Mid Holding Co UK Limited

Mid Holding Co UK Limited

Amended report and financial statements

For the initial period from 16 May 2014 to 31 December 2014

Registration number: 09045035

These amended financial statements replace the original financial statements and are now the financial statements. These have been prepared as at the date of signing the original financial statements, and not as at the date of the revision and accordingly do not deal with events between those dates.

Mid Holding Co UK Limited

Amended report and financial statements for the initial period from 16 May 2014 to 31 December 2014

Mid Holding Co UK Limited

Directors and advisors

Directors

S Majali
S S Majali
A B O Al Masri
A D Shepherd
A G S Yakhout

Company secretary

Sahel Majali

Registered office

Unit 31, BEC 2
50 Wakering Road
Barking
IG11 8GN

Independent auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Registered number

09045035

Strategic Report

The directors present their strategic report for the initial accounting period from 16 May 2014 to 31 December 2014.

Results

The loss for the period, after tax amounted to £137,927. As this is the Group's initial accounting period, there is no comparative period.

Principal activities

The principal activities of the Group is that of the provision of services relating to the design and construction of commercial buildings and infrastructure, including hotels, hospitals, roads, ports and residential developments.

As part of a group reconstruction, on 7 November 2014 the Company acquired the entire ordinary shareholding in Mid Global Investment Group, a company incorporated in Jordan. Mid Global Investment Group's principal activity is as described above, principally in Jordan and the Kingdom of Saudi Arabia.

The loss for the initial period is set out in the consolidated profit and loss account on page 7 The directors consider the performance of the Group and the Company during the initial period, the financial position at the end of the period and the prospects for the future to be satisfactory.

Review of the business

2014 has been a period of transition for Mid Holding Co UK Limited and its subsidiaries ("Mid Group"). The Jordanian operations have been awarded two major new contracts in Jordan and a number of projects in the Kingdom of Saudi Arabia, further establishing the Group's foothold there. The timing delays between the conclusion of completed projects and commencement of new awards contributed to the loss for the group during the period, but management see this as a temporary correction whilst the business was transitioning.

Management commenced business operations in the United Kingdom (UK) in 2014 and has established its Head Office in London, with the Group being awarded its first UK contract in December 2015. The Group's UK Head office will support trading in the Middle East and will also seek to benefit from the exceptional track record and client relationships in that region. The UK business will focus on the under-supplied UK residential market in the first instance, before growing into other sectors: recruitment and investment by the Group in the UK has been focused on this area.

Mid Contracting Jordan was also delighted to be appointed as the Main Contractor, with joint venture partner OHL, for the Amman Strategic Reserve Terminal for Petroleum Project (ASTPP) in the period by the Jordanian Ministry of Energy and Mineral Resources. This US $174m award requires Mid Contracting Jordan to deliver storage tanks for diesel, jet fuel and Liquefied Petroleum Gas (LPG), as well as significant ancillary infrastructure. The terminal is being built near Amman and will have a total storage capacity of 350,000 tonnes of petroleum products.

During the period, Mid Contracting was also appointed to deliver a major infrastructure project for the Aqaba Development Corporation. This project follows on from the successful delivery of previous projects in Aqaba, including elements of the new Aqaba Port. The Group will deliver a range of utilities, services, roads and administrative buildings as part of this contract.

Principal risks and uncertainties

The principal risks and uncertainties facing the group are as follows:

Financial Risk Management

The Group's activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk.

Various financial instruments, for example trade receivables, trade payables, accruals and prepayments, arise directly from its operations. The Group finances its operations through its retained reserves and a mixture of short term bank credit facilities and borrowings.

Compliance with the company's policies and exposure limits is reviewed periodically.

Strategic Report (continued)

Principal risks and uncertainties (continued)

Foreign Currency risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group is mainly exposed to the Jordanian Dinar and the Saudi Riyal. The risk to the Group arises from the translation of the results and the financial position for and at the end of the reporting period to Sterling. It is the Directors' opinion that the majority of the contracts both the revenue and the costs are transacted in the same currency therefore limiting the foreign exchange risk affecting the Group. The Directors actively monitor the foreign currency risk and take appropriate action to mitigate this risk where it is considered appropriate.

Price risk

The risk is monitored both as part of the tender process for an individual contract and throughout the duration of the contract by reference to regular projections of outturn profitability and effective management of contract variations and claims.

Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or a customer contract and ultimately lead to a financial loss. The Group and Company is exposed to credit risk from its operating activities primarily from trade receivables and amounts due from customers for contract work.

Liquidity risk

The Group and the Company uses cash-flow forecasting as a tool in managing the fluctuations in short-term liquidity which are common in the Group's sectors of operation and to minimise the risk that it is unable to meet its payment obligations due to lack of liquidity. The Group also seeks to limit its liquidity risk by ensuring financing is available, where necessary, from shareholders.

Interest rate risk

The Group is exposed to interest rate risk on interest bearing assets and liabilities, which include long-term cash and margin deposits, bank overdrafts and short-term loans. The Group and Company does not seek to reduce exposure to fluctuations in interest rates through the use of derivative financial instruments.

Competition

Intense competition in the global construction industry could reduce the group's market share and profits. Competition can place downward pressure on contract prices and profit margins, and may force the Group to accept contractual terms and conditions that are not normal or customary, thereby increasing the risk that losses may be incurred. Such risks are managed by the Group's core competencies: excellence in execution, financial strength, safety, market diversity, client relationship and risk management.

Markets

The Group is vulnerable to the cyclical nature of its operating markets. The demand for services is dependent upon the existence of projects. Capital expenditures by actual or potential clients may be influenced by factors such as prevailing prices and expectations about future prices, technological advances, domestic and international political, military, regulatory and economic conditions and other similar factors. Market risks are managed by close attention to project selection or entry into markets where the Group is confident of its ability to assess, understand, gauge and mitigate project risk.

The directors are aware of the risks inherent in the construction, property and overseas construction industries. These typically concern the tendering process, the property market in the UK and in Jordan, exchange rate fluctuations, and health and safety of employees on site. The directors manage these risks by monitoring the relevant market conditions and exchange movements together with the implementation of project controls.

On behalf of the board

Sahel Majali – Director

Date

9/1/2017

Directors' report
for the initial period from 16 May 2014 to 31 December 2014

The directors present their report and the financial statements for the initial period from 16 May 2014 to 31 December 2014.

Dividends

The directors have neither paid nor declared a dividend in the initial period.

Future Developments

The Directors do not anticipate any major change in the Group's trading activities (as outlined in the Strategic Report) in the foreseeable future.

Going Concern

The Group's business activities, together with the factors likely to affect its future developments, its financial position, financial risks management objectives and its exposure to foreign currency, price, credit and liquidity risks are described in the Strategic Report on pages 1 and 2.

