

Strategic Report, Report of the Directors and

Financial Statements

for the Year Ended 31 March 2023

for

Middlefield International Limited

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for the Year Ended 31 March 2023**

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Middlefield International Limited

**Company Information
for the Year Ended 31 March 2023**

DIRECTORS:

Jeremy Brasseur
Dino Orrico
Colin Scotland

REGISTERED OFFICE:

288 Bishopsgate
LONDON
EC2M 4QP

REGISTERED NUMBER:

02585440 (England and Wales)

SENIOR STATUTORY AUDITOR:

Martin Hobson FCCA, BA (Hons)

AUDITORS:

Clive Owen LLP
Chartered Accountants
& Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

**Strategic Report
for the Year Ended 31 March 2023**

The directors present their strategic report for the year ended 31 March 2023.

REVIEW OF BUSINESS

The primary business of Middlefield International Limited ("Company") during the year under review was to provide advisory services to Middlefield Canadian Income PCB ("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, income increased by 6.4% with advisory fee income increasing from £139,975 in 2022 to £148,993 in 2023, and management fee income increasing from £72,049 to £79,047.

**Strategic Report
for the Year Ended 31 March 2023**

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 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.

Impact of Ukraine Conflict

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The Directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non adjusting post balance sheet event with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessment.

Impact of Inflation and Interest rates

As inflation increased and central banks started hiking interest rates during the Company's fiscal year, the Directors have carried out an assessment of the potential impact of current market uncertainties, and have concluded that the Company's exposure to credit risks are minimal due to no outstanding debt instruments.

However, both inflation and interest risk will impact the Fund's performance. The Directors have taken account of these potential impacts in their going concern assessment.

**Strategic Report
for the Year Ended 31 March 2023**

SECTION 172(1) STATEMENT

The section 172 statement is required following the Companies (Miscellaneous Reporting) Regulations 2018. The Directors of the Company are fully aware of their duty under section 172 of the Companies Act 2006 to act in the way they consider would be most likely to promote the success of the Company in the interest of all stakeholders and in doing so have regard (amongst other matters) to:

- o The likely consequences of any decision in the long term; and
- o The desirability of the Company to maintain a reputation for high standards of business conduct; and
- o The need to act fairly between stakeholders of the Company.

Long Term Decisions and Actions

The principal activity of the Company is providing advisory services to MCI. Given advisory fee income is derived from MCI based upon the NAV of the fund, any decisions made are considered at a wider group level to assess the consequences of those decisions in the long term.

High Standard of Business Conduct

The Directors are committed to maximising long term value while supporting the operations of the business, observing ethical standards and adhering to all applicable laws.

The need to act fairly between stakeholders of the Company

The Company is a wholly owned subsidiary of MFL Management Limited which is owned by two parties, MFSL Incorporated and MISL Incorporated. The Directors are in regular contact with the wider group through regular financial reporting and communications. Through this the Company ensures that all stakeholders, including Group companies and external suppliers are treated fairly and equitably.

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.

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

FINANCIAL KEY PERFORMANCE INDICATORS

The Company considers its turnover to be its key performance indicator.

Turnover has increased in the year by 7.6% from £212,025 in 2022 to £228,039 in 2023.

ON BEHALF OF THE BOARD:

Jeremy Brasseur - Director

25 July 2023

**Report of the Directors
for the Year Ended 31 March 2023**

The directors present their report with the financial statements of the company for the year ended 31 March 2023.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of providing investment management and advisory services to other Middlefield Group Companies. The Company is regulated by the Financial Conduct Authority.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2023.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

Jeremy Brasseur
Dino Orrico
Colin Scotland

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Clive Owen LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

ON BEHALF OF THE BOARD:

Jeremy Brasseur - Director

25 July 2023

Report of the Independent Auditors 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 2023 which comprise the Statement of Income and Retained Earnings, Balance Sheet, Cash Flow Statement and Notes to the Cash Flow Statement, 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 Financial Reporting Standard 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 2023 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 Auditors' 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Middlefield International Limited

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Company. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be around FCA Handbook, anti-money laundering regulations, GDPR, company law and taxation law.
- Enquiry of directors and management as to policies and procedures to ensure compliance and any known instances of non-compliance.
- Review of board minutes and correspondence with regulators.
- Enquiry of directors and management as to areas of the financial statements susceptible to fraud and how these risks are managed.
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies.
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries. Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 Report of the Auditors.

