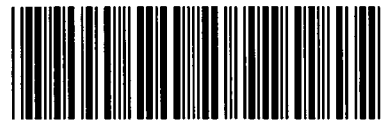


**MONO GLOBAL GROUP LIMITED**

**Annual Report and Financial Statements**

**For the year ended 31 August 2015**

**TUESDAY**



**\*S50WFXHK\***

**SCT**

**16/02/2016**

**#594**

**COMPANIES HOUSE**

# **MONO GLOBAL GROUP LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 August 2015**

<b>CONTENTS</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Strategic report</b>	<b>2</b>
<b>Directors' report</b>	<b>3</b>
<b>Directors' responsibilities statement</b>	<b>4</b>
<b>Independent auditor's report</b>	<b>5</b>
<b>Consolidated profit and loss account</b>	<b>6</b>
<b>Consolidated statement of total recognised gains and losses</b>	<b>7</b>
<b>Consolidated balance sheet</b>	<b>8</b>
<b>Company balance sheet</b>	<b>9</b>
<b>Consolidated cash flow statement</b>	<b>10</b>
<b>Notes to the financial statements</b>	<b>11 - 26</b>

# **MONO GLOBAL GROUP LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

B D Dougherty  
G F Hill  
K J Lyon  
R D Cairns (resigned 30 September 2014)  
S J White (resigned 30 September 2015)  
I H Marshall  
G Kennedy  
D Macrae  
B Woods (appointed 1 March 2015)  
G A Kennedy (appointed 2 November 2015)

#### **COMPANY SECRETARY**

S J White (resigned 30 September 2015)  
B D Dougherty (appointed 30 September 2015 and resigned 2 November 2015)  
G A Kennedy (appointed 2 November 2015)

#### **REGISTERED OFFICE**

Third floor  
48 St Vincent Street  
Glasgow  
G2 5TS

#### **BANKERS**

HSBC  
141 Bothwell Street  
Glasgow  
G2 7EQ

#### **SOLICITORS**

Brechin Tindal Oatts  
48 St Vincent Street  
Glasgow  
G2 5HS

Vialex Limited  
27 Stafford Street  
Edinburgh  
EH3 7BJ

#### **INDEPENDENT AUDITOR**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Edinburgh  
United Kingdom

# MONO GLOBAL GROUP LIMITED

## STRATEGIC REPORT

**For the year ended 31 August 2015**

### **Business Review**

There has not been any significant change in the group's core activities in the year under review with the main customer base and range of services being provided remaining constant. The consolidated results are as shown in the group profit and loss account on page 6. Turnover increased by 37% to £38,871,448 and profit before tax decreased by £1,239,606 (94.5%) to £68,353, largely reflecting a change in the sales mix together with increased costs in certain skilled resource together with the requirement to provide increased project management and support staff. The next financial year will be challenging but, with increasing volumes and having secured two new customers during the year just ended, the directors believe that the wide range of services provided by the group and the group's position as a major supplier to a number of customers will enable the company to deliver an improved financial performance in the next financial year.

### **Principal Risks and Uncertainties**

The group, like any other business, is exposed to the risk of a downturn in activity within the telecommunications service sector. The group manages this risk by focussing 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 but the directors believe that major factors such as the consolidation of networks, the ongoing development of 4G and the nature of the work streams and contracts currently held, and actively being pursued, by the group will enable them to trade profitably over the next financial year.

In terms of pricing risk, the risk of the group receiving low prices compared to market levels is mitigated by the use of up to date market intelligence and internal review of pricing assumptions.

The group and the company have minimal exposure to currencies other than sterling and the directors do not consider that there is a requirement for currency hedging as the financial exposure is not significant.

The group is exposed to the risk of default by its trade debtors. The directors consider this risk to be minimised due to their customer base being largely represented by companies with whom they have a strong customer relationship and by exercising strong credit control.

The trade debtors presented in the consolidated 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 to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long term and short term finance.

The credit risk on liquid funds is limited because the counterparties are banks with credit ratings assigned by international credit rating agencies.

### **Results and Dividends**

The profit for the financial year was £22,163 (2014: £1,146,611). The directors propose that the profit for the year is transferred to reserves. No dividend was declared or paid during the year (2014: £nil).

