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**MID HOLDING CO UK LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**



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**MID HOLDING CO UK LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	S A Majali S S Majali A D Shepherd Mrs J M D Adams-Hooker
<b>Company secretary</b>	S A Majali
<b>Registered number</b>	09045035
<b>Registered office</b>	Hapag-Lloyd House Cambridge Road Barking Essex IG11 8HH
<b>Independent auditors</b>	Barnes Roffe LLP Chartered Accountants & Statutory Auditor Charles Lake House Claire Causeway Crossways Business Park Dartford Kent DA2 6QA

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**MID HOLDING CO UK LIMITED**

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**CONTENTS**

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	Page
<b>Group strategic report</b>	<b>1 - 2</b>
<b>Directors' report</b>	<b>3 - 4</b>
<b>Independent auditors' report</b>	<b>5 - 7</b>
<b>Consolidated statement of comprehensive income</b>	<b>8</b>
<b>Consolidated balance sheet</b>	<b>9 - 10</b>
<b>Company balance sheet</b>	<b>11</b>
<b>Consolidated statement of changes in equity</b>	<b>12</b>
<b>Company statement of changes in equity</b>	<b>13</b>
<b>Consolidated Statement of cash flows</b>	<b>14 - 15</b>
<b>Notes to the financial statements</b>	<b>16 - 35</b>

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## MID HOLDING CO UK LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present their strategic report accompanying the consolidated financial statements for the year ended 31 December 2017.

#### **Business review**

Mid Holding Co UK Ltd (the "company") is a company incorporated in England and Wales. The principal activity of the company in the year under review was that of the holding company of the Mid Group of companies ("Mid Group"), which principally acts as a design and build contractor of commercial, industrial and residential buildings.

The company owns several trading companies in the UK. The principal jurisdiction of trade is the UK. The UK business began trading in 2015 and has quickly established itself as a credible alternative to the traditional main contractors in the UK.

The company is now well placed to identify and realise opportunities across all areas of its operations. The processes, procedures and controls put in place by the company are greatly assisting the Mid Group in its growth plans.

January 2018 saw the Mid Group dispose of its entire shareholding in the Mid Global Investment Group ("MGIG"). However, as stated in the 2017 accounts, the disposal has resulted in a lower turnover at the group level. The underlying growth in Mid Contracting & Consulting will quickly replace the loss of turnover from the disposal in MGIG, with the 2019 turnover anticipated to be back at pre-disposal levels, if not significantly above.

The UK business has been awarded several new contracts in 2018, which are further assisting in the development of a track record for the business and its continued growth. The business has become a genuine alternative to the traditional main contractor in the UK market.

The UK business has also collected several awards in 2018 and 2019, recognising the high levels of skill and customer service that the business delivers.

#### **Principal risks and uncertainties**

The directors are aware of the risks inherent in the construction market. The key risk is always considered to be the Health and Safety of our Staff, Employees and Subcontractors. The company continues to invest heavily in Health & Safety, with no compromise afforded.

Other key risks to the business concern the competitive tendering process, subcontractor performance and client strength. The company manages these risks through the processes and procedures it has in place, monitoring performance on projects and the quality of the staff it employs.

The majority of Mid Group clients are currently Government, or Government backed organisations. This mix of clients is likely to change as the Mid Group grows over the coming period. Notwithstanding this, the Mid Group focuses on managing exposure to non-Government clients, with direct agreements with their funding partners, to minimise the risk of non-payment.

Where the company identifies risks that it cannot manage or a risk that materialises, it will make an impairment in the affected subsidiary company.

Brexit continues to represent a challenge for the business, primarily due to delayed decision making from Government clients. This has seen several projects delayed by 6-9 months, whilst internal funding decisions are made. The group maintains a prudent approach to forecasting its workload, reflecting the likelihood of delays.

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## MID HOLDING CO UK LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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#### Future developments

The group's future prospects are positive. The Mid Group is focused on strengthening its foothold in its key jurisdictions over the coming period.