The Directors consider that the Group has adequate financial resources through existing funding relationships, together with long-term contracts with a number of customers and suppliers across different geographical areas. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries therefore, the directors have a responsible expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors of the Company during the initial period, and up to the date of approval of this report, are set out below:

S Majali	(appointed 16 May 2014)
S S Majali	(appointed 22 December 2014)
A B O Al Masri	(appointed 22 December 2014)
A D Shepherd	(appointed 22 December 2014)
A G S Yakhout	(appointed 22 December 2014)

Financial risk management

The group's exposure to and policies to manage financial risks are outlined in the Strategic Report on pages 1 and 2.

Charitable donations

Neither the Group nor any of its subsidiaries made any charitable donations in the initial period.

Political donations

Neither the Group nor any of its subsidiaries made any political donations nor incurred any political expenditure in the initial period.

Directors' report (continued)
for the initial period from 16 May 2014 to 31 December 2014

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, Directors' Report and the Group financial statements in accordance with applicable United Kingdom law and regulations. Company law requires the directors to prepare Group financial statements for each financial period. Under that law the directors are required to prepare Group financial statements in accordance with IFRSs as adopted by the European Union.

Under company law, the directors must not approve the Group financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing the Group financial statements, the directors are required to:

- present fairly the financial position, financial performance and cash flow of the Group;
- select suitable accounting policies in accordance with IAS8: Accounting Polices, Changes in Accounts Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements that are reasonable;
- provide additional disclosure when compliance with specific requirements in IFRSs as adopted by the European Union is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- state whether the Group financial statements have been prepared in accordance with IFRSs as adopted by the European Union.

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

Under section 454 of the Companies Act 2006 the directors have the authority to revise financial statements or a directors' report if they do not comply with the Act. The revised financial statements must be amended in accordance with the Companies (Revision of Defective Accounts and Report) Regulations 2008 (As amended). These require that the revised financial statements show a true and fair view as if they were prepared and approved by the directors as at the date of the original financial statements and accordingly do not take account of events which have taken place after the date on which the original financial statements were approved.

Statement of disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing its report, of which the auditor is unaware. Having made enquiries of their fellow directors and the Group's auditors, each director has taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information, and to establish that the auditor is aware of that information.

By order of the board

S Majali
Director

Company registered number: 09045035

9 JANUARY 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MID HOLDING CO UK LIMITED

for the initial period from 16 May 2014 to 31 December 2014

We have audited the revised financial statements of Mid Holding Co UK Limited for the period ended 31 December 2014 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Income and Statement of Changes in Equity and the related notes 1 to 27. These revised financial statements have been prepared under the accounting policies set out therein and replace the original financial statements approved by the directors on 30 September 2015.

The revised financial statements have been prepared under the Companies (Revision of Defective Accounts and Report) Regulations 2008 (As amended) and accordingly do not take account of events which have taken place after the date on which the original financial statements were approved.

This report is made solely to the company's members, as a body, in accordance with the Companies (Revision of Defective Accounts and Report) Regulations 2008 (As amended). 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 auditors

The directors' responsibilities for preparing the revised financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and for being satisfied that they give a true and fair view are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the revised financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the revised financial statements give a true and fair view, have been properly prepared in accordance with IFRS as adopted by the European Union and are prepared in accordance with the requirements of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Report) Regulations 2008 (As amended). We also report to you whether, in our opinion, the information given in the revised Strategic Report and the revised Directors' Report is consistent with the revised financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records or if we have not received all the information and explanations we require for our audit or if disclosures of directors' benefits, remuneration, pensions and compensation for loss of office specified by law are not made.

We read the revised Strategic Report and the revised Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

We are also required to report whether, in our opinion, the original financial statements failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MID HOLDING CO UK LIMITED (continued)
for the initial period from 16 May 2014 to 31 December 2014

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the revised financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the revised financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

The audit of revised financial statements includes the performance of procedures to assess whether the revisions made by the directors are appropriate and have been properly made.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the revised financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the revised financial statements.

Opinion

In our opinion:

- the revised financial statements give a true and fair view, seen as at the date the original financial statements were approved, of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- the revised financial statements have been properly prepared in accordance with IFRS as adopted by the European Union seen as at the date the original financial statements were approved;
- the revised financial statements have been properly prepared in accordance with the provisions of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Report) Regulations 2008 (As amended);
- the original financial statements for the period ended 31 December 2014 failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors in the statement contained in note 27 to these revised financial statements; and
- the information given in the revised Strategic Report and the revised Directors' Report is consistent with the revised financial statements.

Emphasis of matter – revision of unaudited financial statements

In forming our opinion on the revised financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 27 to these revised financial statements concerning the need to revise the unaudited financial statements. The original financial statements were approved on 30 September 2015. We have not performed any subsequent events review for the period from the date of approval of the previously unaudited financial statements to the date of this report.

Ernst & Young LLP

Adrian Mulea (senior statutory auditor)

For and on behalf of Ernst & Young LLP, Statutory auditor

London

Date 10 JANUARY 2017

Consolidated profit and loss account
for the initial period from 16 May 2014 to 31 December 2014

	Note		16 May 2014 to 31 December 2014
		£	£
Turnover	2		5,674,897
Cost of sales			(5,201,482)
Gross profit			473,415
Administrative expenses			(614,927)
Other income			13,267
Share of operating profit in joint ventures			52,238
Total operating loss	3		(76,007)
Interest income	5	34,022	
Interest payable	6	(80,608)	
Net financing expense			(46,586)
Loss on ordinary activities before taxation			(122,593)
Tax on loss on ordinary activities	7		(15,334)
Loss from continuing operations			(137,927)
Loss attributable to the parent company			**(137,927)**

There are no material differences between the loss as shown in the profit and loss account above and its historical cost equivalent.

Mid Holding Co UK Limited

Consolidated Income and Statement of Changes in Equity for the initial period from 16 May 2014 to 31 December 2014

	16 May 2014 to 31 December 2014
	£
Loss for the initial period	(137,927)
Items that maybe reclassified subsequently to the income statement:	
Foreign exchange translation differences	93,658
Total comprehensive expense attributable to the parent company	(44,269)
Total comprehensive expense	**(44,269)**

Statement of Changes in Equity

	Share capital	Merger relief reserve	Translation reserve	Retained earnings	Total equity
	£	£	£	£	£
Group:					
As at 16 May 2014	-	-	-	-	-
Issue of initial share capital	100	-	-	-	100
Loss for the initial period	-	-	-	(137,927)	(137,927)
Group reconstruction	900	9,348,269	-	-	9,349,169
Translation of foreign operations	-	-	93,658	-	93,658
As at 31 December 2014	**1,000**	**9,348,269**	**93,658**	**(137,927)**	**9,305,000**

Company statement of Changes in Equity for the initial period from 16 May 2014 to 31 December 2014

