

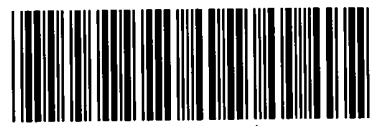
Middlefield International Limited

Registered number: 02585440

Annual Report

For the year ended 31 March 2018

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MIDDLEFIELD INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	M.J. Brasseur C. Scotland
Company secretary	P Tse
Registered number	02585440
Registered office	288 Bishopsgate London EC2M 4QP
Independent auditor	Mazars LLP Chartered Accountants and Statutory Auditor Tower Bridge House St Katharine's Way London E1W 1DD

MIDDLEFIELD INTERNATIONAL LIMITED

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MIDDLEFIELD INTERNATIONAL LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

Business review

The primary business of the company during the year under review was to provide advisory services to Middlefield Canadian Income PCC ("MCI" or the "Fund"), an investment fund domiciled in Jersey, Channel Islands. During the year, the company derived advisory fee income from MCI based upon Net Asset Value ("NAV") of the Fund. As a result, the primary risk associated with the business relates to fluctuations in NAV. These would occur as a result of depreciation or appreciation of the value of the equity portfolio held by the fund or the issuance or redemption of shares by MCI. During the year, advisory fee income increased by 3.6% due to an increase in the average NAV per share of the fund managed.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

The company has in place a risk management programme that seeks to limit the possible adverse effects on the financial performance of the company by monitoring levels of cash and performing a thorough appraisal of any potential new projects. The company does not use derivative financial instruments or manage interest rate costs, and as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The company's finance department implements the policies set by the board of directors. The department has specific guidelines agreed by the directors to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

Credit risk

The company limits its exposure to credit risk by largely entering into cash-only transactions.

Price risk

Expenditure made by the company is authorised prior to it being made by management in order to ensure that goods and services are not obtained at a higher price than is necessary.

Interest rate risk

The company has interest bearing assets. Interest bearing assets include only cash balances and deposits that earn interest based on prevailing bank rates.

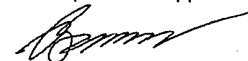
Cash flow risk

On an ongoing basis, the company retains procedures in place to mitigate liquidity risk. These comprise of ensuring that the company will have sufficient funds available to meet its remaining liabilities by regular review of the cash flow position of the company by senior management.

Financial key performance indicators

The company considers its turnover to be its key performance indicator. Turnover has increased in the year by 3.6% from £115,327 in 2017 to £119,485 in 2018.

This report was approved by the board and signed on its behalf.



M.J. Brasseur
Director

Date: 5 July, 2018

MIDDLEFIELD INTERNATIONAL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

The directors present their report and the financial statements for the year ended 31 March 2018.

Principal activity

The principal activity of the company continued to be that of providing investment management and advisory services to other Middlefield Group Companies. The company is regulated by the Financial Conduct Authority.

Results and dividends

The profit for the year, after taxation, amounted to £13,293 (2017 - £12,109).

The directors expect the general level of activity of the company to continue.

Directors

The directors who served during the year were:

M.J. Brasseur
C. Scotland

Future developments

The directors consider the state of the company's affairs to be satisfactory and believe that good opportunities exist within the industry due to improving market conditions.

Going concern

The financial statements are prepared on a going concern basis. The company remains assured of the financial support provided by the ultimate parent company. The directors have received confirmation that the ultimate parent company will continue to support the company and provide it with adequate funds when necessary to enable it to meet its debts as they fall due in the foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Matters covered in the strategic report

As permitted by paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on page 1. These matters relate to the business review, principal risks and uncertainties and financial key performance indicators.

Provision of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

MIDDLEFIELD INTERNATIONAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

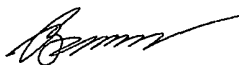
Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



M.J. Brasseur
Director

Date: 5 July, 2018

MIDDLEFIELD INTERNATIONAL LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

The directors are responsible for preparing the strategic report, the directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgments 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to 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.

MIDDLEFIELD INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIDDLEFIELD INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of Middlefield International Limited (the 'company') for the year ended 31 March 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the 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 company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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.

MIDDLEFIELD INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIDDLEFIELD INTERNATIONAL LIMITED

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 the 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 light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

MIDDLEFIELD INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIDDLEFIELD INTERNATIONAL LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

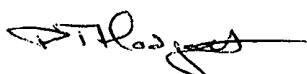
Auditor's responsibilities for the audit of the financial statements

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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit 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.



Paul Hodgett (Senior statutory auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor and
Tower Bridge House
St Katharine's Way

London
E1W 1DD

Date: 6 July 2018.