In 2018, the UK business achieved exceptional growth of over 300% when compared to 2017. The prospects for 2019 are equally exciting, with growth of over 100% being targeted by the Board.

The UK business has realised a number of opportunities in 2018 and is on-site delivering numerous projects. This has been supported by a number of contract wins in 2019, which give the Board the confidence in its aspirations for the continued underlying growth of the Mid Group.

Contract highlights in 2018 and 2019 include:

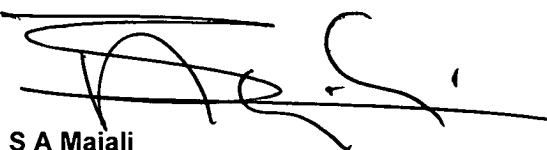
- The award of the Robert Clack School projects, which upon completion will result in the delivery of Europe's largest School.
- The award of the second phase of the Greatfields School project, which sits at the heart of a major urban redevelopment project.
- The award of the Charles Simmons House project in Islington, which sits adjacent to the Mount Pleasant redevelopment.
- The Mid Group also sits as the Preferred Bidder on several major opportunities, which currently are contracted under a Pre-Construction Services Agreement and are anticipated to move on to site in the coming months.

In 2019 the Mid Group is focused on realising its investment in Building Information Modelling ("BIM"), through ensuring that all its projects are delivered using BIM. This will have the benefit of improving quality and reducing risk, which will ultimately assist the Mid Group in winning more work and increasing profitability.

This report was approved by the board on

14/08/19

and signed on its behalf.



**S A Majali**  
Director

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## MID HOLDING CO UK LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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

#### Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Results and dividends

The profit for the year, after taxation, amounted to £375,444 (2017 - loss £643,882).

During the year the company paid dividends of £474,596 (2017 - £nil).

#### Directors

The directors who served during the year were:

S A Majali  
S S Majali  
A D Shepherd  
Mrs J M D Adams-Hooker

#### Going concern

The group has had another profitable year and with a strong forward order book, there is confidence that the company and group continue to be a going concern.

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**MID HOLDING CO UK LIMITED**

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

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**Disclosure of information to auditors**

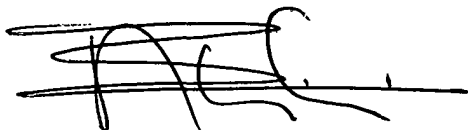
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

**Auditors**

The auditors, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 14/08/19 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'S A Majali', written over a horizontal line.

**S A Majali**  
Director

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## MID HOLDING CO UK LIMITED

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

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#### Opinion

We have audited the financial statements of Mid Holding Co UK Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018, which comprise the group Statement of comprehensive income, the group and company Balance sheets, the group Statement of cash flows, the group and company Statement of changes in equity and the related notes, 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 group's and of the parent company's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



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## MID HOLDING CO UK LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MID HOLDING CO UK LIMITED (CONTINUED)

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

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

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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MID HOLDING CO UK LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MID HOLDING CO UK LIMITED  
(CONTINUED)

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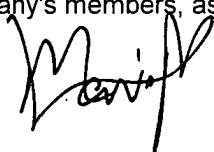
**Auditors' responsibilities for the audit of the financial statements**

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 an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' 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.



Mario Ciantanni (Senior statutory auditor)

For and on behalf of

**Barnes Roffe LLP**

Chartered Accountants

Statutory Auditor

Charles Lake House

Claire Causeway

Crossways Business Park

Dartford

Kent

DA2 6QA

Date: 16. August. 2019.