**Report of the Independent Auditors to the Members of
Middlefield International Limited**

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 a Report of the Auditors 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.

Martin Hobson FCCA, BA (Hons) (Senior Statutory Auditor)
for and on behalf of Clive Owen LLP
Chartered Accountants
& Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

25 July 2023

**Statement of Income and
Retained Earnings
for the Year Ended 31 March 2023**

	Notes	2023 £	2022 £
TURNOVER	4	228,039	212,025
Administrative expenses		<u>201,211</u>	<u>162,618</u>
		26,828	49,407
Other operating income		<u>-</u>	<u>19,821</u>
OPERATING PROFIT	6	26,828	69,228
Interest receivable and similar income		<u>-</u>	<u>28</u>
PROFIT BEFORE TAXATION		26,828	69,256
Tax on profit	7	<u>5,095</u>	<u>13,156</u>
PROFIT FOR THE FINANCIAL YEAR		21,733	56,100
Retained earnings at beginning of year		75,771	19,671
RETAINED EARNINGS AT END OF YEAR		<u>97,504</u>	<u>75,771</u>

The notes form part of these financial statements

Middlefield International Limited (Registered number: 02585440)

**Balance Sheet
31 March 2023**

	Notes	2023 £	2022 £
CURRENT ASSETS			
Debtors	8	60,678	65,764
Cash at bank		<u>555,921</u>	<u>532,043</u>
		616,599	597,807
CREDITORS			
Amounts falling due within one year	9	<u>19,095</u>	<u>22,036</u>
NET CURRENT ASSETS		<u>597,504</u>	<u>575,771</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		597,504	575,771
CREDITORS			
Amounts falling due after more than one year	10	<u>250,000</u>	<u>250,000</u>
NET ASSETS		<u>347,504</u>	<u>325,771</u>
CAPITAL AND RESERVES			
Called up share capital	12	250,000	250,000
Retained earnings	13	<u>97,504</u>	<u>75,771</u>
SHAREHOLDERS' FUNDS		<u>347,504</u>	<u>325,771</u>

The financial statements were approved by the Board of Directors and authorised for issue on 25 July 2023 and were signed on its behalf by:

Jeremy Brasseur - Director

The notes form part of these financial statements

**Cash Flow Statement
for the Year Ended 31 March 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	37,034	46,561
Tax paid		<u>(13,156)</u>	<u>(3,000)</u>
Net cash from operating activities		<u>23,878</u>	<u>43,561</u>
Cash flows from investing activities			
Interest received		<u>-</u>	<u>28</u>
Net cash from investing activities		<u>-</u>	<u>28</u>
Increase in cash and cash equivalents		<u>23,878</u>	<u>43,589</u>
Cash and cash equivalents at beginning of year	2	532,043	488,454
Cash and cash equivalents at end of year	2	<u><u>555,921</u></u>	<u><u>532,043</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 March 2023**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2023	2022
	£	£
Profit before taxation	26,828	69,256
Finance income	<u>-</u>	<u>(28)</u>
	26,828	69,228
Decrease/(increase) in trade and other debtors	5,086	(14,091)
Increase/(decrease) in trade and other creditors	<u>5,120</u>	<u>(8,576)</u>
Cash generated from operations	<u><u>37,034</u></u>	<u><u>46,561</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2023

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	<u>555,921</u>	<u>532,043</u>

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	<u>532,043</u>	<u>488,454</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22	Cash flow	At 31.3.23
	£	£	£
Net cash			
Cash at bank	<u>532,043</u>	<u>23,878</u>	<u>555,921</u>
	<u>532,043</u>	<u>23,878</u>	<u>555,921</u>
Debt			
Debts falling due after 1 year	<u>(250,000)</u>	<u>-</u>	<u>(250,000)</u>
	<u>(250,000)</u>	<u>-</u>	<u>(250,000)</u>
Total	<u><u>282,043</u></u>	<u><u>23,878</u></u>	<u><u>305,921</u></u>

