Rule 2.33 | Form F2.18

The Insolvency Act 1986

Notice of deemed approval of proposals

	Name of Company	Company number
	MEP Solutions Limited	02769705
(full name of court)	In the High Court of Justice Chancery Division Manchester District Registry	Court case number 2957 of 2016
(a) Insert full name(s) and address(es) of administrator(s)	I/We (a) Clare Boardman Deloitte LLP 1 City Square Leeds West Yorkshire LS1 2AL	Adrian Peter Berry Deloitte LLP 1 City Square Leeds West Yorkshire LS1 2AL

(b) Insert name and address of the registered office of company

having been appointed administrator(s) of (b) MEP Solutions Limited
, Four Brindleyplace, Birmingham, B1 2HZ

(c) Insert date of appointment

on (c) 18 October, 2016

(d) Insert name of applicant/appointer

by (d) The Court

hereby give notice that

(e) Insert date

having made a statement under paragraph 52(1) of Schedule B1 and no meeting having been requisitioned under paragraph 52(2), of that Schedule,
the proposals sent by me on (e) 29 November 2016
were deemed to have been approved on (e) 12 December 2016

Signed ,
Joint / Administrator(s)

Dated 13 December 2016

Presenter's details

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form
The contact information that you give will be visible to searchers of the public record

Holly Savage
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

Tel +44 121 696 8838

DX Number

When completed and signed please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

Companies House receipt date barcode

FRIDAY

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COMPANIES HOUSE

Deloitte.

MEP
Court Case No 2957 of 2016
High Court of Justice Chancery
Division Manchester Registry
Company Number 02769705

BIM
Court Case No 2956 of 2016
High Court of Justice Chancery
Division Manchester Registry
Company Number 08933005

MEP Solutions Limited ("MEP") and MEP BIM Solutions Limited ("BIM") - in administration (together "the Companies")

Registered Office: c/o Deloitte LLP, 1 City Square, Leeds, LS1 2AL

JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED) ("the Act").

Clare Boardman and Adrian Peter Berry ("the Joint Administrators") were appointed Joint Administrators of MEP and BIM on 18 October 2016. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contracts without personal liability. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners.

For the purposes of paragraph 100(2) of Schedule B1 of the Act, the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

13 December 2016

Contacts
Joint Administrators of the Companies

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Adrian Peter Berry

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Leeds

LS1 2AL

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Website

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Tel 0121 695 5644

Clare Boardman and Adrian Peter Berry are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales

Deloitte.

MEP Solutions Limited ("MEP") and MEP BIM Solutions Limited ("BIM") - (in administration)

This Statement of Joint Administrators' Proposals ("the Proposals") has been prepared pursuant to paragraph 49 of Schedule B1 of the Act, which requires that we, as the Joint Administrators, provide creditors with details of our proposals to achieve the purpose of the administrations

MEP

The Joint Administrators do not consider that there will be a distribution to the unsecured creditors, therefore we do not intend to convene a meeting of creditors to consider these proposals

BIM

The Joint Administrators do not consider that there will be a distribution to the unsecured creditors, therefore we do not intend to convene a meeting of creditors to consider these proposals

Should creditors whose total debts amount to at least 10% of the total debts of the appropriate Company wish to request that a meeting be held they should complete Form 2 21B which is available on the administration website address shown opposite and return it to us by post or email no later than 12 December 2016

A deposit of £1,000 towards the costs of convening the meeting should be enclosed with the request per rule 2 37(3) of the Insolvency Rules 1986 (as amended) ("the Rules")

In the event that no request for a creditors' meeting is received within the above deadline, our Proposals will be deemed approved and a notice to that effect will be filed at Companies House

To assist the creditors and enable them to decide on whether or not to vote for the adoption of the proposals, the following information is included in the report

- background of the Companies,
- the circumstances giving rise to the appointment of the Joint Administrators,
- the progress of the administrations to date, and,
- the Joint Administrators' proposals for achieving the objective of the administrations (Appendix E)