Statement of Changes in Equity

	Share capital	Merger relief reserve	Translation reserve	Retained earnings	Total equity
	£	£	£	£	£
Company:					
As at 16 May 2014	-	-	-	-	-
Issue of initial share capital	100	-	-	-	100
Group reconstruction	900	9,348,269	-	-	9,349,169
Loss for the initial period	-	-	-	(111,643)	(111,643)
As at 31 December 2014	**1,000**	**9,348,269**	**-**	**(111,643)**	**9,237,626**

Mid Holding Co UK Limited

Consolidated balance sheet
as at 31 December 2014

	Note	£	As at 31 December 2014 £
Fixed assets			
Intangible assets	9		457,656
Property, plant and equipment	10		6,845,434
Investments in an associate	11		174,574
Investment in joint ventures	12		5,595,925
Investments	13		141,359
			13,214,948
Current assets			
Inventories	14	6,328,205	
Trade and other receivables	15	45,729,613	
Cash at bank and in hand	16	1,924,940	
		53,982,758	
Creditors: amounts falling due within one year	17	(57,186,666)	
Net current liabilities			(3,203,908)
Total assets less current liabilities			10,011,040
Creditors: amounts falling due after more than one year	18		(706,040)
Net assets			**9,305,000**
Capital and reserves			
Called up share capital	20		1,000
Merger relief reserve	21		9,348,269
Translation reserve			93,658
Retained loss	21		(137,927)
Equity shareholder's funds			**9,305,000**

The financial statements were approved by the board of Directors on 9 January 2017
and signed on its behalf by:

S Majali – Director

Company registered number: 09045035

Mid Holding Co UK Limited

Company balance sheet
as at 31 December 2014

	Note		As at 31 December 2014 £
Fixed assets			
Investments in group undertakings	13		9,349,369
Property, plant and equipment	10		2,331
			9,351,700
Current assets			
Trade and Other receivables	15	23,514	
Creditors: amounts falling due within one year	17	(137,588)	
Net current liabilities			(114,074)
Total assets less current liabilities			9,237,626
Net assets			**9,237,626**
Capital and reserves			
Called up share capital	20		1,000
Merger relief reserve	21		9,348,269
Retained loss	21		(111,643)
Equity shareholder's funds			**9,237,626**

The financial statements were approved by the board of Directors on 9 January 2017 and signed on its behalf by:

S Majali – Director

Company registered number: 09045035

Mid Holding Co UK Limited

Consolidated cash flow statement
For the initial period from 16 May 2014 to 31 December 2014

	Note	16 May 2014 to 31 December 2014 £
Net cash inflow from operating activities	22	2,849,548
Net cash outflow from investing activities	22	(2,571,807)
Tax payments		(241,295)
Net cash outflow from financing activities	22	(609,387)
Decrease in cash in the initial period		**(572,941)**

Analysis of net debt

	At 16 May 2014 £	Cash flow £	At 31 December 2014 £
Cash at bank and in hand	-	1,924,940	1,924,940
Bank overdraft	-	(2,497,881)	(2,497,881)
Net cash and cash equivalents	**-**	**(572,941)**	**(572,941)**
Short-term bank loans	-	(17,318,463)	(17,318,463)
Net debt	**-**	**(17,891,404)**	**(17,891,404)**

Notes to the financial statements
for the initial period from 16 May 2014 to 31 December 2014

1 Principal accounting policies

A summary of the company's principal accounting policies, which have been consistently applied, is set out below:

The Group financial statements of Mid Holdings Co UK Limited were authorised for issue by the Board of Directors Group on 9 January 2017.

These amended financial statements replace the original financial statements approved on 30 September 2015 and are now the financial statements for the initial period from 16 May 2014 to 31 December 2014. Further details of the amendments made to the financial statements are disclosed in Note 27.

Basis of preparation of accounts

The financial statements for both the Group and the Company have been prepared in Sterling on the going concern basis and under the historical cost convention. The directors consider that the functional currency of Mid Holding Co UK Limited is Sterling.

The financial statements have been prepared in accordance with the Companies Act 2006 and with International Financial Reporting Standards as adopted by the EU ("adopted IFRSs").

The Company has taken advantage of the exemption in s408 of the Companies Act 2006 not to present its individual profit and loss account and related notes that form part of these approved financial statements.

New and revised IFRSs in issue but not yet effective

Standards issued and not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt those standards when they become effective.

IFRS 3	–	Business combinations
IFRS 8	–	Operating segments
IFRS 15	–	Revenue from contracts with customers
IFRS 16	–	Leases
IAS 7	–	Statement of cash flows
IAS 16	–	Property, plant and equipment
IAS 27	–	Separate financial statements
IAS 28	–	Investments in associates
IAS 38	–	Intangible assets

The Directors are currently assessing the impact of those new standards and interpretations. With the exception of IFRS 15 however, the directors of the Company do not anticipate that the application of these new and revised IFRSs will have a material effect on the Group's consolidated financial statements. The directors consider that it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

1 Principal accounting policies (continued)

Judgements & key sources of estimation uncertainty

The preparation of the financial statements in accordance with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The key estimates and judgements in the Group's financial statements are in connection with construction contracts in progress, claims and variations on construction contracts and goodwill. Note 1 'Principal Accounting Policies' details the principal estimation techniques used in the preparation of the financial statements.

Bid and pre-contract costs

Costs incurred with bidding for construction contracts are written off as incurred and it is only once the Group and its subsidiaries are reasonable certain that the contract will be secured that these costs are capitalised.

Revenue recognition

The Group principally operates through fixed price contracts. If the outcome of such a contract can be reliably measured, revenue associated with the contract is recognised by reference to the stage of completion of contract activity at the period end. This is determined by the proportion that contract costs incurred to date bear to the estimated total contract costs. The outcome of a construction contract can be reliably measured when i) the total contract revenue can be reliably measured; ii) it is probable that the economic benefits associated with the contract will flow to the entity; iii) the cost to complete the contract and the stage of completion can be measured reliably so that the actual contract costs incurred can be compared with prior estimates. When the outcome of a construction contract cannot be reliably estimated contract revenue is recognised only to the extent of costs incurred that are expected to be recoverable.

When it is probable that total contract costs will exceed total contract revenue than the expected loss is recognised as an expense as soon as this becomes apparent. Cash received on account of construction contracts is deducted from amounts due from customers for contract work. Amounts received that exceed amounts due from customers based on the level of work performed are included in trade and other payables. Revenues recognised in excess of amounts invoiced are included in debtors as amounts recoverable on contracts.

Investments

Investments are stated at cost less provision for any impairment in value.

Intangible assets

Intangible assets acquired through business combination are recorded at fair value on that date.

Goodwill represents amounts arising on the acquisition of subsidiaries and jointly controlled entities and amounts to the difference between the fair value of the acquisition and the fair value of the net assets acquired. Goodwill is stated at fair value less any accumulated impairment losses. Goodwill is allocated to cash generating units and is not amortised but tested annually for impairment. Impairment losses are taken to the profit and loss account.