MID HOLDING CO UK LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018

		Continuing operations	Discontinued operations	Total	Continuing operations As restated 2017	Discontinued operations As restated 2017	Total As restated 2017
	Note	2018 £	2018 £	2018 £	£	£	£
Turnover	4	34,023,852	-	34,023,852	10,524,287	45,530,724	56,055,011
Cost of sales		(31,901,375)	-	(31,901,375)	(6,927,476)	(42,793,906)	(49,721,382)
<b>Gross profit</b>		<b>2,122,477</b>	-	<b>2,122,477</b>	<b>3,596,811</b>	<b>2,736,818</b>	<b>6,333,629</b>
Administrative expenses		(1,536,361)	-	(1,536,361)	(1,352,017)	(4,349,338)	(5,701,355)
Other operating income		-	-	-	-	264,462	264,462
<b>Operating profit</b>	5	<b>586,116</b>	-	<b>586,116</b>	<b>2,244,794</b>	<b>(1,348,058)</b>	<b>896,736</b>
Income from participating interests		-	-	-	(157,974)	78,987	(78,987)
Loss on disposal of investment in subsidiary		(65,609)	-	(65,609)	-	-	-
Interest receivable and similar income	9	-	-	-	-	41,506	41,506
Interest payable and expenses	10	-	-	-	-	(962,098)	(962,098)
<b>Profit/(loss) before taxation</b>		<b>520,507</b>	-	<b>520,507</b>	<b>2,086,820</b>	<b>(2,189,663)</b>	<b>(102,843)</b>
Tax on profit/(loss)	11	(145,063)	-	(145,063)	(225,002)	(316,085)	(541,087)
<b>Profit/(loss) for the financial year</b>		<b>375,444</b>	-	<b>375,444</b>	<b>1,861,818</b>	<b>(2,505,748)</b>	<b>(643,930)</b>
<b>Profit/(loss) for the year attributable to:</b>							
Non-controlling interests		-	-	-	-	(48)	(48)
Owners of the parent company		375,444	-	375,444	1,861,866	(2,505,748)	(643,882)
		<b>375,444</b>	-	<b>375,444</b>	<b>1,861,866</b>	<b>(2,505,796)</b>	<b>(643,930)</b>

There were no recognised gains and losses for 2018 or 2017 other than those included in the consolidated statement of comprehensive income.

**MID HOLDING CO UK LIMITED**  
**REGISTERED NUMBER: 09045035**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	As restated 2017 £
<b>Fixed assets</b>			
Intangible assets	13	1,154	163,355
Tangible assets	14	50,607	9,826,074
Investments	15	-	5,185,191
		<u>51,761</u>	<u>15,174,620</u>
<b>Current assets</b>			
Stocks	16	-	15,395,568
Debtors: amounts falling due after more than one year	17	1,040,022	-
Debtors: amounts falling due within one year	17	8,381,759	62,658,530
Cash at bank and in hand	18	5,723,486	8,380,924
		<u>15,145,267</u>	<u>86,435,022</u>
Creditors: amounts falling due within one year	19	(10,011,378)	(86,256,627)
<b>Net current assets</b>		<u>5,133,889</u>	<u>178,395</u>
<b>Total assets less current liabilities</b>		<u>5,185,650</u>	<u>15,353,015</u>
Creditors: amounts falling due after more than one year	20	-	(717,795)
<b>Net assets</b>		<u><u>5,185,650</u></u>	<u><u>14,635,220</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	1,000	1,000
Merger reserve		-	9,348,269
Profit and loss account		5,184,650	5,283,802
<b>Equity attributable to owners of the parent company</b>		<u>5,185,650</u>	<u>14,633,071</u>
Non-controlling interests		-	2,149
		<u><u>5,185,650</u></u>	<u><u>14,635,220</u></u>

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MID HOLDING CO UK LIMITED  
REGISTERED NUMBER: 09045035

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CONSOLIDATED BALANCE SHEET (CONTINUED)  
AS AT 31 DECEMBER 2018

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

  
S A Majali  
Director

14/08/19

The notes on pages 16 to 35 form part of these financial statements.