Approved by the Board of Directors  
and signed by order of the Board



G A Kennedy  
Director

5 February 2016

# MONO GLOBAL GROUP LIMITED

## DIRECTORS' REPORT

For the year ended 31 August 2015

The directors present their annual report and the audited financial statements for the year ended 31 August 2015.

### Principal Activities

The group's principal activity continues to be the provision of support services to telecommunications operators and associated equipment manufacturers.

### Going Concern

The directors have prepared forecasts that reflect their outlook for the group but which also take into account potential sensitivities that may affect trading performance. Based on projections of Mono Global Group Limited and its subsidiaries ("the group"), the directors have concluded that it is appropriate to adopt the going concern basis in preparing the Mono Consultants Limited financial statements.

Banking facilities are due for renegotiation in the forthcoming months. Given the long standing, positive relationship with the group's bankers and the group's track record throughout that relationship in meeting repayment and covenant commitments the directors are confident that renegotiated facilities will be obtained as required.

The directors have prepared forecasts for Mono Consultants Limited that reflect their outlook for the company and group but which also take into account potential sensitivities that may affect trading performance. Based on these company only projections and the various facilities currently and expected to remain available to the group, the directors have concluded that the facilities are both adequate and appropriate and that the group and company will be able to operate within the covenants attaching to these facilities. Therefore the directors continue to adopt the going concern basis in preparing the financial statements.

### Further information

Information in relation to financial performance, areas of key risk and uncertainty and dividends, has been included within the Strategic Report under CA2006 s414c.

### Directors

The directors, who served during the year and to the date of this report, were as follows:

B D Dougherty  
K J Lyon  
S J White (resigned 30 September 2015)  
G Kennedy  
B Woods (appointed 1 March 2015)

G F Hill  
R D Cairns (resigned 30 September 2014)  
I H Marshall  
D Macrae  
G A Kennedy (appointed 2 November 2015)

### Independent auditor

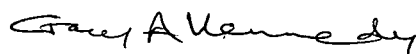
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed by order of the Board



G A Kennedy  
Director

5 February 2016

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual Report (including the Strategic and Directors' report) and the audited 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- 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.

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

We have audited the financial statements of Mono Global Group Limited for the year ended 31 August 2015 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement, and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

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 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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.

### **Matters on which we are required to report by exception**

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.



**James Boyle CA** (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Edinburgh, United Kingdom

**5** February 2016

# MONO GLOBAL GROUP LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT For the year ended 31 August 2015

	Note	2015 £	2014 £
<b>TURNOVER</b>	1	38,871,448	28,338,710
Cost of sales		(34,182,913)	(23,238,379)
<b>Gross profit</b>		4,688,535	5,100,331
Other operating expenses	2	(4,116,193)	(3,484,402)
<b>OPERATING PROFIT</b>		572,342	1,615,929
Bank interest received	3	32,968	3,616
Interest payable	3	(536,957)	(373,104)
Total finance charges (net)		(503,989)	(369,488)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	68,353	1,246,441
Tax on profit on ordinary activities	6	(46,190)	(99,830)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	17, 18	22,163	1,146,611

All results have arisen from continuing operations.

The accompanying notes are an integral part of this consolidated profit and loss account.



# **MONO GLOBAL GROUP LIMITED**

## **CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES** **For the year ended 31 August 2015**

	<b>Note</b>	<b>2015 £</b>	<b>2014 £</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	17	22,163	1,146,611
<b>OTHER RECOGNISED GAINS AND LOSSES</b>			
Warrant re-purchase	18	<u>-</u>	<u>(250,000)</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>		<u>22,163</u>	<u>896,611</u>