Notes to the financial statements (continued)
for the initial period from 16 May 2014 to 31 December 2014

1 Principal accounting policies (continued)

Other intangible assets are measured on initial recognition at cost. Intangible assets, including computer software and programs, with finite lives are amortised over their useful economic lives.

Basis of consolidation

Subsidiaries are entities that are controlled by the Group. Specifically, the Group controls an entity if the Group has the power, directly or indirectly, to govern the financial and operating policies of that entity so as to benefit from the returns arising from that power.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and joint ventures from the date that control commences to the date control ceases. A joint venture is a contractual arrangement whereby the Group undertakes an economic activity that is subject to joint control. The consolidated financial statements include the Group's share of profits or losses and net assets under the equity accounting method.

On 7 November 2014, a group reconstruction was effected whereby the Company acquired the entire issued share capital of Mid Global Investment Group ("MGIG") together with its subsidiaries and with the consideration being the issue of shares.

The Company therefore qualifies for merger relief and as such the newly created issued shares have been accounted for at their book value at the time of acquisition. In accordance with the accounting standards stipulating merger relief, the excess of the book value over the nominal value of the issued share capital has been taken to the merger relief reserve.

Interests in joint ventures

The Group has contractual arrangements with other parties which represent joint ventures. These take the form of agreements to share control over other entities and commercial collaborations.

Where the joint venture is established through an interest in a company, partnership or other entity (a jointly controlled entity), the Group recognises its interest in the entity's assets and liabilities using the equity method of accounting. Under the equity method, the interest in the joint venture is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of its net assets, less distributions received and less any impairment in value of individual investments. The Group income statement reflects the share of the jointly controlled entity's results after tax.

Any goodwill arising on the acquisition of a jointly controlled entity is included in the carrying amount of the jointly controlled entity and is not amortised. To the extent that the net fair value of the entity's identifiable assets, liabilities and contingent liabilities is greater than the cost of the investment, a gain is recognised and added to the Group's share of the entity's profit or loss in the period in which the investment is acquired.

Financial statements of jointly controlled entities are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies used into line with those of the Group; to take into account fair values assigned at the date of acquisition and to reflect impairment losses where appropriate. Adjustments are also made in the Group's financial statements to eliminate the Group's share of unrealised gains and losses on transactions between the Group and its jointly controlled entities. The Group ceases to use the equity method on the date from which it no longer has joint control over, or significant influence in, the joint venture.

1 Principal accounting policies (continued)

Interests in associates

The Group's interests in its associates, being those entities over which it has significant influence and which are neither subsidiaries nor joint ventures, are accounted for using the equity method of accounting.

Under the equity method, the investment in an associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate, less distributions received and less any impairment in value of individual investments. The group income statement reflects the share of the associate's results after tax.
Any goodwill arising on the acquisition of an associate is included in the carrying amount of the associate and is neither amortised nor individually tested for impairment. To the extent that the fair value of the associate's identifiable net assets and contingent liabilities is greater than the cost of the investment, a gain is recognised and added to the Group's share of the associate's profit or loss in the period in which the investment is acquired.

Financial statements of associates are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies used in line with those of the Group. Adjustments are also made in the Group's financial statements to eliminate the Group's share of unrealised gains and losses on transactions between the Group and its associates.

Tangible fixed assets and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. In situations where it can be clearly demonstrated that subsequent expenditure has resulted in an increase in the future economic benefit beyond its original assessment, such expenditure is capitalised as an additional cost.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Land	-	Not depreciated
Machine, tools and equipment	-	7%
Readymade houses and caravans	-	10%
Concrete steels	-	7%
Computers and software	-	5%
Office equipment, furniture and fixtures	-	10%
Vehicles	-	7%

The useful lives of assets and depreciation method are reviewed periodically to ensure that they are consistent with the expected pattern of relevant economic benefits.

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indications exist and where the carrying value exceeds the estimated recoverable amount the assets are written down to their recoverable amount and an impairment is recognised in the profit and loss account.

1 Principal accounting policies (continued)

Inventories

Inventories are valued at the lower of cost and net realisable value where cost is determined using the 'first in first out' (FIFO) method. Costs incurred in bringing each product to its present location and condition are recognised by reference to the actual cost incurred.

Finance leases

Finance leases which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item are capitalised at the commencement of the lease at the fair value of the leased property or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the profit and loss account. Leased assets are depreciated over their useful economic lives. If however, the Group is it uncertain that ownership of an asset will transfer to the Group at the end of the lease term then the asset is depreciated over the shorter of the lease term and the useful economic life.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange difference arising on translation are recognised in the profit and loss account. Non-monetary assets and liabilities that are measured in terms of historical cost are translated using the exchange rate ruing at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the date the fair value was determined.

The assets and liabilities of foreign subsidiaries and joint ventures are translated at the exchange rate ruling at the period end. The profit and loss of the foreign subsidiaries and joint ventures are translated at the average rate. Foreign currency differences are recognised in the statement of comprehensive income and recognised in the translation reserve in equity.

Deferred taxation

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

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. Deferred tax is measured on a non-discounted basis. Deferred tax assets are only recognised when it is considered more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted at the balance sheet date.

Notes to the financial statements (continued)
for the initial period from 16 May 2014 to 31 December 2014

2 Segmental reporting

The results are derived from the principal activity of the Group, which is design and construction services. The Group operates in four principal geographical areas and its revenue from continuing operations from third parties is detailed below,

	Jordan (excluding Aqaba) £	Aqaba £	KSA £	UK £	Group £
Revenue	1,672,288	2,370,944	1,631,665	-	5,674,897

KSA – Kingdom of Saudi Arabia
UK – United Kingdom

3 Operating loss

Included in the operating loss are the following:

	16 May 2014 to 31 December 2014 £
Depreciation of tangible assets	158,209
Amortisation of intangibles – computer software	3,360
Audit fees – Group	65,000
Audit fees – Company	3,893

During the period, fees of £45,000 were accrued in respect of non-audit services performed by the auditor. These services relate exclusively to the re-organisation of the Group and the merger with MGIG.

Notes to the financial statements (continued)
for the initial period from 16 May 2014 to 31 December 2014

4 Employees and directors' remuneration

Staff costs during the period amounted to:

	16 May 2014 to 31 December 2014
	£
Wages and salaries	581,204
Social security costs	41,810
Other staff benefits	9,603
Total wages and salaries	**632,617**

Directors' remuneration amounted to £48,548 for the initial period. None of the directors are accruing benefits under a Group defined benefit pension plan.

The average monthly number of employees during the period for the Company was 2, following the group reconstruction.

The average number of employees for the Group was 515.