**MID HOLDING CO UK LIMITED**  
**REGISTERED NUMBER: 09045035**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	14	31,463	7,960
Investments	15	400	9,349,569
		<u>31,863</u>	<u>9,357,529</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	17	2,879,175	-
Debtors: amounts falling due within one year	17	1,489,728	277,257
Cash at bank and in hand	18	192,161	-
		<u>4,561,064</u>	<u>277,257</u>
Creditors: amounts falling due within one year	19	(15,115)	(425,316)
<b>Net current assets/(liabilities)</b>		<u>4,545,949</u>	<u>(148,059)</u>
<b>Total assets less current liabilities</b>		<u>4,577,812</u>	<u>9,209,470</u>
<b>Net assets</b>		<u><u>4,577,812</u></u>	<u><u>9,209,470</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	1,000	1,000
Merger reserve		-	9,348,269
Profit and loss account		4,576,812	(139,799)
		<u>4,577,812</u>	<u>9,209,470</u>

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

  
**S A Majali**  
 Director

14/08/19

The notes on pages 16 to 35 form part of these financial statements.

**MID HOLDING CO UK LIMITED**

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

	Called up share capital £	Merger reserve £	Profit and loss account £	Equity attributable to owners of parent company £	Non- controlling interests £	Total equity £
At 1 January 2018 (as previously stated)	1,000	9,348,269	6,034,127	15,383,396	2,149	15,385,545
Prior year adjustment	-	-	(750,325)	(750,325)	-	(750,325)
At 1 January 2018 (as restated)	1,000	9,348,269	5,283,802	14,633,071	2,149	14,635,220
Profit for the year	-	-	375,444	375,444	-	375,444
On disposal of subsidiary	-	(9,348,269)	-	(9,348,269)	(2,149)	(9,350,418)
Dividends	-	-	(474,596)	(474,596)	-	(474,596)
<b>At 31 December 2018</b>	<b>1,000</b>	<b>-</b>	<b>5,184,650</b>	<b>5,185,650</b>	<b>-</b>	<b>5,185,650</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Merger reserve £	Profit and loss account £	Equity attributable to owners of parent company £	Non- controlling interests £	Total equity £
At 1 January 2017 (as previously stated)	1,000	9,348,269	6,036,720	15,385,989	2,197	15,388,186
Prior year adjustment	-	-	(109,036)	(109,036)	-	(109,036)
At 1 January 2017 (as restated)	1,000	9,348,269	5,927,684	15,276,953	2,197	15,279,150
Loss for the year	-	-	(643,882)	(643,882)	(48)	(643,930)
<b>At 31 December 2017</b>	<b>1,000</b>	<b>9,348,269</b>	<b>5,283,802</b>	<b>14,633,071</b>	<b>2,149</b>	<b>14,635,220</b>

The notes on pages 16 to 35 form part of these financial statements.

**MID HOLDING CO UK LIMITED**

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

	<b>Called up share capital</b>	<b>Merger reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£
At 1 January 2018	1,000	9,348,269	(139,799)	9,209,470
Profit for the year	-	-	5,191,207	5,191,207
On disposal of subsidiary	-	(9,348,269)	-	(9,348,269)
Dividends	-	-	(474,596)	(474,596)
<b>At 31 December 2018</b>	<b>1,000</b>	<b>-</b>	<b>4,576,812</b>	<b>4,577,812</b>

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	<b>Called up share capital</b>	<b>Merger reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£
At 1 January 2017	1,000	9,348,269	(49,440)	9,299,829
Loss for the year	-	-	(90,359)	(90,359)
<b>At 31 December 2017</b>	<b>1,000</b>	<b>9,348,269</b>	<b>(139,799)</b>	<b>9,209,470</b>

The notes on pages 16 to 35 form part of these financial statements.