# MONO GLOBAL GROUP LIMITED

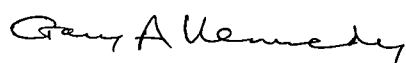
## CONSOLIDATED BALANCE SHEET

As at 31 August 2015

	Note	2015 £	2014 £
<b>FIXED ASSETS</b>			
Intangible assets	8	3,646,137	4,175,587
Tangible assets	9	380,488	122,726
		<u>4,026,625</u>	<u>4,298,313</u>
<b>CURRENT ASSETS</b>			
Stock	11	12,368,218	9,296,038
Debtors	12	7,105,488	3,060,147
Cash at bank and in hand		-	255,696
		<u>19,473,706</u>	<u>12,611,881</u>
<b>CREDITORS: amounts falling due within one year</b>	13	(14,258,614)	(7,880,647)
<b>NET CURRENT ASSETS</b>		<u>5,215,092</u>	<u>4,731,234</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		9,241,717	9,029,547
<b>CREDITORS: amounts falling due after more than one year</b>	14	(2,941,161)	(2,751,154)
<b>NET ASSETS</b>		<u>6,300,556</u>	<u>6,278,393</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	16	1,998,842	1,998,842
Share premium	17	20,184	20,184
Profit and loss account	17	4,281,530	4,259,367
<b>SHAREHOLDERS' FUNDS</b>	18	<u>6,300,556</u>	<u>6,278,393</u>

These financial statements of Mono Global Group Limited, (registered number SC296339) were approved by the Board of Directors and authorised for issue on 5 February 2016.

Signed on behalf of the Board of Directors



G A Kennedy  
Director

# MONO GLOBAL GROUP LIMITED

## COMPANY BALANCE SHEET

As at 31 August 2015

	Note	2015 £	2014 £
<b>FIXED ASSETS</b>			
Investments	10	25,276,416	25,276,416
<b>CURRENT ASSETS</b>			
Debtors - due within one year	12	21,448	59,142
- due after more than one year	12	343,419	343,419
		364,867	402,561
<b>CREDITORS: amounts falling due within one year</b>	13	(33,217,940)	(31,717,938)
<b>NET CURRENT LIABILITIES</b>		(32,853,073)	(31,315,377)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(7,576,657)	(6,038,961)
<b>CREDITORS: amounts falling due after more than one year</b>	14	(2,791,066)	(2,751,154)
<b>NET LIABILITIES</b>		(10,367,723)	(8,790,115)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	1,998,842	1,998,842
Share premium account	17	20,184	20,184
Profit and loss account	17	(12,386,749)	(10,809,141)
<b>SHAREHOLDERS' DEFICIT</b>	18	(10,367,723)	(8,790,115)

These financial statements of Mono Global Group Limited, (registered number SC296339) were approved by the Board of Directors and authorised for issue on 5 February 2016.

Signed on behalf of the Board of Directors



G A Kennedy  
Director

# **MONO GLOBAL GROUP LIMITED**

## **CONSOLIDATED CASH FLOW STATEMENT** **For the year ended 31 August 2015**

	<b>Note</b>	<b>2015 £</b>	<b>2014 £</b>
<b>Net cash outflow from operating activities</b>	19	(1,577,926)	(5,458,059)
Returns on investment and servicing of finance	20(a)	(489,647)	(326,597)
Taxation	20(b)	-	(250,534)
Capital expenditure and financial investment	20(c)	(112,458)	(20,976)
<b>Cash outflow before financing</b>		<u>(2,180,031)</u>	<u>(6,056,166)</u>
Financing	20(d)	<u>(1,155,019)</u>	<u>1,293,686</u>
<b>Decrease in cash</b>	21	<u><u>(3,335,050)</u></u>	<u><u>(4,762,480)</u></u>

# MONO GLOBAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2015

### 1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

#### **Basis of accounting and preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

#### **Basis of consolidation**

The group financial statements consolidate the financial statements of Mono Global Group Limited and its subsidiary undertakings. The results of the subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

#### **Going concern**

The directors have prepared forecasts that reflect their outlook for the group but which also take into account potential sensitivities that may affect trading performance. Based on projections of Mono Global Group Limited and its subsidiaries ("the group"), the directors have concluded that it is appropriate to adopt the going concern basis in preparing the Mono Consultants Limited financial statements.

Banking facilities are due for renegotiation in the forthcoming months. Given the long standing, positive relationship with the group's bankers and the group's track record throughout that relationship in meeting repayment and covenant commitments the directors are confident that renegotiated facilities will be obtained as required.