5 Interest income

	16 May 2014 to 31 December 2014
	£
Bank interest income	34,022

6 Interest payable

	6 May 2014 to 31 December 2014
	£
Interest on bank loans, overdrafts and finance leases	80,608

Notes to the financial statements (continued)
for the initial period from 16 May 2014 to 31 December 2014

7 Tax on loss on ordinary activities

a) Analysis of tax for the initial period

	16 May 2014 to 31 December 2014
	£
Current tax	
UK corporation tax on loss in the initial period	-
Foreign tax on loss in the initial period	15,334
Tax on loss on ordinary activities	15,334

Reconciliation of effective tax rate

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

Loss on ordinary activities before taxation	(122,593)
Theoretical tax at UK corporation tax rate of 21%	(25,745)
Effects of:	
Differences between UK and foreign tax	39,853
Tax on loss on ordinary activities	**14,108**

The standard rate of UK corporation tax for the period was 21%. The corporation tax rate will reduce to 20% from 1 April 2015, 19% from 1 April 2017 and 17% from 1 April 2020. At the balance sheet date, only the reduction to 20% from 1 April 2015 had been substantively enacted and hence, in accordance with accounting standards, it is only the impact of this reduction that has been reflected in the Group's financial statement at 31 December 2014.

The effect on the Group of the further proposed reduction in the UK corporation tax rate will be reflected in the company's financial statements in future years, as appropriate, once the proposal has been substantively enacted. The rate change will impact the amount of future tax payments to be made by the company.

Trading and other losses incurred in the UK can be carried forward and offset against relevant future UK profits. The Group anticipates losses in the UK for the first 2 years as it establishes and grows its local business. The Directors are confident that the UK business will move to profit in the future, but given the short-term uncertainties have not currently recognised an asset against trading losses of £122,593 during the period.

Notes to the financial statements (continued)
for the initial period from 16 May 2014 to 31 December 2014

8 Parent Company loss

The Company has taken advantage of the exemption in s408 of the Companies Act 2006 not to present its individual profit and loss account and related notes that form a part of these approved financial statements. The Company's loss for the initial period ending 31 December 2014 was £111,643.

There were no dividends paid nor declared in the initial accounting period by the Company

9 Intangible fixed assets

Group:	Goodwill	Computer software	Total
	£	£	£
Cost:			
At 16 May 2014	-	-	-
Acquisition of subsidiaries in the period	206,680	261,598	468,278
Additions	-	36,747	36,747
As at 31 December 2014	206,680	298,345	505,025
Amortisation:			
At 16 May 2014	-	-	-
Acquisition of subsidiaries in the period	-	44,009	44,009
Charge	-	3,360	3,360
As at 31 December 2014	-	47,369	47,369
Net book value as at 31 December 2014	**206,680**	**250,976**	**457,656**

As part of the Group reconstruction and re-organisation, the Company acquired Mid Contracting and Consulting Limited ("MCC UK") on 22 December 2014. Goodwill shown above relates to the acquisition of MCC UK. Goodwill has been allocated to the UK for impairment testing purposes, and forms an income generating unit. The recoverable amount of this unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets, approved by the directors, covering a five-year period with a discount rate of 8%. Cash flows beyond a five year period have been extrapolated using a steady 2%. Cash flow forecasts are based on previous experience and management's assessment of the construction market.

Assets acquired and liabilities recognised at the date of acquisition

Group:	£
Current assets	
Cash and cash equivalents	1,677
Trade and other receivables	15,442
Non-current assets	
Property, plant and equipment	575
Current liabilities	
Trade and other payables	(224,274)
	(206,580)

9 Intangible fixed assets (continued)

Goodwill arising on acquisition

	Total
Group:	£
Cash consideration	100
Add: fair value of identifiable net liabilities	206,580
Goodwill arising on acquisition	**206,680**

Net cash inflow on acquisition of subsidiaries

	£
Cash consideration (outflow)	(100)
Add: cash and cash equivalent balances acquired	1,677
Net cash inflow	**1,577**

Notes to the financial statements (continued)
for the initial period from 16 May 2014 to 31 December 2014

10 Property, plant and equipment

Group:	Land	Machines & equipment	Houses & caravans	Concrete steels	Computers	Office & fittings	Vehicles	Total
	£	£	£	£	£	£	£	£
Cost:								
As at 16 May 2014	-	-	-	-	-	-	-	-
Acquired with investments in subsidiaries	1,893,756	8,407,849	1,688,823	4,035,845	589,754	402,177	1,701,215	18,719,419
Additions	-	114,715	45,600	-	3,157	-	45,600	209,072
Disposals	-	-	-	-	-	-	-	-
As at 31 December 2014	1,893,756	8,522,564	1,734,423	4,035,845	592,911	402,177	1,746,815	18,928,491
Depreciation:								
As at 16 May 2014	-	-	-	-	-	-	-	-
Acquired with investments in subsidiaries	-	5,781,706	759,866	3,551,233	486,692	234,454	1,110,897	11,924,848
Charge for the initial period	-	87,118	11,834	34,613	4,299	2,444	17,901	158,209
Disposals	-	-	-	-	-	-	-	-
As at 31 December 2014	-	5,868,824	771,700	3,585,846	490,991	236,898	1,128,798	12,083,057
Net book value as at 31 December 2014	**1,893,756**	**2,653,740**	**962,723**	**449,999**	**101,920**	**165,279**	**618,017**	**6,845,434**

The bank borrowings, as shown in note 17, are secured against the land. Included in fixed assets are assets with net book value of £846,047 which are held under finance leases. The fair value of the land as at 31 December 2014 is considered by the directors to be similar to the cost. This is based on a directors' valuation as at 31 December 2014, informed by an independent professional valuation as at September 2013.

Notes to the financial statements (continued)
for the initial period from 16 May 2014 to 31 December 2014

10 Property, plant and equipment (continued)

	Computer equipment
Company:	£
Cost:	
At 16 May 2014	-
Additions	2,532
As at 31 December 2014	2,532
Depreciation:	
At 16 May 2014	-
Charge for the period	201
As at 31 December 2014	201
Net book value as at 31 December 2014	**2,331**

11 Investment in associate

	Interest in associate
Group:	£
Cost:	
At 16 May 2014	-
Share of profit	174,574
As at 31 December 2014	174,574
Net book value as at 31 December 2014	**174,574**

The investment relates to a 40% ordinary shareholding acquired in the period in OHL Industrial / Mid Group JV, a company registered in Jordan, for the purpose of construction of an Amman strategic reserve terminal for petroleum products.