MID HOLDING CO UK LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	As restated 2017 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	375,444	(643,930)
<b>Adjustments for:</b>		
Amortisation of intangible assets	-	16,370
Depreciation of tangible assets	4,713	1,733,685
Loss on disposal of fixed asset investments	65,609	-
Loss on disposal of tangible assets	-	(106,613)
Interest paid	-	962,098
Interest received	-	(41,506)
Taxation charge	145,063	541,087
Decrease/(increase) in stocks	-	(1,163,581)
(Increase) in debtors	(2,966,971)	(15,307,154)
(Increase) in amounts owed by group undertakings	-	(1,951,471)
Decrease in amounts owed by joint ventures and associates	-	840,622
Increase in creditors	8,427,416	30,700,374
Share of operating profit in joint ventures	-	78,987
Corporation tax (paid)	(406,790)	(264,103)
<b>Net cash generated from operating activities</b>	<b>5,644,484</b>	<b>15,394,865</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(1,154)	-
Purchase of tangible fixed assets	(41,700)	(7,901,785)
Sale of tangible fixed assets	-	1,138,125
Net cash disposed of on disposal of subsidiary	(1,975,984)	-
Interest received	-	41,506
<b>Net cash from investing activities</b>	<b>(2,018,838)</b>	<b>(6,722,154)</b>

**MID HOLDING CO UK LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	2017 £
<b>Cash flows from financing activities</b>		
Repayment of loans	-	(5,401,853)
Repayment of finance leases	-	(427,783)
Dividends paid	(474,596)	-
Interest paid	-	(962,098)
<b>Net cash used in financing activities</b>	<b>(474,596)</b>	<b>(6,791,734)</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,151,050</b>	<b>1,880,977</b>
Cash and cash equivalents at beginning of year	2,572,436	691,459
<b>Cash and cash equivalents at the end of year</b>	<b>5,723,486</b>	<b>2,572,436</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	5,723,486	8,380,924
Bank overdrafts	-	(5,808,488)
	<b>5,723,486</b>	<b>2,572,436</b>

The notes on pages 16 to 35 form part of these financial statements.

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## MID HOLDING CO UK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. General information

Mid Holding Co UK Limited is a company limited by shares and incorporated in England and Wales. The address of the registered office is given in the company information page of these financial statements. The company's principal activity during the period under review was that of a holding and investment company. The principal activities of its subsidiaries were those of building contractors and property development.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

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

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**2. Accounting policies (continued)**

**2.3 Associates and joint ventures**

An entity is treated as a joint venture where the group is a party to a contractual agreement with one or more parties from outside the group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in joint ventures and associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the group. In the Consolidated balance sheet, the interests in associated undertakings are shown as the group's share of the identifiable net assets.

**2.4 Revenue recognition**

The group principally operates through fixed price contracts. If the outcome of such contract can be reliably measured, revenue associated with the construction contract is recognised by reference to the stage of completion of the contract activity at the period end (the percentage completion method).

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 immediately.

**2.5 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 reasonably certain that the contract will be secured that these costs are capitalised.

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

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**2. Accounting policies (continued)**

**2.6 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.

Other intangible assets are measured on initial recognition at cost. Intangible assets with finite lives are amortised over their useful economic life. Intangible assets include computer software and programs. These intangibles are amortised over their estimated useful economic lives.

**2.7 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Plant and machinery	- 7% - 10% per annum
Motor vehicles	- 7% per annum
Office equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

**2.8 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

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

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**2. Accounting policies (continued)**

**2.9 Stocks and work in progress**

**Stocks**

Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

**Work in progress**

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty as per FRS 102. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been instructed by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

**2.10 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.11 Cash and cash equivalents**

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

**2.12 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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

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**2. Accounting policies (continued)**

**2.13 Foreign currency translation**

**Functional and presentation currency**

The group's functional and presentational currency is GBP sterling.

**Transactions and balances**

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

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

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

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

**2.14 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**2.15 Pensions**

**Defined contribution pension plan**

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the group in independently administered funds.

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

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**2. Accounting policies (continued)**

**2.16 Taxation**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

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

No significant judgements have had to be made by the group in preparing these financial statements.



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MID HOLDING CO UK LIMITED

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

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**4. Turnover**

The whole of the turnover is attributable to the principal activity, which is design and construction services. The group operates in three principal geographical areas, and its turnover, all from continuing operations is detailed below.

