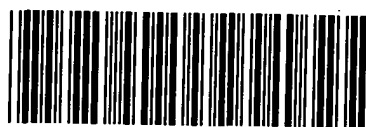


Registered number: 02769705

MEP Solutions Limited
Directors' report and financial statements
31 March 2014



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COMPANIES HOUSE

MEP Solutions Limited

Officers and professional advisers

Directors	B I Trench L Billings (appointed 1 October 2013)
Company secretary	B I Trench
Registered number	02769705
Registered office	Jubilee Industrial Estate Ashington Northumberland NE63 8UG
Independent auditor	UNW LLP Chartered Accountants & Statutory Auditors Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
Bankers	Lloyds Bank Plc 102 Grey Street Newcastle upon Tyne NE99 1SL

MEP Solutions Limited

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MEP Solutions Limited

Directors' report Year ended 31 March 2014

The directors present their report and the financial statements for the year ended 31 March 2014.

Directors

The directors who served during the year were:

B I Trench
L Billings (appointed 1 October 2013)

Disclosure of information to auditor

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

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

Auditor

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

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 1 September 2014 and signed on its behalf by:



B I Trench
Director

MEP Solutions Limited

Directors' responsibilities statement Year ended 31 March 2014

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

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

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

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



Independent auditor's report to the shareholders of MEP Solutions Limited

We have audited the financial statements of MEP Solutions Limited for the year ended 31 March 2014, set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent auditor's report to the shareholders of MEP Solutions Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

A handwritten signature in black ink, appearing to read 'Andrew Wilson', is written over the printed name.

Andrew Wilson BA FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants & Statutory Auditors
Newcastle upon Tyne

1 September 2014

MEP Solutions Limited

Profit and loss account Year ended 31 March 2014

	Note	2014 £	2013 £
Turnover	2	5,982,105	4,577,723
Cost of sales		(3,815,004)	(2,547,796)
Gross profit		2,167,101	2,029,927
Distribution costs		(324,639)	(179,577)
Administrative expenses		(1,304,049)	(1,262,157)
Operating profit		538,413	588,193
Interest receivable and similar income		69	10
Interest payable and similar charges		(213)	(1,473)
Profit on ordinary activities before taxation	3	538,269	586,730
Tax on profit on ordinary activities	5	-	30,300
Profit for the financial year	11	538,269	617,030

The notes on pages 7 to 14 form part of these financial statements.

MEP Solutions Limited

Balance sheet At 31 March 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	6		103,172		49,181
Current assets					
Stocks		141,428		333,012	
Debtors	7	1,448,507		552,797	
Cash at bank		11,176		578,156	
		<u>1,601,111</u>		<u>1,463,965</u>	
Creditors: amounts falling due within one year	8	<u>(1,052,955)</u>		<u>(1,424,661)</u>	
Net current assets			<u>548,156</u>		<u>39,304</u>
Total assets less current liabilities			<u>651,328</u>		<u>88,485</u>
Creditors: amounts falling due after more than one year	9		<u>(24,574)</u>		<u>-</u>
Net assets			<u><u>626,754</u></u>		<u><u>88,485</u></u>
Capital and reserves					
Called up share capital	10		305,010		305,010
Capital redemption reserve	11		-		1,339,242
Profit and loss account	11		321,744		(1,555,767)
Shareholders' funds			<u><u>626,754</u></u>		<u><u>88,485</u></u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board on 1 September 2014 and were signed on its behalf by:



B I Trench
Director

Company registration number: 02769705

The notes on pages 7 to 14 form part of these financial statements.

MEP Solutions Limited

Notes to the financial statements Year ended 31 March 2014

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Turnover in respect of long term contracts and contracts for on-going services is recognised by reference to the stage of completion and represents the value of work done in the year, including estimates of amounts not invoiced.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	-	10% to 33% straight line
Motor vehicles	-	10% to 33% straight line
Fixtures and fittings	-	5% to 10% straight line

1.4 Finance leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

MEP Solutions Limited

Notes to the financial statements

Year ended 31 March 2014

1. Accounting policies (continued)

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

MEP Solutions Limited

Notes to the financial statements Year ended 31 March 2014

2. Turnover

1.6% of the company's turnover (2013 - 1.3%) is attributable to geographical markets outside the United Kingdom.

3. Notes to the profit and loss account

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

	2014 £	2013 £
Staff pension contributions	16,061	14,430
Depreciation of tangible fixed assets:		
-owned by the company	19,772	18,525
Loss on disposal of fixed assets	-	4,476
Net loss / (profit) on foreign currency translation	1,698	(1,031)

Auditor's remuneration

Audit of these financial statements	6,100	6,100
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Amounts receivable by the auditors and their associates in respect of:

Other services relating to taxation	1,750	1,750
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4. Directors' remuneration

	2014 £	2013 £
Aggregate remuneration	34,197	79,183

During the year retirement benefits were accruing to 1 director (2013: nil) in respect of defined contribution pension schemes.