Notes to the financial statements (continued)
for the initial period from 16 May 2014 to 31 December 2014

11 Investment in associate (continued)

Group:	£
Income statement of associate	
Revenue	2,641,819
Profit	436,435
Statement of financial position of associate	
Total assets	35,262,195
Total liabilities	(34,825,760)
Net assets	436,435
Total equity attributable to the equity holder	**174,574**

12 Investment in joint ventures

The Group has the following interests in joint ventures at the period end, as per the agreements with third parties:

Joint venture	JV interest	JV's objective
Group Five Construction Limited and Mid-Contacting Company (Jordan) ("JV1")	50%	Construction of Amman Ring Road, Phase 1 (JV1)
Masar United Contracting Company Limited, Mid Contracting Company (Jordan) and Bab Al-Fayha'a Gulf Contracting and Construction Company ("JV2")	50%	Electro-mechanical works for Abdali Development project, the Boulevard, Phase 2 (JV2)
Masar United Contracting Company Limited, Mid Contracting Company (Jordan) ("JV3")	50%	Construction of a pedestrian walkway for Abdali Development project, the Boulevard, Phase 2 (JV3)

Group:	JV 1 £	JV 2 £	JV 3 £
Net assets	2,749,753	2,414,745	6,027,352
Carrying amount of the Group's interest in the JV	**1,374,876**	**1,207,373**	**3,013,676**

Notes to the financial statements (continued)
for the initial period from 16 May 2014 to 31 December 2014

13 Investments

Company:	As at 31 December 2014 £
Unlisted Investments in group undertakings:	
Cost and net book value at 31 December 2014	**9,349,369**

During the initial period, the Company acquired the entire issued share capital via merger, or established the following entities:

Subsidiary	Principal activity	Date of joining group	Registration	Consideration
				£
Sterling Living Limited	Property developer	29/10/2014	England	100
Mid Contracting and Consulting Limited	Building contractor	22/12/2014	England	100
Mid Global Investment Group[1]	Holding company	7/11/2014	Jordan	9,349,169
Mid Contracting Company[2]	Building contractor	7/11/2014	Jordan	-
Arab Mid Contracting[3]	Building contractor	7/11/2014	Kingdom of Saudi Arabia	-
Mid Information Technology[2]	Software developer	7/11/2014	Jordan	-

1. On 7 November 2014, the Company acquired the entire issued share capital of Mid Global Investment Group ("MGIG") by way of a share for share exchange and as such no cash consideration was paid. In the Company financial statement this transaction has been accounted for as per the provisions stipulated under Merger relief reserve accounting, as detailed in Note 1 Principal accounting policies.

2. Mid Contracting Company ("MCC") is a wholly owned subsidiary of MGIG and Mid Information Technology is in turn a wholly owned subsidiary of MCC.

3. Arab Mid Contracting operates as a branch of MCC, operating in the Kingdom of Saudi Arabia.

Notes to the financial statements (continued)
for the initial period from 16 May 2014 to 31 December 2014

13 Investments (continued)

Assets acquired and liabilities recognised at the date of merger

Company:	MGIG £
Current assets	
Cash and cash equivalents	518,247
Trade and other receivables	54,694,839
Inventories	5,052,608
Non-current assets	
Property, plant and equipment	6,727,085
Intangible assets	215,428
Investments	5,935,470
Current liabilities	
Bank overdrafts	(2,856,478)
Short-term loans	(17,770,782)
Trade and other payables	(42,437,228)
Non-current liabilities	
Finance leases and other payables	(730,020)
	9,349,169

Group:	As at 31 December 2014 £
Unlisted Investment	141,359

This investment represents a minority shareholding in Al Essra Hospital, a private hospital based in Jordan. The percentage held represents 0.67% of the ordinary share capital. This is a long term holding of the Group.

Notes to the financial statements (continued)
for the initial period from 16 May 2014 to 31 December 2014

14 Inventories

	As at 31 December 2014 Group £	As at 31 December 2014 Company £
Raw materials	6,318,664	-
Spare parts for plant	9,541	-
As at 31 December	**6,328,205**	-

The Group maintains inventories, which typically represent the working material requirements of the business. The majority of the inventories represent raw materials bought for projects in the Kingdom of Saudi Arabia, where it is customary to pay for materials in advance of delivery. These materials are held at cost, subject to any impairment considerations, prior to being used in the delivery of contracted works on site.

15 Trade and other receivables

	As at 31 December 2014 Group £	As at 31 December 2014 Company £
Term cash deposits and margin deposits	13,854,532	-
Trade debtors	15,378,988	-
Retentions receivable	4,028,409	-
Advances to suppliers and subcontractors	2,010,442	-
Amounts recoverable on contracts	2,834,391	-
Amounts owed by related parties	7,134,298	-
Other debtors	345,008	13,959
Prepayments	143,545	9,555
As at 31 December	**45,729,613**	**23,514**

As at 31 December 2014, term cash deposits of £10,573,926 earned interest over the period at a rate of between 2.5% and 4.75%. These term cash deposits are held against direct bank facilities granted to the Group.

Notes to the financial statements (continued)
for the initial period from 16 May 2014 to 31 December 2014

16 Cash and short term deposits

	As at 31 December 2014 Group £	As at 31 December 2014 Company £
Cash	1,924,940	-
Overdraft	(2,497,881)	-
As at 31 December	**(572,942)**	**-**

17 Creditors: amounts falling due within one year

	As at 31 December 2014 Group £	As at 31 December 2014 Company £
Bank borrowings	17,318,463	-
Bank overdraft	2,497,881	-
Finance lease obligations	307,839	-
Trade creditors	11,285,531	8,700
Amounts owed to subcontractors	3,786,261	-
Amounts owed to related parties	5,914,700	32,980
Retentions payable	2,027,148	-
Payments on account	9,968,835	-
Corporation tax	180,633	-
Taxation and social security	127,451	-
Other creditors	1,036,666	-
Accruals and deferred income	2,735,258	95,908
As at 31 December	**57,186,666**	**137,588**

Notes to the financial statements (continued)
for the initial period from 16 May 2014 to 31 December 2014

Creditors: amounts falling due within one year (continued)

The bank borrowings were obtained to finance working capital and existing projects. These loans are subject to interest rates ranging between 5% - 9.5% and are repayable in monthly/quarterly instalments or in full at maturity according to the loan agreement.

The bank borrowings are secured by either on the land held by the group, on assignment of contract revenues and/or personal guarantees of the directors

18 Creditors: amounts falling due after more than year

	As at 31 December 2014 Group £	As at 31 December 2014 Company £
Finance lease obligations	625,788	-
Other creditors	80,252	-
As at 31 December	**706,040**	-

Notes to the financial statements (continued)
for the initial period from 16 May 2014 to 31 December 2014

19 Obligations under leases

As at 31 December 2014, the Group had entered into a number of arrangements in respect of finance leases.

These leases represent 36 month agreements in respect of the acquisition of plant and equipment used in the ordinary trade of the business. The finance leases are discounted at a rate implicit in the lease of 10% per annum.

1. The first agreement was signed on 13 October 2014 to purchase 12 trucks, which will be used in the Group's operations. The amount is repayable in 36 monthly payments.
2. The second agreement was signed on 9 November 2014 to purchase 10 pick-up trucks, which will be used in the Group's operations. The amount is repayable in 36 monthly payments.
3. The third agreement was signed on 17 November 2014 to purchase 2 heavy trucks, which will be used in the Group's operations. The amount is repayable in 36 monthly payments.