The directors have prepared forecasts for Mono Consultants Limited that reflect their outlook for the company and group but which also take into account potential sensitivities that may affect trading performance. Based on these company only projections and the various facilities currently and expected to remain available to the group, the directors have concluded that the facilities are both adequate and appropriate and that the group and company will be able to operate within the covenants attaching to these facilities. Therefore the directors continue to adopt the going concern basis in preparing the financial statements.

#### **Tangible fixed assets**

Fixed assets are stated at historical cost, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets at rates calculated to write down each asset to its estimated residual value evenly over its expected useful life, as follows:

Fixtures, fittings & equipment	2-4 years
Office equipment	2-5 years

#### **Goodwill**

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life which is 20 years. Provision is made for any impairment.

#### **Stocks and Work in progress**

Work in progress is valued at the lower of cost and net realisable value. Cost of work in progress includes material, labour and subcontractor costs. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal.

#### **Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

# **MONO GLOBAL GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the year ended 31 August 2015**

### **1. ACCOUNTING POLICIES (CONTINUED)**

#### **Taxation (continued)**

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they have been recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### **Investments**

Fixed asset investments are shown at cost less provision for impairment.

#### **Pension contributions**

The group operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. Differences between contributions payable and contributions actually paid are included in prepayments or accruals in the balance sheet.

#### **Leases**

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the lease. Hire purchase transactions are dealt with in the same way except that assets are depreciated over their useful lives.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term even if payments are not made on such a basis.

#### **Turnover**

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

Turnover and profit before taxation are attributable to the principal activities of the group. In the opinion of the directors it would be seriously prejudicial to disclose the geographic market segments of turnover and profit on ordinary activities before taxation.

#### **Finance costs**

Finance costs of debt are deferred in the balance sheet and amortised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

# MONO GLOBAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2015

### 2. OTHER OPERATING EXPENSES

	2015 £	2014 £
Administrative expenses	4,116,193	3,521,118
Gain on sale of fixed assets	-	(36,716)
Total other operating expenses	<u>4,116,193</u>	<u>3,484,402</u>

### 3. FINANCE CHARGES (NET)

	2015 £	2014 £
Bank interest received	<u>32,968</u>	<u>3,616</u>
Bank interest paid	(533,810)	(371,662)
Hire purchase interest	-	(1,442)
Finance lease interest	<u>(3,147)</u>	<u>-</u>
Total interest payable	<u>(536,957)</u>	<u>(373,104)</u>
Total finance charges (net)	<u>(503,989)</u>	<u>(369,488)</u>

### 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2015 £	2014 £
Depreciation on tangible fixed assets		
- owned assets	107,981	120,523
- leased assets	16,886	7,496
Gain on sale of fixed assets	-	(36,716)
Operating lease rentals		
- land and buildings	280,900	240,625
- plant and machinery	116,987	162,354
Amortisation of goodwill	529,450	529,451
Amortisation of costs incurred arranging loans	<u>59,802</u>	<u>45,103</u>

# MONO GLOBAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 August 2015

### 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (CONTINUED)

The analysis of auditor's remuneration is as follows:

	2015 £	2014 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	-	1,500
Fees payable to the company's auditor for other services to the group		
- The audit of the company's subsidiaries pursuant to legislation	32,500	32,950
Total audit fees	<u>32,500</u>	<u>34,450</u>
Other services pursuant to legislation		
- Tax compliance services	6,500	12,250
- Tax advisory services	1,950	3,550
Total non-audit fees	<u>8,450</u>	<u>15,800</u>

In the prior year there were non-audit fees of £68,160 which were paid to the company's auditor in relation to corporate finance advisory services provided during the year. There were no such services provided in the current year.

### 5. STAFF COSTS

The average monthly number of employees (including executive directors) was:

	2015 Number	2014 Number
Professional	196	194
Administration	35	29
	<u>231</u>	<u>223</u>

	2015 £	2014 £
Their aggregate remuneration comprised:		
Wages and salaries	9,214,202	8,772,952
Social security costs	1,003,382	800,650
Other pension costs (note 22)	511,586	437,998
	<u>10,729,170</u>	<u>10,011,600</u>



# MONO GLOBAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2015

### 5. STAFF COSTS (CONTINUED)

#### *Directors' remuneration*

Directors' remuneration was as follows:

	2015 £	2014 £
Emoluments	817,903	796,715
Contributions to money purchase pension scheme	126,077	123,732
Compensation for loss of office	121,429	-
	<u>1,065,409</u>	<u>920,447</u>

6 directors were members of a money purchase pension scheme in 2015 (2014: 6).

