

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:

	2020 £	2019 £
Loss before taxation	(1,442,571)	(3,119,149)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(274,088)	(592,638)
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	273,935	604,064
Taxation charge	-	14,991

10 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 September 2019 and 31 August 2020	8,646,838
Amortisation and impairment	
At 1 September 2019	7,075,319
Amortisation charged for the year	509,495
At 31 August 2020	7,584,814
Carrying amount	
At 31 August 2020	1,062,024
At 31 August 2019	1,571,519

The company had no intangible fixed assets at 31 August 2020 or 31 August 2019.

11 Tangible fixed assets

Group	Fixtures and fittings	Office equipment	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 company had no tangible fixed assets at 31 August 2020 or 31 August 2019.

11 Tangible fixed assets **(Continued)**

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

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Office equipment	10,570	-	-	-

12 Fixed asset investments

	Notes	Group 2020	2019	Company 2020	2019
		£	£	£	£
Investments in subsidiaries	**13**	-	-	15,057,782	15,057,782

Movements in fixed asset investments

Company	**Shares in group undertakings**
	£
Cost or valuation	
At 1 September 2019 and 31 August 2020	25,276,147
Impairment	
At 1 September 2019 and 31 August 2020	10,218,365
Carrying amount	
At 31 August 2020	15,057,782
At 31 August 2019	15,057,782

13 Subsidiaries

Details of the company's subsidiaries at 31 August 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct	Indirect
Mono Consultants (Southern) Limited*	See below	Ordinary	0	100.00
Mono Consultants Limited	See below	Ordinary	100.00	-
Mono Electrical Services Limited*	See below	Ordinary	100.00	-
Mono Global Limited	See below	Ordinary	100.00	-
Mono Scotland Limited**	See below	Ordinary	0	100.00
Tracklift Limited	See below	Ordinary	100.00	-
Trucomm Limited	See below	Ordinary	100.00	-

13 Subsidiaries **(Continued)**

The registered office address for the above subsidiaries is Culzean House, 36 Renfield Street, Glasgow, G2 1LU.

* The investments in Mono Consultants (Southern) Limited and Mono Electrical Services Limited are held through Mono Consultants Limited.

** The investment in Mono Scotland Limited is held through Mono Global Limited.

14 Stocks

	Group		Company	
	2020	2019	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	-	-

15 Debtors

	Group		Company	
	2020	2019	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	-	-	328,173	328,173
Other debtors	600	1,751	-	-
Prepayments and accrued income	426,284	847,575	-	6,875
	3,995,221	3,126,238	328,173	335,048

16 Creditors: amounts falling due within one year

		Group		Company	
		2020	2019	2020	2019
	Notes	£	£	£	£
Bank loans and overdrafts	18	3,817,031	3,121,018	-	-
Obligations under finance leases	19	5,285	-	-	-
Other borrowings	18	3,400,000	1,000,000	3,400,000	1,000,000
Trade creditors		5,175,192	6,345,647	-	-
Amounts owed to group undertakings		-	-	42,104,286	40,424,905
Corporation tax payable		15	-	-	-
Other taxation and social security		2,569,312	999,082	-	-
Other creditors		2,711,492	903,356	2,493,550	914,953
Accruals and deferred income		8,194,936	5,685,003	9,951	-
		25,873,263	18,054,106	48,007,787	42,339,858

17 Creditors: amounts falling due after more than one year

		Group		Company	
		2020	2019	2020	2019
	Notes	£	£	£	£
Obligations under finance leases	19	5,285	-	-	-
Other borrowings	18	-	2,400,000	-	2,400,000
Other creditors		147,661	791,544	147,661	791,544
		152,946	3,191,544	147,661	3,191,544

18 Loans and overdrafts

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank overdrafts	3,817,031	3,121,018	-	-
Other loans	3,400,000	3,400,000	3,400,000	3,400,000
	7,217,031	6,521,018	3,400,000	3,400,000
Payable within one year	7,217,031	4,121,018	3,400,000	1,000,000
Payable after one year	-	2,400,000	-	2,400,000

One of the group's undertakings, Mono Consultants Limited, has contingent liabilities in respect of guarantees on its overdraft facility. As as 31 August 2020, the overdraft facility utilised totalled £3,817,031 (2019: £3,121,018). The group has banking arrangements in place for a £4,500,000 overdraft facility where as security there is a floating charge held over all assets, goodwill, undertaking and uncalled capital, both present and future of Mono Consultants Limited and following group entity members; Mono Global Group Limited, Mono Global Limited, Mono Scotland Limited and Tracklift Limited.

19 Finance lease obligations

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

20 Retirement benefit schemes

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

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. At 31 August 2020, the company owed £68,851 (2019: £60,599) in respect of pension contributions.