	As at 31 December 2014
	£'000
Future minimum lease payments due:	
Not later than one year	387
After one year but not more than five years	690
	1,077
Less finance charges	(144)
Present value of minimum payments	933

The present value of minimum lease payments is analysed as follows:

Not later than one year	307
After one year but not more than five years	626
	933

20 Called up share capital

	As at 31 December 2014
	£
Allotted and fully paid	
100 ordinary shares of £1 each created on incorporation	100
900 ordinary shares of £1 each issued on group reconstruction on 7 November 2014	900
	1,000

21 Reserves

	Group	Company
Merger relief reserve:	£	£
As at 16 May 2014	-	-
Group reconstruction	9,348,269	9,348,269
As at 31 December 2014	**9,348,269**	**9,348,269**

On 7 November 2014, there was a group reconstruction whereby the Company acquired the entire issued share capital of MGIG by way of a share for share exchange. The ultimate controlling party remained and continues to remain the same. The conditions for the creation of a merger relief reserve were met and such the excess over the fair value of the net assets acquired have been taken to a merger relief reserve.

	Group	Company
Profit and loss reserve:	£	£
As at 16 May 2014	-	-
Loss for the initial period	(137,927)	(111,643)
As at 31 December 2014	**(137,927)**	**(111,643)**

22 Notes to the cash flow statement

Cash flows from operating activities:

	16 May 2014 to 31 December 2014
	£
Operating loss for the period	(76,007)
Adjustments for:	
Share of results from joint ventures and associates	(52,238)
Depreciation of tangible fixed assets	158,209
Amortisation of intangible fixed assets	3,360
End of service provision	8,554
Movements in working capital:	
Increase in inventories	(1,275,596)
Decrease in trade and other debtors	7,335,169
Decrease in advances to suppliers and subcontractors	2,932,687
Increase in retentions receivable	(989,955)
Increase in amounts recoverable on contracts	(312,675)
Decrease in trade and other payables	(6,787,978)
Decrease in retentions payable	(253,589)
Increase in payments on account	2,159,607
Net cash inflow from operating activities	**2,849,548**

Notes to the financial statements (continued)
for the initial period from 16 May 2014 to 31 December 2014

22 Notes to the cash flow statement (continued)

Cash flows from investing activities

	Note	16 May 2014 to 31 December 2014 £
Payments to acquire property, plant and equipment		(209,072)
Payment to acquire intangible fixed assets		(36,747)
Interest received		34,022
Net cash outflow on acquisition of subsidiaries		1,677
Net overdrafts on merger		(2,338,230)
Foreign exchange differences & Exchange reserve		(23,457)
Net cash outflow from investing activities		**(2,571,807)**

Cash flows from financing activities

	16 May 2014 to 31 December 2014 £
Proceeds from issue of equity shares	100
Repayment of short term borrowings	(452,319)
Repayment of finance lease obligations	(76,560)
Payment of interest on bank borrowings and overdraft	(80,608)
Net cash outflow from financing activities	**(609,387)**

Notes to the financial statements (continued)
for the initial period from 16 May 2014 to 31 December 2014

23 Financial instruments

Exposure to credit, interest rate and liquidity risk arises in the normal course of the Group's and Company's business.

Credit risk
Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or a customer contract and ultimately leading to a financial loss. The Group and Company is exposed to credit risk from its operating activities primarily from trade receivables and amounts due from customers for contract work.

Liquidity risk
The Group and the Company uses cash-flow forecasting as a tool in managing the fluctuations in short-term liquidity which is common in the Construction industry and to minimise the risk that it is unable to meet its payment obligations due to lack of liquidity. The Group also seeks to limit its liquidity risk by ensuring financing is available from shareholders.

Interest rate risk
The Group is exposed to interest rate risk, on the interest bearing assets and liabilities which include long-term cash and margin deposits, bank overdrafts and short-term loans. The Group and Company does not seek to reduce exposure to fluctuations in interest rates through the use of derivative financial instruments.

Currency risk
The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group is mainly exposed to the Jordanian Dinar and the Saudi Riyal. The risk to the Group arises from the translation of the results and the financial position for and at the end of the reporting period to Sterling. It is the Directors' opinion that majority of the contracts both the revenue and the costs are transacted in the same currency therefore limiting the foreign exchange risk affecting the Group. The Directors actively monitor the foreign currency risk and take appropriate action to mitigate this risk where it is considered appropriate.

Fair values

The carrying amounts of the financial assets and liabilities shown in the balance sheet as at 31 December 2014 are not considered to be materially different to their fair value.

	Group	Company
	£	£
Loans and receivables		
Long-term cash deposits and margin deposits	13,854,532	-
Trade debtors	15,378,988	-
Retentions from customers	4,028,409	-
Advances to suppliers and subcontractors	2,010,442	-
Amounts due from customers for contract work	2,834,391	-
Amounts owed from related parties	7,134,298	-
0ther debtors and prepayments	488,553	23,514
Other Financial assets		
Cash and cash equivalents	1,924,940	-
Total financial assets	47,654,553	23,514

Notes to the financial statements (continued) for the initial period from 16 May 2014 to 31 December 2014

23 Financial instruments (continued)

Credit risk

There are no significant concentrations of credit risk within the Group unless otherwise disclosed. The maximum credit risk exposure relating to financial assets is represented by carrying value as at the balance sheet date.

The Group has established procedures to minimise the risk of default by trade debtors. Historically, these procedures have proved effective in minimising the level of impaired and past due debtors.

Maturity analysis

All financial assets have an expected maturity of less than 12 months, apart from those retentions that apply to contracts with a contract duration of greater than 12 months. Typically, these projects release 50% of the retention amount on completion and the remainder 12 month's post completion. No material amendments are expected to these figures.

Notes to the financial statements (continued)
for the initial period from 16 May 2014 to 31 December 2014

23 Financial instruments (continued)

	Group	Company
	£	£
Financial liabilities		
Bank borrowings and overdrafts	19,816,344	-
Finance leases	933,627	-
Trade creditors	11,285,531	8,700
Amounts owed to subcontractors	3,786,261	-
Amounts owed to related parties	5,914,700	32,980
Retentions for subcontractors	2,027,148	-
Advances received on contracts	8,191,644	-
Amounts due to customers for contract works	1,777,191	-
Taxation	308,084	-
Other creditors	3,852,176	95,908
Total financial liabilities	57,892,706	137,588

Sensitivity analysis

The Directors' believe that a variance of one percent in interest rates would not have a material impact on the profit before tax.

The Group minimises its sensitivities to currency exchange by ensuring debts and liabilities are typically held in the local currency against which the corresponding income is due.

Maturity analysis

All financial liabilities are due within one year with the exception of an amount of £757k in respect of finance lease obligations which is due within 1-3 years.