#### *Highest paid director*

The above amounts for remuneration include the following in respect of the highest paid director:

	2015 £	2014 £
Emoluments	167,169	166,505
Contributions to money purchase pension scheme	27,000	27,000
	<u>194,169</u>	<u>193,505</u>

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises:

	2015 £	2014 £
<b>UK Corporation tax</b>		
UK corporation tax on profit for the period	-	-
Adjustment in respect of prior periods	236	(236)
Total current tax	<u>236</u>	<u>(236)</u>
<b>Deferred tax</b>		
Originating and reversal of timing differences	45,954	100,066
Total deferred tax charge (note 12)	<u>45,954</u>	<u>100,066</u>
Total tax charge	<u>46,190</u>	<u>99,830</u>

# MONO GLOBAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2015

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2015 £	2014 £
<b>Profit on ordinary activities before taxation</b>	68,353	1,246,441
Tax on profit on ordinary activities at standard UK corporation tax rate of 20.58% (2014: 22.16%)	14,067	276,211
Effect of:		
Disallowed expenses and non-taxable income	147,967	163,553
Capital allowances in excess of depreciation charge	(49,443)	-
Rate differences	-	732
Share option expense relief	(114,748)	(340,438)
Short term timing differences	2,157	(100,066)
Adjustments to tax charge in respect of previous periods	236	(228)
Current tax charge	236	(236)

The Finance Act 2013, which provides for reductions in the main rate of corporation tax to 21% effective from 1 April 2014 and 20% effective from 1 April 2015, was substantively enacted on 17 July 2013.

The Government proposes no further changes to the main rate of corporation tax.

### 7. LOSS ATTRIBUTABLE TO MONO GLOBAL GROUP LIMITED

The loss for the financial year after tax in the financial statements of the parent company, Mono Global Group Limited, was £1,577,608 (2014: £1,442,605). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the company.

### 8. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>Group</b>	
<b>Cost</b>	
At 1 September 2014 and 31 August 2015	8,646,838
<b>Amortisation</b>	
At 1 September 2014	4,471,251
Charge for the year	529,450
At 31 August 2015	5,000,701
<b>Net book value</b>	
At 31 August 2015	3,646,137
At 31 August 2014	4,175,587

Goodwill on the acquisition of Mono Global Limited and its subsidiaries is being written off over its estimated useful life of 20 years.

Goodwill on the acquisition of Trucomm Limited is being written off over 10 years.

# MONO GLOBAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2015

### 9. TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £	Office equipment £	Total £
<b>Group Cost</b>			
At 1 September 2014	234,505	1,357,175	1,591,680
Additions	11,497	371,132	382,629
At 31 August 2015	246,002	1,728,307	1,974,309
<b>Accumulated depreciation</b>			
At 1 September 2014	213,199	1,255,755	1,468,954
Charge for the year	21,485	103,382	124,867
At 31 August 2015	234,684	1,359,137	1,593,821
<b>Net book value</b>			
At 31 August 2015	11,318	369,170	380,488
At 31 August 2014	21,306	101,420	122,726

Included in the above are leased assets with a net book value of £253,286 (2014: £nil). The depreciation charge for the period in respect of these assets was £16,886 (2014: £nil).

### 10. INVESTMENTS

	2015 £	2014 £
<b>Company Subsidiary undertakings</b>		
Cost and net book value at 1 September	25,276,416	25,276,416
Additions	-	-
Cost and net book value at 31 August	25,276,416	25,276,416

# MONO GLOBAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 August 2015

### 10. INVESTMENTS (CONTINUED)

The Company has investments in the following subsidiary undertakings:

	Country of incorporation	Principal activity	Holding Ordinary shares
Mono Global Limited	Scotland	Non-trading	100%
Mono Scotland Limited	Scotland	Non-trading	100%
Mono Consultants Limited	Scotland	Project managers for telecommunications operators	100%
Mono Consultants (Southern) Limited *	Scotland	Non-trading	100%
Mono Electrical Services Limited**	Scotland	Non-trading	100%
Tracklift Limited	Scotland	Non-trading	100%
Trucomm Limited	Scotland	Non-trading	100%

\* The investment in Mono Consultants (Southern) Limited is held through Mono Scotland Limited.