MEP Solutions Limited

Notes to the financial statements Year ended 31 March 2014

5. Taxation

	2014 £	2013 £
UK corporation tax charge/(credit) on profit for the year	-	(30,300)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 23% (2013 - 24%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	538,269	586,730
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%)	123,802	140,815
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	13,512	1,845
Capital allowances for year in excess of depreciation	(101,303)	-
Adjustments to tax charge in respect of prior periods	-	(30,300)
Short term timing difference leading to an increase (decrease) in taxation	-	(110,120)
R&D tax relief	(45,831)	(41,405)
Effect of change in closing deferred tax rate	9,820	8,865
Current tax charge/(credit) for the year (see note above)	-	(30,300)

Factors that may affect future tax charges

The company has trading losses carried forward as at 31 March 2014 of approximately £472,000 (2013: £870,000). These losses may reduce the tax charges in future periods if the company makes trading profits. The potential deferred tax asset in relation to such losses has not been recognised due to the uncertainty over recoverability.

MEP Solutions Limited

Notes to the financial statements Year ended 31 March 2014

6. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 April 2013	40,998	93,832	7,750	142,580
Additions	9,000	15,613	49,150	73,763
At 31 March 2014	49,998	109,445	56,900	216,343
Depreciation				
At 1 April 2013	29,936	62,656	807	93,399
Charge for the year	3,455	11,827	4,490	19,772
At 31 March 2014	33,391	74,483	5,297	113,171
Net book value				
At 31 March 2014	16,607	34,962	51,603	103,172
At 31 March 2013	11,062	31,176	6,943	49,181

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2014 £	2013 £
Motor vehicles	36,900	-

7. Debtors

	2014 £	2013 £
Trade debtors	1,088,236	501,471
Amounts recoverable on contracts	327,054	-
Other debtors	33,217	51,326
	1,448,507	552,797

MEP Solutions Limited

Notes to the financial statements

Year ended 31 March 2014

8. Creditors: Amounts falling due within one year

	2014 £	2013 £
Bank loans and overdrafts	61,818	-
Net obligations under finance leases and hire purchase contracts	11,326	-
Trade creditors	799,594	825,102
Amounts owed to group undertakings	15,142	1,427
Other taxation and social security	86,851	179,777
Payments on account	26,759	275,925
Other creditors	51,465	142,430
	<u>1,052,955</u>	<u>1,424,661</u>

The overdraft is secured by a debenture over all the company's assets in favour of Lloyds Bank PLC dated 16 April 2010. An omnibus guarantee dated 6 March 2014, was entered into by the Company and A-Belco Limited where each party cross guarantees the others' debts to Lloyds Bank PLC.

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

	2014 £	2013 £
Net obligations under finance leases and hire purchase contracts	<u>24,574</u>	<u>-</u>

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

10. Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
3,050,101 Ordinary shares shares of £0.10 each	<u>305,010</u>	<u>305,010</u>

MEP Solutions Limited

Notes to the financial statements Year ended 31 March 2014

11. Reserves

	Capital redempt'n reserve £	Profit and loss account £
At 1 April 2013	1,339,242	(1,555,767)
Profit for the financial year	-	538,269
Transfer between capital redemption reserve and profit & loss account	(1,339,242)	1,339,242
At 31 March 2014	-	321,744

On 12 February 2014, the company's capital redemption reserve of £1,339,242 was reduced by way of a capital reduction and was thereby eliminated pursuant to the authority granted to the company in sections 641 and 642 of the Companies Act 2006.

12. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £20,388 (2013: £14,430). Contributions totalling £3,861 (2013: £3,860) were payable to the fund at the balance sheet date and are included in creditor

13. Post balance sheet events

On 1 April 2014, the engineering division of the business was hived off into a separate entity MEP BIM Solutions Limited.

14. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of A-Belco (Holdings) Limited, incorporated in England. The ultimate parent company at the balance sheet date was A-Belco Property Limited, incorporated in England. The smallest group in which they are consolidated is that headed by A-Belco (Holdings) Limited. The largest group in which they are consolidated is that headed by A-Belco Property Limited.

The consolidated financial statements of A-Belco (Holdings) Limited and A-Belco Property Limited are available to the public and may be obtained from Jubilee Industrial Estate, Ashington, Northumberland, NE63 8UG.

The directors consider the ultimate controlling parties to be G Kelly and A W Kelly.

Subsequent to year end, A-Belco Property Limited's shareholding in A-Belco (Holdings) Limited was acquired by Kelly Group Ventures Limited, wholly owned by G Kelly and A W Kelly.

MEP Solutions Limited

Notes to the financial statements

Year ended 31 March 2014

15. Related party disclosures

During the year the company made various recharges in respect of administrative expenses to and from A-Belco Limited, a company which is under common control of A-Belco (Holdings) Limited. At the year end the company owed £15,142 (2013: £1,427) to A-Belco Limited, included within creditors.

During the year A-Belco Property Limited, the ultimate parent company, charged MEP Solutions Limited £nil (2013: £66,774) for the rental of a property.

On 6 March 2014, the company entered into an omnibus guarantee in favour of Lloyds Bank PLC cross guaranteeing the debts of A-Belco Limited.

During the year fees totalling £25,920 (2013: £14,760) have been paid to C Change Consultancy Limited, a company of which B I Trench is a director. At the year end there is a balance of £1,080 (2013: £2,880) due to C Change Consultancy Limited, within creditors.