MIDDLEFIELD INTERNATIONAL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Turnover	4	119,485	115,327
Gross profit		119,485	115,327
Administrative expenses		(104,024)	(101,727)
Operating profit	5	15,461	13,600
Interest receivable and similar income	9	942	1,525
Profit before tax		16,403	15,125
Tax on profit	10	(3,110)	(3,016)
Profit for the financial year		13,293	12,109
Other comprehensive income		-	-
Total comprehensive income for the year		13,293	12,109

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

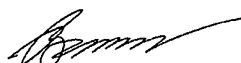
The notes on pages 12 to 22 form part of these financial statements.

MIDDLEFIELD INTERNATIONAL LIMITED
REGISTERED NUMBER: 02585440

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Current assets			
Debtors: amounts falling due within one year	11	34,189	36,666
Cash at bank and in hand	12	455,844	438,730
		<u>490,033</u>	<u>475,396</u>
Creditors: amounts falling due within one year	13	(12,610)	(11,266)
Net current assets		<u>477,423</u>	<u>464,130</u>
Total assets less current liabilities		<u>477,423</u>	<u>464,130</u>
Creditors: amounts falling due after more than one year	14	(250,000)	(250,000)
Net assets		<u>227,423</u>	<u>214,130</u>
Capital and reserves			
Called up share capital	16	250,000	250,000
Profit and loss account	17	(22,577)	(35,870)
Total equity		<u>227,423</u>	<u>214,130</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



M.J. Brasseur
Director

Date: 5 July, 2018

The notes on pages 12 to 22 form part of these financial statements.

MIDDLEFIELD INTERNATIONAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2016	250,000	(47,979)	202,021
Comprehensive income for the year			
Profit for the year	-	12,109	12,109
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	12,109	12,109
Total transactions with owners	-	-	-
At 1 April 2017	250,000	(35,870)	214,130
Comprehensive income for the year			
Profit for the year	-	13,293	13,293
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	13,293	13,293
Total transactions with owners	-	-	-
At 31 March 2018	250,000	(22,577)	227,423

The notes on pages 12 to 22 form part of these financial statements.

MIDDLEFIELD INTERNATIONAL LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	13,293	12,109
Adjustments for:		
Interest received	(942)	(1,525)
Taxation charge	3,110	3,016
Decrease/(increase) in debtors	2,477	(9,548)
Increase/(decrease) in creditors	1,250	(2,913)
Corporation tax paid	(3,016)	(2,127)
Net cash generated from/(used in) operating activities	<u>16,172</u>	<u>(988)</u>
Cash flows from investing activities		
Interest received	942	1,525
Net cash generated from investing activities	<u>942</u>	<u>1,525</u>
Net increase in cash and cash equivalents	17,114	537
Cash and cash equivalents at beginning of year	438,730	438,193
Cash and cash equivalents at the end of year	<u>455,844</u>	<u>438,730</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	455,844	438,730
	<u>455,844</u>	<u>438,730</u>

The notes on pages 12 to 22 form part of these financial statements.

MIDDLEFIELD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. General information

Middlefield International Limited is a private company limited by shares incorporated in England and Wales. The address of its registered office and principal place of business is 288 Bishopsgate, London, EC2M 4QP.

The principal activity of the company continued to be that of providing investment management and advisory services to other Middlefield Group Companies.

The financial statements have been presented in Pounds Sterling as this is the currency of the primary economic environment in which the company operates and rounded to the nearest pound.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements are prepared on a going concern basis. The company remains assured of the financial support provided by the ultimate parent company. The directors have received confirmation that the ultimate parent company will continue to support the company and provide it with adequate funds when necessary to enable it to meet its debts as they fall due in the foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

2.3 Turnover

Turnover is generated from management and advisory services to investment funds through management fees. Management fees are based on the net asset value of the fund and are recognised on an accruals basis.

2.4 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

The company includes term deposits of less than one year as liquid resources.

MIDDLEFIELD INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.5 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

MIDDLEFIELD INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.6 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'administrative expenses'.

2.7 Interest receivable and similar income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

MIDDLEFIELD INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.8 Taxation

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Critical judgements in applying the company's accounting policies

The critical judgements that the directors have made in the process of applying the company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Recoverability of debtors

The company establishes a provision for debtors that are estimated not to be recoverable. When assessing recoverability the director considers factors such as the aging of debtors, past experience of recoverability, and the credit profile of individual or groups of customers.