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	34,014,462	10,524,287
Jordan	9,390	41,152,778
Kingdom of Saudi Arabia	-	4,377,946
	<u>34,023,852</u>	<u>56,055,011</u>

**5. Operating profit**

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	4,713	1,733,685
Amortisation of intangible assets, including goodwill	-	16,370
Other operating lease rentals	78,356	17,173
Defined contribution pension cost	156,414	31,689
	<u>156,414</u>	<u>31,689</u>

**6. Auditors' remuneration**

	2018 £	2017 £
Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	<u>20,800</u>	<u>33,500</u>
<b>Fees payable to the group's auditor and its associates in respect of:</b>		
All other services	<u>2,775</u>	<u>2,500</u>

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**MID HOLDING CO UK LIMITED**

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

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**7. Employees**

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

	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
Wages and salaries	<b>2,633,742</b>	7,157,602	-	-
Social security costs	<b>289,581</b>	962,683	-	-
Cost of defined contribution scheme	<b>156,414</b>	31,689	-	-
	<b><u>3,079,737</u></b>	<u>8,151,974</u>	<u>-</u>	<u>-</u>

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

	<b>2018 No.</b>	<i>2017 No.</i>
Administrative and managerial	<b>33</b>	551
Operational	-	860
Directors of the parent	<b>4</b>	4
	<b><u>37</u></b>	<u>1,415</u>

**8. Directors' remuneration**

	<b>2018 £</b>	<i>2017 £</i>
Directors' emoluments	<b>366,978</b>	250,000
Company contributions to defined contribution pension schemes	<b>25,125</b>	7,500
	<b><u>392,103</u></b>	<u>257,500</u>

The highest paid director received remuneration of £258,125 (2017 - £250,000).

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £25,125 (2017 - £7,500).

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MID HOLDING CO UK LIMITED

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

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**9. Interest receivable**

	2018 £	2017 £
Other interest receivable	-	41,506
	<u>-</u>	<u>41,506</u>

**10. Interest payable and similar expenses**

	2018 £	2017 £
Bank interest payable	-	962,098
	<u>-</u>	<u>962,098</u>

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**MID HOLDING CO UK LIMITED**

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

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**11. Taxation**

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	141,561	225,002
Adjustments in respect of previous periods	3,502	-
<b>Foreign tax</b>		
Foreign tax on income for the year	-	316,085
<b>Total current tax</b>	<u>145,063</u>	<u>541,087</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19%). The differences are explained below:

	2018 £	2017 £
Profit/(loss) on ordinary activities before tax	<u>520,507</u>	<u>(102,843)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19%)	98,896	(19,540)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,331	3,620
Capital allowances for year in excess of depreciation	(1,862)	(624)
Utilisation of tax losses	-	(239,672)
Higher rate taxes on overseas subsidiaries	-	797,303
Adjustments to tax charge in respect of prior periods	3,502	-
Unrelieved tax losses carried forward	27,730	-
Unrelieved loss on disposal of subsidiaries	12,466	-
<b>Total tax charge for the year</b>	<u>145,063</u>	<u>541,087</u>

**Factors that may affect future tax charges**

The company has unused corporation tax losses carried forward of £288,404 (2017: £288,404).

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MID HOLDING CO UK LIMITED

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

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**12. Parent company profit for the year**

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent company for the year was £5,191,207 (2017 - loss £90,359).

**13. Intangible assets**

**Group**

	Computer software £	Goodwill £	Total £
<b>Cost</b>			
At 1 January 2018	298,345	-	298,345
Additions	-	1,154	1,154
On disposal of subsidiaries	(298,345)	-	(298,345)
At 31 December 2018	-	1,154	1,154
At 1 January 2018	134,990	-	134,990
On disposal of subsidiaries	(134,990)	-	(134,990)
At 31 December 2018	-	-	-
<b>Net book value</b>			
At 31 December 2018	-	1,154	1,154
At 31 December 2017	163,355	-	163,355