**Notes to the Financial Statements
for the Year Ended 31 March 2023**

1. STATUTORY INFORMATION

Middlefield International Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Going concern

The Directors continue to adopt the going concern basis in preparing the Company's financial statements. The directors have received confirmation from the parent company, MFL Management Limited, that it will continue to make available financial support as may be required for the 12 months from the date of signing these financial statements.

Turnover

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Finance income and costs

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Interest receivable and payable on bank balances is credited or charged to the income statement as incurred. Interest receivable is presented within operating cash flows in the cash flow statement.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Recoverability of debtors

The recoverable amount of trade debtors is a source of significant estimation uncertainty and determining this involves the use of significant assumptions. This requires estimation based on the aging of debtors, past experience of recoverability, and the credit profile of individual or groups of customers.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2023 £	2022 £
United Kingdom	<u>228,039</u>	<u>212,025</u>
	<u>228,039</u>	<u>212,025</u>

5. EMPLOYEES AND DIRECTORS

The average number of employees during the year was NIL (2022 - Nil).

Directors' remuneration paid to related company - £5,000 (2022 £5,000).

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2023 £	2022 £
Other operating leases	33,810	26,865
Auditors' remuneration	12,750	7,650
Foreign exchange differences	<u>18,230</u>	<u>(19,821)</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2023 £	2022 £
Current tax:		
UK corporation tax	<u>5,095</u>	<u>13,156</u>
Tax on profit	<u>5,095</u>	<u>13,156</u>

UK corporation tax has been charged at 19% .

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

7. TAXATION - continued**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2023 £	2022 £
Profit before tax	<u>26,828</u>	<u>69,256</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	5,097	13,159
Effects of:		
Capital allowances in excess of depreciation	<u>(2)</u>	<u>(3)</u>
Total tax charge	<u>5,095</u>	<u>13,156</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	60,678	62,911
VAT	<u>-</u>	<u>2,853</u>
	<u>60,678</u>	<u>65,764</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Corporation tax	5,095	13,156
Accruals and deferred income	<u>14,000</u>	<u>8,880</u>
	<u>19,095</u>	<u>22,036</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £	2022 £
Preference shares (see note 11)	<u>250,000</u>	<u>250,000</u>

11. LOANS

An analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Preference shares	<u>250,000</u>	<u>250,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 202311. **LOANS - continued**

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:		Nominal value:	2023	2022
Number:	Class:		£	£
250,000	Preference shares	£1	<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 1 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.

The Company shall have the right at any time to redeem all the non-cumulative preference shares being outstanding for an amount equal to the amount of capital paid up

12. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2023	2022
Number:	Class:		£	£
250,000	Ordinary	£1	<u>250,000</u>	<u>250,000</u>

Each ordinary share carries voting rights, but no right to fixed income.

13. **RESERVES**

	Retained earnings £
At 1 April 2022	75,771
Profit for the year	<u>21,733</u>
At 31 March 2023	<u>97,504</u>

14. **OTHER FINANCIAL COMMITMENTS**

The Company has a financial commitment in respect of a licence agreement for premises whereby £7,245 (2022: £6,900) is payable within one year.

15. **RELATED PARTY DISCLOSURES**

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.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

15. RELATED PARTY DISCLOSURES - continued

During the year, the Company incurred Director's fees of £5,000 (2022: £5,000) payable to Scotland Associates Limited, company of which C Scotland is a director.

As at 31 March 2023, there was £53,433 (2022: £56,011) due from Middlefield Canadian Income Trust in relation to advisory and management fees.

16. ULTIMATE CONTROLLING PARTY

The Company's immediate parent company is MFL Management Limited which is owned by two parties, MFSL Incorporated and MISL Incorporated. These companies are incorporated in Canada.

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, a Director of the company, is a trustee.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.