Yours faithfully
For and on behalf of the Companies

ClaeBodh

Joint Administrators

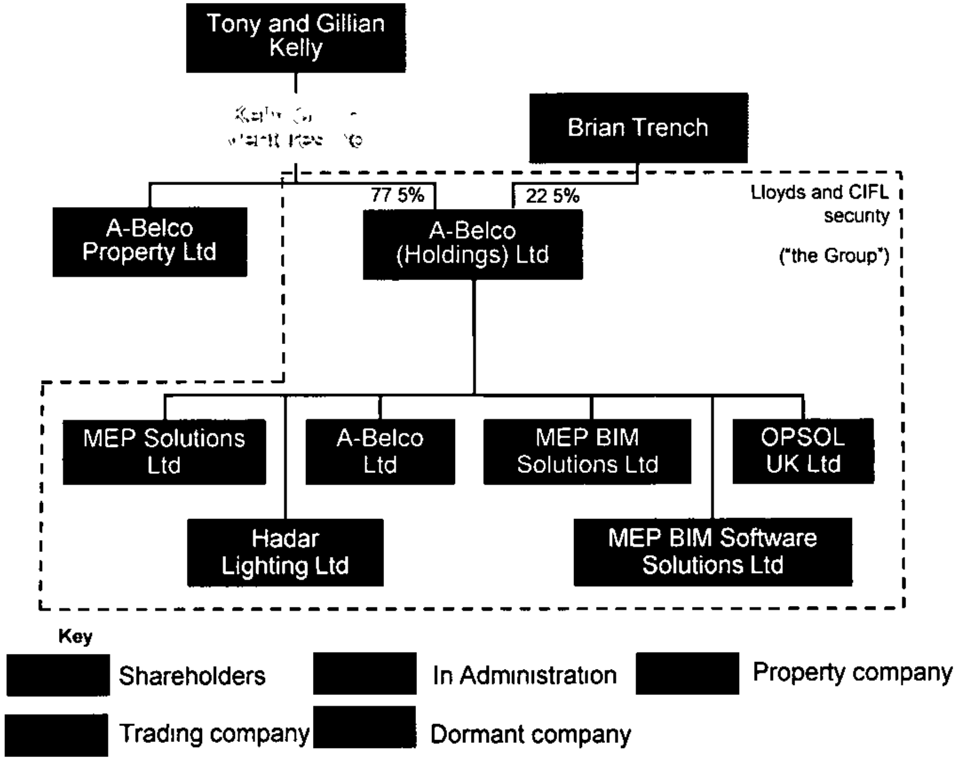
Executive Summary

Executive Summary

Topic	Summary
Purpose of the administration	• The purpose of the administrations will be to achieve a better result for the Companies' creditors as a whole than a liquidation
Joint Administrators' strategy	• The Companies continued to trade whilst purchasers of the businesses were sought and in order for a major contract to be completed Trading has been funded by the major customer of MEP, Mercury Engineering and Building Services Limited ("Mercury") The trading period ceased on 16 November 2016
Initial meeting of creditors	• As there is no prospect of any funds being returned to unsecured creditors in either Company, we will not be convening a creditors' meeting, unless required to do so Please refer to Page 1 for further details
Estimated Timescale	• On current information the duration of the administration is not likely to exceed 12 months following which it is anticipated that the Company will move to dissolution as detailed at Page 18
Fees Estimate	• We intend to seek approval to fix the basis of our fees as a set fee of £200k plus VAT in MEP and £50k plus VAT in BIM We anticipate that a fixed fee will be lower than a fee based on time costs We have provided an outline of the work we propose to undertake at page 21 and Appendix D
Estimated Outcomes	On current information, we anticipate the following outcome for each category of creditor • Secured creditor(s) – Lloyds Bank Plc ("Lloyds") will not be paid in full It is uncertain whether Close Invoice Finance Limited ("CIFL") will be repaid in full The amount of repayment is subject to the level of book debt collections across other companies in the A-Belco Group, which are in administration, given CIFL's cross guarantee security structure • Preferential creditors – There will be insufficient floating charge realisations to enable any distribution to the preferential creditors • Unsecured creditors – There will be insufficient floating charge realisations to enable a distribution to the unsecured creditors
Shareholders	• There is no prospect of a return to shareholders of the Companies
Proposals	• Our proposals for managing the business and affairs of the Company can be found at Appendix E

Background

Background
The Group



Source Management Information and Companies House

Overview

The Companies are in the A-Belco group of companies ("the Group"), which manufactures lighting, explosion proof electrical equipment, mechanical and electrical building services, electrical engineering and industrial connectors