21 Share-based payment transactions

The Group operates a Share Option Plan for certain employees. Details of the options in issue are as follows:

Group and company	Number of share options		Weighted average exercise price	
	2020	2019	2020	2019
	Number	Number	£	£
Outstanding at 1 September 2019	506,792	506,792	0.25	0.25
Forfeited	(146,901)	-	0.25	-
Outstanding at 31 August 2020	359,891	506,792	0.25	0.25
Exercisable at 31 August 2020	-	-	-	-

The company recognised total credits of £9,399 relating to equity-settled share-based payment transactions in the year to 31 August 2020 (2019: £94,788 (expense)). At 31 August 2020, the fair value of options granted was £194,975 (2019: £315,961).

22 Share capital

	Group and company	
	2020	2019
Ordinary share capital	£	£
Issued and fully paid		
676,244 A Ordinary shares of 25p each	169,061	169,061
1,050,856 Ordinary shares of 25p each	262,714	262,714
1,567,067 Preference shares of £1 each	1,567,067	1,567,067
	1,998,842	1,998,842

The holders of Ordinary and Class A Ordinary are entitled to vote on any written resolution of the company. The preference shares do not hold any voting rights.

Class A Ordinary shares rank in priority to ordinary shares in relation to entitlement to receive a cumulative preferential net cash dividend.

The preference shares are non redeemable and carry no rights to any fixed dividends.

23 Other reserves

Group	Other reserves £	Equity-settled share options £	Total £
At 1 September 2018	(417,524)	31,596	(385,928)
Additions	-	94,788	94,788
At 31 August 2019	(417,524)	126,384	(291,140)
Additions	(33,679)	(9,399)	(43,078)
At 31 August 2020	(451,203)	116,985	(334,218)

23 Other reserves (Continued)

Company	Other reserves £	Equity-settled share options £	Total £
At 1 September 2018	(417,524)	31,596	(385,928)
Additions	-	94,788	94,788
At 31 August 2019	(417,524)	126,384	(291,140)
Additions	(33,679)	(9,399)	(43,078)
At 31 August 2020	(451,203)	116,985	(334,218)

Other reserves of the Group and the company include the reserves of the Mono Global Group Employee Benefit Trust. There are restrictions on the parent Company's ability to distribute the reserves of the Employee Benefit Trust, while the realised profit of the Company is unaffected by the deduction from reserves for the own shares held by the Employee Benefit Trust.

The Mono Global Group Employee Benefit Trust was established by Trust Deed in January 2001 to act as a market for shares in Mono Global Group Limited or any other group company.

The Employee Benefit Trust holds 604,032 ordinary shares with a cost of £524,068. (2019: 578,125 ordinary shares with a cost of £490,389).

24 Profit and loss reserves

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
At the beginning of the year	(14,366,591)	(11,232,451)	(31,865,971)	(19,118,235)
Loss for the year	(1,442,571)	(3,134,140)	(2,587,843)	(12,747,736)
At the end of the year	(15,809,162)	(14,366,591)	(34,453,814)	(31,865,971)

25 Operating lease commitments

Lessee

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

	Group		Company	
	2020	2019	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	-	-

26 Related party transactions

In management's view, key management personnel are those named directors of Mono Global Group Limited. Remuneration payable is disclosed at note 7.

Transactions with related parties

	Sale of Services		Purchase of Services	
	2020	2019	2020	2019
	£	£	£	£
Group				
Other related parties	-	71,695	242,183	179,670

The following amounts were outstanding at the reporting end date:

Amounts owed to related parties	2020	2019
	£	£
Group		
Other related parties - loans and accrued interest	6,119,674	5,299,603

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.

Transactions between group entities which have been eliminated on consolidated are not disclosed within the financial statements.

During the year, Mono Global Group Limited was charged interest on a loan provided by a related party. The total interest charged during the period totalled £875,733 (2019: £639,044).

27 Controlling party

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

28 Cash (absorbed by)/generated from group operations

	2020	2019
	£	£
Loss for the year after tax	(1,442,571)	(3,134,140)
Adjustments for:		
Taxation charged	-	14,991
Finance costs	1,259,397	1,131,302
Amortisation and impairment of intangible assets	509,495	509,495
Depreciation and impairment of tangible fixed assets	100,713	155,834
Movements in working capital:		
(Increase)/decrease in stocks	(2,973,229)	3,139,758
Increase in debtors	(870,965)	(940,350)
Increase in creditors	3,155,150	215,945
Cash (absorbed by)/generated from operations	(262,010)	1,092,835

29 Analysis of changes in net debt - group

	1 September 2019	Cash flows	New finance leases	Market value movements	31 August 2020
	£	£	£	£	£
Bank overdrafts	(3,121,018)	(696,013)	-	-	(3,817,031)
Borrowings excluding overdrafts	(3,400,000)	(33,679)	-	33,679	(3,400,000)
Obligations under finance leases	-	-	(10,570)	-	(10,570)
	(6,521,018)	(729,692)	(10,570)	33,679	(7,227,601)