MID HOLDING CO UK LIMITED

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

14. Tangible fixed assets

Group

	Land £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2018	2,755,509	19,500,503	1,571,170	1,162,778	24,989,960
Additions	-	-	-	41,700	41,700
Disposal of subsidiaries	(2,755,509)	(19,500,503)	(1,571,170)	(1,135,322)	(24,962,504)
At 31 December 2018	-	-	-	69,156	69,156
<b>Depreciation</b>					
At 1 January 2018	-	12,778,971	1,415,967	968,948	15,163,886
Charge for the year on owned assets	-	-	-	4,713	4,713
Disposal of subsidiaries	-	(12,778,971)	(1,415,967)	(955,112)	(15,150,050)
At 31 December 2018	-	-	-	18,549	18,549
<b>Net book value</b>					
At 31 December 2018	-	-	-	50,607	50,607
At 31 December 2017	2,755,509	6,721,532	155,203	193,830	9,826,074

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MID HOLDING CO UK LIMITED

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

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14. Tangible fixed assets (continued)

Company

	Office equipment £
<b>Cost or valuation</b>	
At 1 January 2018	20,833
Additions	27,185
At 31 December 2018	<u>48,018</u>
<b>Depreciation</b>	
At 1 January 2018	12,873
Charge for the year on owned assets	3,682
At 31 December 2018	<u>16,555</u>
<b>Net book value</b>	
At 31 December 2018	<u><u>31,463</u></u>
At 31 December 2017	<u><u>7,960</u></u>

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**MID HOLDING CO UK LIMITED**

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

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**15. Fixed asset investments**

**Group**

	Unlisted investments £	Investment in joint ventures £	Total £
At 1 January 2018	141,359	5,043,832	5,185,191
On disposal of subsidiaries	(141,359)	(5,043,832)	(5,185,191)
At 31 December 2018	<u>-</u>	<u>-</u>	<u>-</u>

**Company**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2018	9,349,569
Disposals	(9,349,169)
At 31 December 2018	<u>400</u>



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**MID HOLDING CO UK LIMITED**

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

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**15. Fixed asset investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Mid Contracting and Consulting Limited	Building contractor	England and Wales	100%
Sterling Living limited	Residential build and development	England and Wales	100%
Sterling BIM Limited (1)	BIM consultancy services	England and Wales	100%
Sterling MEP Services Limited	Interior fit out	England and Wales	100%
Sterling Surety Limited	Dormant	England and Wales	100%
Sterling BIM LLC	BIM consultancy services	Jordan	100%

(1) Sterling BIM Limited is a wholly owned subsidiary of Sterling Living Limited.

**16. Stocks**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>
Raw materials and consumables	-	14,269,106
Long term contract balances	-	1,126,462
	<u>-</u>	<u>15,395,568</u>

Long term contract balances consist of:

	<b>Group 2018 £</b>	<b>Group 2017 £</b>
Costs to date less provision for losses	-	1,126,462
	<u>-</u>	<u>1,126,462</u>

**MID HOLDING CO UK LIMITED**

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

**17. Debtors**

	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
<b>Due after more than one year</b>				
Amounts owed by group undertakings	-	-	<b>1,839,153</b>	-
Other debtors	<b>1,040,022</b>	-	<b>1,040,022</b>	-
	<b>1,040,022</b>	-	<b>2,879,175</b>	-
	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
<b>Due within one year</b>				
Trade debtors	<b>3,282,054</b>	22,351,519	-	-
Retentions due from customers	-	6,106,407	-	-
Advances to suppliers and contractors	-	6,489,384	-	-
Amounts owed by group undertakings	<b>1,493,528</b>	256,300	<b>1,479,028</b>	256,200
Amounts owed by joint ventures and associated undertakings	-	13,886,761	-	-
Other debtors	<b>96,022</b>	1,723,877	<b>10,700</b>	21,057
Prepayments and accrued income	<b>1,263,844</b>	1,308,846	-	-
Amounts recoverable on long term contracts	<b>2,246,311</b>	10,535,436	-	-
	<b>8,381,759</b>	62,658,530	<b>1,489,728</b>	277,257