MIDDLEFIELD INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

4. Turnover

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	119,485	115,327
	<u>119,485</u>	<u>115,327</u>

5. Operating profit

The operating profit is stated after charging/crediting:

	2018 £	2017 £
Exchange differences	1,238	(863)
Operating lease charge	<u>23,765</u>	<u>22,629</u>

6. Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	5,000	5,000
Fees payable to the company's auditor and its associates in respect of:		
Other services pursuant to legislation	750	750
All other services	<u>1,250</u>	<u>1,250</u>

MIDDLEFIELD INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Office and management	4	4
	<u>4</u>	<u>4</u>

8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

During the year, there were no benefits accruing to the directors under money purchase pension schemes (2017: £nil).

Key management personnel comprises the directors of the company.

9. Interest receivable and similar income

	2018 £	2017 £
Other interest receivable	942	1,525
	<u>942</u>	<u>1,525</u>

MIDDLEFIELD INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

10. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	3,110	3,016
	<u>3,110</u>	<u>3,016</u>
Total current tax	<u>3,110</u>	<u>3,016</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>3,110</u>	<u>3,016</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2017 - the same as) the standard rate of corporation tax in the UK of 19% (2017 - 20%) as set out below:

	2018 £	2017 £
Profit on ordinary activities before tax	16,403	15,125
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	3,117	3,025
Effects of:		
Capital allowances for year in excess of depreciation	(7)	(9)
Total tax charge for the year	<u>3,110</u>	<u>3,016</u>

MIDDLEFIELD INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

10. Taxation (continued)**Factors that may affect future tax charges**

A reduction in the UK corporation tax rate from 20% to 19% was substantively enacted in July 2015 and took effect from 1 April 2017. A further reduction in the UK corporation tax rate to 17% from 1 April 2020, was substantively enacted in September 2016.

11. Debtors

	2018 £	2017 £
Trade debtors	32,926	35,475
Other debtors	1,263	1,191
	<u>34,189</u>	<u>36,666</u>

12. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	455,844	438,730
	<u>455,844</u>	<u>438,730</u>

13. Creditors: Amounts falling due within one year

	2018 £	2017 £
Corporation tax	3,110	3,016
Accruals and deferred income	9,500	8,250
	<u>12,610</u>	<u>11,266</u>

MIDDLEFIELD INTERNATIONAL LIMITED

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14. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Share capital treated as debt (note 16)	250,000	250,000
	<u>250,000</u>	<u>250,000</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 16.

15. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	34,189	36,666
	<u>34,189</u>	<u>36,666</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(259,500)	(258,250)
	<u>(259,500)</u>	<u>(258,250)</u>

Financial assets measured at amortised cost comprise of trade and other debtors.

Financial liabilities measured at amortised cost comprise of accruals, and share capital treated as debt.

16. Share capital

	2018 £	2017 £
Shares classified as capital		
Authorised, allotted, called up and fully paid		
250,000 ordinary shares shares of £1 each	<u>250,000</u>	<u>250,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Share capital (continued)

	2018 £	2017 £
Shares classified as debt		
Authorised, allotted, called up and fully paid		
250,000 1% redeemable non cumulative preference shares of £1 each	<u>250,000</u>	<u>250,000</u>

Non-equity shareholders' funds relate entirely to the 1% redeemable non-cumulative preference shares. These preference shares carry a non-cumulative entitlement to a dividend at the rate of 1p per share per annum and may be redeemed at par at the option of the company, with not less than two clear months notice.

Holders of the redeemable non-cumulative preference shares have no entitlement to vote other than on resolutions affecting the rights attached to the preference shares.

Holders of the redeemable non-cumulative preference shares have the right on a winding-up to receive, in priority to any other classes of shares, the sum of £1 per share together with any arrears of dividends.

17. Reserves**Profit & loss account**

This reserve represents the cumulative profits and losses.

18. Related party transactions

During the year, the company received management and accounting services from MFL Management Limited for which it was charged £63,291 (2017: £65,868).

MFL Management Limited is a related party by virtue of it being the immediate parent company of Middlefield International Limited.

During the year, the company incurred director's fees of £5,000 (2017: £5,000) payable to Scotland Associates Limited, a company in which C. Scotland is a director.

19. Post balance sheet events

There have been no significant events affecting the company since the year end.

MIDDLEFIELD INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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20. Controlling party

MFL Management Limited is owned by two parties, MFSL Incorporated and MISL Incorporated.

The ultimate parent company is considered to be MFSL Incorporated of which the Brasseur Family Trust is the controlling party. The ultimate controlling party is, therefore, considered to be the Brasseur Family Trust of which J.T Brasseur, the son of M.J Brasseur, a director of the company, is a trustee.

The smallest and largest group in which the results of the company are consolidated is that headed by MFL Management Limited. The consolidated accounts of the group are not available to the public.