\*\* The investment in Mono Electrical Services Limited is held through Mono Consultants Limited.

### 11. STOCK

	Group 2015 £	Group 2014 £
Raw materials	120,824	112,739
Work in progress	12,247,394	9,183,299
	<u>12,368,218</u>	<u>9,296,038</u>

# MONO GLOBAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2015

### 12. DEBTORS

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade debtors	6,540,828	2,408,768	-	-
Prepayments and other debtors	545,058	585,587	21,448	59,142
Amounts owed by subsidiaries	-	-	343,419	343,419
Corporation tax	-	236	-	-
Deferred tax asset	19,602	65,556	-	-
	<u>7,105,488</u>	<u>3,060,147</u>	<u>364,867</u>	<u>402,561</u>

Amounts owed from subsidiaries have been classified as falling due after more than one year as in the opinion of the directors these debts will not be called within 12 months.

Deferred tax asset:

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
At 1 September 2014	65,556	165,622	-	-
Charged to the profit and loss account (note 6)	(45,954)	(100,066)	-	-
At 31 August 2015	<u>19,602</u>	<u>65,556</u>	<u>-</u>	<u>-</u>
	<u>Group 2015 £</u>	<u>Group 2014 £</u>	<u>Company 2015 £</u>	<u>Company 2014 £</u>
Other timing differences	-	10,378	-	-
Decelerated capital allowances	19,602	55,178	-	-
	<u>19,602</u>	<u>65,556</u>	<u>-</u>	<u>-</u>

A deferred tax asset of £19,602 (2014: £65,556) has been recognised on the basis that the group will generate taxable income from continuing operations.

# MONO GLOBAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2015

### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Loans (note 14)	-	1,125,000	-	1,125,000
Net costs associated with arranging loans	(43,228)	(63,118)	-	(63,118)
Trade creditors	7,865,342	4,844,389	-	-
Bank overdraft (note 14)	29,354	-	10,650,748	9,061,846
Revolving credit facility (note 14)	3,500,000	450,000	3,500,000	450,000
Amounts owed to group undertakings	-	-	19,052,366	21,084,009
Amounts owed to related parties (note 25)	38,726	12,032	-	-
Other taxation and social security	663,037	425,141	-	-
Accruals and deferred income	2,115,326	1,087,203	14,826	60,201
Obligations under finance lease (note 14)	90,057	-	-	-
	<u>14,258,614</u>	<u>7,880,647</u>	<u>33,217,940</u>	<u>31,717,938</u>

The group has granted a bond and a floating charge over its assets to secure the loan and overdraft facilities. Accruals and deferred income include unpaid pension contributions of £61,872 (2014: £51,889).

The bank loans and financing in place at the balance sheet date were repayable and interest was charged as shown below:

	31 August 2015 Balance		Repayment date
Revolving Credit Facility	£3,500,000	£3,500,000 available	Available until 31 August 2016
Loan	£3,000,000	Biannual from 31 December 2018	Biannual until 30 June 2021

During the prior year a loan totalling £3,000,000 was received from Business Growth Fund Plc, a minority shareholder. Repayment is due between 2018 and 2021 and interest is charged at an arm's length commercial rate