**18. Cash and cash equivalents**

	<b>Group 2018 £</b>	<i>Group 2017 £</i>	<b>Company 2018 £</b>	<i>Company 2017 £</i>
Cash at bank and in hand	<b>5,723,486</b>	8,380,924	<b>192,161</b>	-
Less: bank overdrafts	-	(5,808,488)	-	-
	<b>5,723,486</b>	2,572,436	<b>192,161</b>	-

**MID HOLDING CO UK LIMITED**

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

**19. Creditors: Amounts falling due within one year**

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2018</b>	<i>2017</i>	<b>2018</b>	<i>2017</i>
	<b>£</b>	<i>£</i>	<b>£</b>	<i>£</i>
Bank overdrafts	-	5,808,488	-	-
Bank loans	-	2,284,846	-	-
Trade creditors	<b>6,703,014</b>	13,294,269	-	2,007
Payments received on account	<b>2,056,380</b>	20,625,652	-	-
Amounts due to subcontractors	-	6,740,879	-	-
Amounts owed to associates	-	1,475,660	-	-
Amounts owed to group undertakings	-	19,530,584	<b>5,772</b>	397,309
Corporation tax	<b>5,892</b>	568,778	-	-
Other taxation and social security	<b>495,235</b>	666,840	<b>93</b>	-
Other creditors	<b>23,446</b>	12,357,949	-	-
Accruals and deferred income	<b>727,411</b>	2,902,682	<b>9,250</b>	26,000
	<b>10,011,378</b>	86,256,627	<b>15,115</b>	425,316

**20. Creditors: Amounts falling due after more than one year**

	<b>Group</b>	<i>Group</i>
	<b>2018</b>	<i>2017</i>
	<b>£</b>	<i>£</i>
Bank loans	-	717,795
	-	717,795

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MID HOLDING CO UK LIMITED

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

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**21. Loans**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>
<b>Amounts falling due within one year</b>		
Bank loans	-	2,284,846
<b>Amounts falling due 1-2 years</b>		
Bank loans	-	717,795
	<u>-</u>	<u>3,002,641</u>

**22. Share capital**

	<b>2018 £</b>	<b>2017 £</b>
<b>Allotted, called up and fully paid</b>		
1,000 (2017 - 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

**23. Prior year adjustment**

An adjustment has been made to restate the prior period by decreasing turnover and debtors by £926,327 and by decreasing corporation tax charges and creditors by £176,002. The prior year adjustment therefore restated the opening reserves by a net amount of £750,325.

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MID HOLDING CO UK LIMITED

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

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**24. Related party transactions**

The following table provides the total amount of transactions that have been entered into with related parties by the group in the financial period ended 31 December 2017.

	Amounts owed by related parties £
<b>Group companies:</b>	
Mid Co Holdings Guernsey Limited	1,493,528

**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 2018, the group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment will be undertaken 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.

**25. Pension commitments**

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £156,414 (2017 - £31,689). Contributions totalling £18,910 (2017: £9,473) were payable to the fund at the balance sheet date.

**26. Commitments under operating leases**

At 31 December 2018 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £
Not later than 1 year	54,870	34,433
Later than 1 year and not later than 5 years	178,328	-
	<u>233,198</u>	<u>34,433</u>

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## MID HOLDING CO UK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### **27. Discontinued operations**

On 2 January 2018 the Board of Mid Holding Co UK Limited accepted an offer to purchase the entire shareholding of the Mid Global Investment Group which includes the main construction trading businesses in Jordan and the Kingdom of Saudi Arabia.

The sale involved the disposal of the business in return for a mixture of cash and shares in Sterling BIM LLC. There was no material gain or loss on the disposal, the transaction giving a loss of £65,609 to the group. The sale, as anticipated, has resulted in a small decrease in turnover in the year 2018 but an improvement in net cash.

#### **28. 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 publicly available. The smallest and largest group for which consolidated financial statements are prepared which include the company is that headed by the company.

The ultimate controlling party is S A Majali Esq.