Notes to the financial statements (continued)
for the initial period from 16 May 2014 to 31 December 2014

24 Related party transactions

Notes 11 to 13 provide information about the Group's structure including the details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties by the Group in the financial period ending 31 December 2014.

	Sales to related parties £	Purchases from related parties £	Amounts owed by related parties £	Amounts owed to related parties £
Joint ventures in which the group is a venturer:				
Group Five MID JV	-	-	-	1,210,504
Masar – MID JV	249,503	917	-	914,622
Masar & Al-Fayha'a –Mid JV	-	1,859	745,290	-
Associate:				
OHL Industrial / Mid JV	-	-	46,658	-
Companies connected to the directors:				
Al Zahran Technologies	-	-	4,181	-
Al Sahal Al Arabi	-	-	-	1,229,365
Al Qudrah Company	-	-	-	734,457
Directors' Loan accounts:				
Sahel Majali	-	-	-	1,197,667
Ala Masri	-	-	2702,345	-
Shaker Majali	-	-	-	425,421
Persons connected to the director, Sahel Majali:				
Abed Al Hadi – Father	-	-	685,809	-
Rawan Mohammed - wife	-	-	2,950,016	-
Talal Majali – infant son	-	-	-	202,564
	249,503	**2,776**	**7,134,299**	**5,914,600**

24 Related party transactions (continued)

Loan to associate

Included in the table above, are amounts loaned to the OHL Industrial / Mid JV to finance operations. The loan is unsecured and repayable in full. There is no interest charged on this loan and there is no set repayment date.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

For the period ended 31 December 2014, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment will be undertaken and impairment charges made as appropriate at the end of each financial period through examining the financial position of the related party and the market in which the related party operates.

Transactions with key management personnel

Guarantees of bank loans/overdrafts to the group

As at 31 December 2014, the director's S Majali, A B O Al Masri and Abed Al Hadi (S Majali's father) had issued personal guarantees in respect of bank loans to the group with outstanding amounts of £17,318,463 and in respect of bank overdrafts with outstanding amounts of £2,497,881. No fees have been paid to the directors and their connected persons in respect of these guarantees.

Rent-free accommodation

The Group's principal operating entity (Mid Contracting Company) has the benefit of rent free use of its principal operating premises in Jordan.

Other property-related transactions

Key management personnel previously transferred the beneficial ownership of certain land to a subsidiary undertaking of the Group. Arrangements are currently being made to formally transfer this land into the legal ownership of the group. The carrying value of the land is disclosed in Note 10 to the financial statements.

Transactions with connected companies

Included in the table above, are amounts owed from/to companies that are under the control of the directors. Al Zahran is jointly owned by S Majali and A Al Masri. The amounts owed to the Group are interest free and there is no set repayment date.

Al Sahal Al Arabi Contracting, a property development company, and Al Qudrah Company, a cement manufacturer, are wholly owned by Mrs S Majali. The amounts owed to the Group are interest free, unsecured and with no set repayment date.

Loans to/by directors

Included in the table above are amounts owed to/from directors. Loans to directors are made by non-UK registered subsidiary undertakings and were made in advance of the Group's merger. All amounts are interest free, unsecured and have no set repayment date.

Notes to the financial statements (continued) for the initial period from 16 May 2014 to 31 December 2014

24 Related party transactions (continued)

Company

There were no sales or purchases with related parties of the Parent Company during the period ended 31 December 2014. Amounts owed to related parties by the parent company as at 31 December 2014 were as follows:

Entity/Related persons	Relationship to parent company	Amounts owed by related parties £	Amounts owed to related parties £
MID Contracting and Consulting Limited	Subsidiary undertaking	-	15,442
Sterling Living Limited	Subsidiary undertaking	-	100
S Majali	Director's loan account	-	17,438

Compensation of key management personnel of the Group

The Group recognised an expense of £48,548 in the period ending 31 December 2014 in respect of employee remuneration to key management personnel. No other compensation was paid during the period.

The Company did not recognise an expense for directors' remuneration in the period ending 31 December 2014.

25 Contingent liabilities

As at 31 December 2014, the Group had the following contingent liabilities, entered into in the normal course of business in connection with the provision of design and construction services:

	£
Letters of credit	114,505
Letters of guarantee	43,640,990

In addition, the Group is also a defendant in a number of labour related lawsuits in Jordan with a maximum potential exposure amounting to £293,073. Based on discussions with the Group's lawyers and the progress to date, the Directors do not believe a material liability will arise as from these litigation cases.

26 Parent undertaking and controlling party

The Company's immediate and ultimate parent company is Mid Co Holdings Guernsey Limited, a company incorporated in Guernsey. The financial statements of Mid Co Holdings Guernsey Limited are not available to the public. The smallest and largest group for which consolidated financial statements are prepared which include the company is that headed by the company. In the opinion of the directors, the ultimate controlling party is S Majali.

Notes to the financial statements (continued)
for the initial period from 16 May 2014 to 31 December 2014

27 Directors' Statement relating to revised financial statements: revision by replacement

These amended financial statements replace the original financial statements for the period ended 31 December 2014. These amended financial statements are now the statutory financial statements for that financial period;

i. The amended financial statements have been prepared as at the date of signing the original financial statements and not as at the date of revision and accordingly do not deal with any events between those dates;

ii. The original financial statements did not comply with the Companies Act 2006 as the Group's original financial statements for the period were filed unaudited; and

iii. Amendments made consequential upon remedying of that defect are: The inclusion of an independent audit report. Certain amendments have been made to the 31 December 2014 consolidated profit and loss account, consolidated income and statement of change in equity, consolidated and Company balance sheets, consolidated cash flow and notes as a consequence of the audit and revision of the financial statements. The consequential amendments are:

   a. Adjustment to the basis of acquisition for Mid Global Investment Group (MGIG) from acquisition accounting to merger accounting;
   b. Adjustments to the MGIG merger balance sheet and the financial performance post-merger;
   c. Adjustment to the accounting treatment in respect of the group's investment in associates;
   d. Correction of the tax rate applied to the Group's loss in the period ended 31 December 2014;
   e. Disclosure of the parent company loss for the initial period ending 31 December 2014;
   f. Adjustments to the consolidated cash-flow statement and the inclusion of notes to the consolidated cash-flow statement;
   g. Amendments to disclosure of fixed assets, investments in associates and joint ventures, inventories, debtors, cash and short-term deposits, creditors: amounts falling due less than one year, finance lease obligations, financial instruments, audit fees, related party transactions and contingent liabilities such that they are in accordance with International Financial Reporting Standards and/or the Companies Act 2006; and
   h. Amendments to principal accounting policies to reflect, inter alia, new and revised IFRSs in issue but not yet effective, judgements and key sources of estimation uncertainty and further details of accounting for revenues, investments in associates and joint ventures and operating leases.

Due to the magnitude of these amendments, the directors have adjusted the financial statements accordingly.