# MONO GLOBAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2015

### 14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Loans	3,000,000	3,000,000	3,000,000	3,000,000
Net costs associated with arranging loans	(208,934)	(248,846)	(208,934)	(248,846)
Finance Lease	150,095	-	-	-
	<u>2,941,161</u>	<u>2,751,154</u>	<u>2,791,066</u>	<u>2,751,154</u>
	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
<b>Loans and overdraft</b>				
Due between one and two years	-	-	-	-
Due between two and five years	1,000,000	1,000,000	1,000,000	1,000,000
Due outwith five years	2,000,000	2,000,000	2,000,000	2,000,000
	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
On demand or within one year	3,529,354	1,575,000	3,500,000	1,575,000
	<u>6,529,354</u>	<u>4,575,000</u>	<u>6,500,000</u>	<u>4,575,000</u>
	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
<b>Obligations under finance lease</b>				
Due between one and two years	90,057	-	-	-
Due between two and five years	60,038	-	-	-
	<u>150,095</u>	<u>-</u>	<u>-</u>	<u>-</u>
On demand or within one year	90,057	-	-	-
	<u>240,152</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
<b>Total borrowings</b>				
Between one and two years	90,057	-	-	-
Between two and five years	1,060,038	1,000,000	1,000,000	1,000,000
Five years and over	2,000,000	2,000,000	2,000,000	2,000,000
	<u>3,150,095</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
On demand or within one year	3,619,411	1,575,000	3,500,000	1,575,000
	<u>6,769,506</u>	<u>4,575,000</u>	<u>6,500,000</u>	<u>4,575,000</u>

# MONO GLOBAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2015

### 15. FINANCIAL ASSETS AND LIABILITIES

The Group holds financial instruments only to manage the interest rate risk arising from its borrowings. As all transactions are undertaken in sterling and within the UK, there is no perceived currency risk. No speculative transactions are permitted.

The Group's borrowings are wholly in relation to the refinancing of the acquisition of Mono Global Limited and are secured by a floating charge over the subsidiaries' assets. The subordinated loan is a set interest rate and attracts no interest rate risk.

The Group has defined financial assets and liabilities as those of a financial nature, being cash and group borrowings. Short term debtors and creditors, taxation prepayments and accruals are not considered.

#### Financial assets

The Group has no financial assets, other than short-term debtors.

#### Financial liabilities

The senior loan was repaid during the year, this was the only loan subject to floating rate interest.

Floating rate loans bear interest based on short-term inter-bank rates (mainly 3 month LIBOR) and base rates.

### 16. CALLED-UP SHARE CAPITAL

	2015 £	2014 £
<b>Allotted, called up and fully-paid</b>		
388,694 A Ordinary Shares of 25p each	97,173	97,173
1,338,406 Ordinary shares of 25p each	334,602	334,602
1,567,067 Preference shares of £1 each	1,567,067	1,567,067
	<u>1,998,842</u>	<u>1,998,842</u>

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.



# MONO GLOBAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 August 2015

### 17. RESERVES

	Share premium account £	Profit and loss account £	Total £
<b>Group</b>			
At 1 September 2014	20,184	4,259,367	4,279,551
Profit for the financial year	-	22,163	22,163
At 31 August 2015	20,184	4,281,530	4,301,714
	Share premium account £	Profit and loss account £	Total £
<b>Company</b>			
At 1 September 2014	20,184	(10,809,141)	(10,788,957)
Loss for the financial year	-	(1,577,608)	(1,577,608)
At 31 August 2015	20,184	(12,386,749)	(12,366,565)

### 18. RECONCILIATION OF MOVEMENTS IN GROUP SHAREHOLDERS' FUNDS/ (DEFICIT)

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Profit/(loss) for the financial year	22,163	1,146,611	(1,577,608)	(1,442,605)
Loss through STRGL – warrant re-purchase	-	(250,000)	-	(250,000)
Opening shareholders' funds/ (deficit)	6,278,393	5,381,782	(8,790,115)	(7,097,510)
Closing shareholders' funds/ (deficit)	6,300,556	6,278,393	(10,367,723)	(8,790,115)

During the prior year Mono Global Group Limited re-purchased a warrant from the Scottish Loan Fund.

# MONO GLOBAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2015

### 19. RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating profit	572,342	1,615,929
Depreciation of tangible fixed assets	124,867	128,019
Increase in stocks and WIP	(3,072,180)	(5,429,265)
(Increase)/ decrease in debtors	(4,091,531)	5,713,589
Increase/ (decrease) in creditors	4,299,324	(8,024,169)
Gain on sale of fixed assets	-	(36,716)
Amortisation of goodwill	529,450	529,451
Amortisation of finance costs	59,802	45,103
Net cash outflow from operating activities	<u>(1,577,926)</u>	<u>(5,458,059)</u>

