

COMPANY REGISTRATION NUMBER 02769705

**MEP SOLUTIONS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2009**

unw LLP

Chartered Accountants & Registered Auditor
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

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COMPANIES HOUSE

MEP SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO MEP SOLUTIONS LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts, together with the financial statements of MEP Solutions Limited for the year ended 31 March 2009 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

31 March 2010


unw LLP
Chartered Accountants
& Registered Auditor

MEP SOLUTIONS LIMITED
ABBREVIATED BALANCE SHEET
31 MARCH 2009

	Note	2009 £	2008 £
FIXED ASSETS	2		
Tangible assets		<u>132,022</u>	<u>127,016</u>
CURRENT ASSETS			
Stocks		58,304	84,350
Debtors		591,217	1,020,509
Cash at bank and in hand		<u>1,100</u>	<u>-</u>
		650,621	1,104,859
CREDITORS. Amounts falling due within one year	3	<u>839,532</u>	<u>1,548,661</u>
NET CURRENT LIABILITIES		<u>(188,911)</u>	<u>(443,802)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(56,889)</u>	<u>(316,786)</u>
CAPITAL AND RESERVES			
Called-up share capital	5	305,010	305,010
Other reserves		1,339,242	1,339,242
Profit and loss account		<u>(1,701,141)</u>	<u>(1,961,038)</u>
DEFICIT		<u>(56,889)</u>	<u>(316,786)</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These abbreviated accounts were approved by the directors and authorised for issue on 31 March 2010, and are signed on their behalf by



MR A WATSON
Director

Company registration number 02769705

The notes on page 2 form part of these abbreviated accounts

MEP SOLUTIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2009

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

The directors believe that the performance during the financial year, together with the orders and the available facilities the company currently has, and anticipates, for the future that it is appropriate to prepare these accounts on a going concern basis

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	-	10% to 33% straight line
Plant & Machinery	-	10% to 33% straight line
Fixtures & Fittings	-	10% straight line
Equipment	-	10% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Work in progress

The cost of work in progress and finished goods includes an appropriate proportion of production overheads

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company operates an externally administered Stakeholder Pension Scheme. The pension costs are charged to the profit and loss account in the period in which they are payable

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

MEP SOLUTIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2009

1 ACCOUNTING POLICIES *(continued)*

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the date of those transactions

Assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at the balance sheet date. The resulting profits or losses are dealt with in the profit and loss account

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

2 FIXED ASSETS

	Tangible Assets £
COST	
At 1 April 2008	266,794
Additions	<u>51,676</u>
At 31 March 2009	<u>318,470</u>
 DEPRECIATION	
At 1 April 2008	139,778
Charge for year	<u>46,670</u>
At 31 March 2009	<u>186,448</u>
 NET BOOK VALUE	
At 31 March 2009	<u>132,022</u>
At 31 March 2008	<u>127,016</u>

3 CREDITORS Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2009 £	2008 £
Bank loans and overdrafts	<u>98,306</u>	<u>153,566</u>

MEP SOLUTIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2009

4 RELATED PARTY TRANSACTIONS

During the year the company made sales of £532,155 (2008 £668,847) to and purchases of £220,017 (2008 £227,258) from A-Belco Limited, a company which is a subsidiary of A-Belco (Holdings) Limited. At the year end the company was owed £303,582 (2008 £85,559) from A-Belco Limited and owed £24,246 (2008 £17,437) to A-Belco Limited.

During the year A-Belco Property Limited charged MEP Solutions Limited £94,325 (2008 £91,721) for the rental of a property. A-Belco Property Limited is under the control of M J Kelly (deceased), and a director of the parent company A-Belco (Holdings) Limited. At the year end there is a balance of £31,522 (2008 £166,576) due to A-Belco Property Limited.

At the year end there is a loan balance of £200,000 (2008 £200,000) due to A-Belco Holdings Limited from MEP Solutions Limited.

An amount owed from B Trench, a director, has been written off during the year. The amount written off was £5,000.

5 SHARE CAPITAL

Authorised share capital

	2009 £	2008 £
5,000,000 Ordinary shares of £0.10 each	500,000	500,000
925,933 10% 1st cumulative redeemable preference shares of £1 each	925,933	925,933
172,727 10% 2nd cumulative redeemable preference shares of £1 each	172,727	172,727
53,345 5% cumulative convertible participating preferred shares of £1 each	53,345	53,345
130,582 2% bank rate 3rd cumulative redeemable shares of £1 each	130,582	130,582
110,000 8% 4th cumulative redeemable preference shares of £1 each	110,000	110,000
	<u>1,892,587</u>	<u>1,892,587</u>

Allotted, called up and fully paid

	2009 No	£	2008 No	£
Ordinary shares of £0.10 each	2,516,651	251,665	2,516,651	251,665
5% cumulative convertible participating preferred shares of £1 each	53,345	53,345	53,345	53,345
	<u>2,569,996</u>	<u>305,010</u>	<u>2,569,996</u>	<u>305,010</u>

The £1 cumulative convertible participating preferred ordinary (CCPPO) shares are entitled to a dividend of 5% of net profit before taxation. They may be converted into ordinary shares on a one for ten basis if, upon the occurrence of a Conversion Event as defined in the Articles of Association, a holder or holders of a majority in CCPPO shares gives notice in writing to the company. The ordinary shares resulting from such a conversion shall rank *par passu* in all respects with the other ordinary shares in the issue at the date of conversion.

Ordinary shareholders have one vote for each share of which they are the registered holder. Holders of the CCPPO shares are entitled to 10 votes for each share of which they are the registered holder.

As the company continues to be loss making and has been for a number of years the valuation of the debt element is deemed to be minimal. Therefore the entire value associated with the CCPPO shares are classified as equity.

6 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of A-Belco (Holdings) Limited, a company incorporated in England whose controlling party is M J Kelly (deceased).