### 20. ANALYSIS OF CASH FLOWS

	2015 £	2014 £
a) <b>Returns on investment and servicing of finance</b>		
Interest received	32,968	3,616
Interest paid	(522,615)	(330,213)
Net cash outflow	<u>(489,647)</u>	<u>(326,597)</u>
b) <b>Taxation</b>		
Corporation tax paid	-	(250,534)
c) <b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(112,458)	(91,716)
Proceeds from sale of tangible fixed assets	-	70,740
	<u>(112,458)</u>	<u>(20,976)</u>
d) <b>Financing</b>		
Loan repayments	(1,125,000)	(1,125,000)
Capital elements of finance lease rental payments	(30,019)	(10,709)
Deal fees paid	-	(320,605)
BGF Loan	-	3,000,000
Warrant buy back	-	(250,000)
	<u>(1,155,019)</u>	<u>1,293,686</u>

# MONO GLOBAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2015

### 21. ANALYSIS AND RECONCILIATION OF NET DEBT

	1 September 2014 £	Cash movements £	Non cash movements £	31 August 2015 £
Cash in hand/Overdraft utilised	255,696	(285,050)	-	(29,354)
Revolving Credit Facility	(450,000)	(3,050,000)	-	(3,500,000)
	<u>(194,304)</u>	<u>(3,335,050)</u>	<u>-</u>	<u>(3,529,354)</u>
Debt due within one year	(1,061,882)	1,125,000	(19,890)	43,228
Debt due after more than one year	(2,751,154)	-	(39,912)	(2,791,066)
Finance leases	-	30,019	(270,171)	(240,152)
	<u>(4,007,340)</u>	<u>(2,180,031)</u>	<u>(329,973)</u>	<u>(6,517,344)</u>

	2015 £	2014 £
Increase in net overdraft and revolving credit facility in the year	(3,335,050)	(4,762,480)
Cash inflow/(outflow) from debt and lease financing	<u>1,155,019</u>	<u>(1,864,290)</u>
Change in net debt resulting from cash flows	(2,180,031)	(6,626,770)
Other non cash movements	<u>(329,973)</u>	<u>275,501</u>
Change in net debt	(2,510,004)	(6,351,269)
Net (debt)/funds at 1 September	<u>(4,007,340)</u>	<u>2,343,929</u>
Net debt at 31 August	<u>(6,517,344)</u>	<u>(4,007,340)</u>

### 22. PENSION ARRANGEMENTS

The group operates a defined contribution scheme for its employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost for the year amounted to £511,586 (2014: £437,998). At 31 August 2015 the group owed £61,872 (2014: £51,889) in respect of pension contributions.

# MONO GLOBAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2015

### 23. FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:-

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Land and buildings:				
Expiring within one year	31,220	60,172	-	-
Expiring within two to five years	79,550	36,850	-	-
Expiring within five to ten years	207,440	207,470	-	-
	<u>318,210</u>	<u>304,492</u>	<u>-</u>	<u>-</u>
Other:				
Expiring within one year	26,433	82,295	-	-
Expiring within two to five years	61,720	61,275	-	-
	<u>88,153</u>	<u>143,570</u>	<u>-</u>	<u>-</u>

### 24. CONTINGENT LIABILITIES AND GUARANTEES

The company has contingent liabilities in respect of cross guarantees on the overdrafts and loans of its fellow group undertakings. As at 31 August 2015, the bank balances of these companies was £10,621,394 (2014: £9,315,799).

### 25. RELATED PARTY TRANSACTIONS

The company has taken advantage of the provisions of FRS 8 "Related Party Disclosures" not to disclose transactions with other wholly owned subsidiary undertakings of Mono Global Group Limited.

During the period Mono Consultants Limited purchased services from Dynamic Concepts Limited, in which Graeme Hill, a company director, is also a director. The total services purchased during the period totalled £87,570 (2014: £134,709). At 31 August 2015 the amount owed to Dynamic Concepts Limited was £32,466 (2014: £12,032).

During the period Mono Consultants Limited purchased services from Gillian Marshall a close family member of Ian Marshall, a company director. The total services purchased during the period totalled £55,825 (2014: £12,270). At 31 August 2015 the amount owed to Gillian Marshall was £6,260 (2014: £nil).

### 26. ULTIMATE CONTROLLING PARTY

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