The Companies are standalone businesses based in leasehold premises in Ashington, Northumberland

MEP provided modular mechanical and electrical services and specialised in integrated prefabricated solutions to the construction industry

BIM specialised in the CAD design (computer-aided design) of the modules and provided services primarily for MEP contracts

Clare Boardman and Adrian Berry were appointed as Joint Administrators of the Companies on 18 October 2016 and were subsequently appointed over A-Belco Limited ("A-Belco") and A-Belco (Holdings) Limited ("Holdings") on 4 November 2016 and Opsol UK Limited (Opsol) on 15 November 2016

All trading entities in the Group are therefore in insolvency proceedings

Background
The Group continued

Recent Events

Group wide cash flow difficulties have been apparent since October 2015, following the decline in the oil and gas industry The cash impact was partially mitigated by refinancing the Group's confidential invoice discounting ("CID") facilities from Lloyds to CIFL in June 2016, including CIFL providing a cash flow loan of £375k In addition, the Group has received shareholder loans totalling c£1 4m

MEP and BIM have been primarily impacted by an increase in activity levels in the business over the last 18 months involving contracts with a net negative working capital impact In addition to a number of one-off contract issues/disputes, this created a cash drain on the businesses in a group which was also suffering from the decline in the oil and gas market, as per above

As at the date of the Joint Administrators' appointment, the directors of both MEP and BIM were Kevin Wills and Brian Trench The Company Secretary of MEP was Brian Trench and the Company Secretary of BIM was Kevin Wills They held no shares in either MEP or BIM, however, Brian Trench has a 22 5% shareholding in Holdings, the Companies' holding company

Employees

As at 18 October 2016, MEP employed 34 staff and BIM employed 14 staff

Background
Summary financials

MEP – management accounts and statutory accounts

MEP Solutions Limited

Summary profit and loss account

£	Statutory Accounts for 12 months to 31-Mar-15	Management Accounts for 12 months to 31-Mar-16	Management Accounts for 5 months to 31-Aug-16
Turnover	1 164 964	3 710 769	1 834 178
Cost of sales	(1 294 925)	(3 518 597)	(1 672 260)
Gross profit	**(129,961)**	**192,172**	**161,918**
Gross Margin %	11%	5%	9%
Overheads	(908 454)	(820 531)	(498 233)
EBITDA	**(1,038,415)**	**(628,359)**	**(336,315)**
Non-trading charges	(1 597)	(25 049)	(20 689)
Profit / (Loss) before tax	**(1,040,012)**	**(653,408)**	**(357,004)**

Summary balance sheet

£	Statutory Accounts at 31-Mar-15	Management Accounts at 31-Mar-16	Management Accounts at 31-Aug-16
Fixed Assets	**36,841**	**122,936**	**106,448**
Stock	66 328	263 855	116 437
Trade Debtors	151 118	1 723 878	1 946 209
Amounts Recoverable on contracts & Other Debtors	214 042	200 949	93 239
Cash at Bank	796	0	0
Directors' current account	2 550	2 560	2 560
Amounts owed by group undertakings	433 479	325 239	527 316
Total current assets	**868,313**	**2,516,481**	**2,685,761**
Bank Loan	(93 432)	(102 070)	(339 690)
Trade creditors and accruals	(153 334)	(1 973 671)	(1 734 082)
VAT / PAYE / Other tax	(326,926)	(322 105)	(226,706)
Other creditors	(25 463)	0	0
Amounts owed to group undertakings	(719 257)	(1 313 367)	(1 920 529)
Property Creditor	0	5 029	5 029
Total current liabilities	**(1,318,412)**	**(3,706,184)**	**(4,215,978)**
Total long term liabilities	**0**	**0**	**0**
Total net assets	**(413,258)**	**(1,066,766)**	**(1,423,771)**
Equity	305 010	305,010	305,010
P&L Reserves	(718 268)	(1 371 776)	(1 728 781)
Total capital and reserves	**(413 258)**	**(1,066 766)**	**(1 423 771)**
Unreconciled difference	**0**	**0**	**0**

Source Statutory accounts and company directors

Overview of financial information

Extracts from the audited MEP accounts for the 12 months to 31-Mar-15, and unaudited management accounts for the 12 months to 31-Mar-16 and five months to 31-Aug-16 are shown opposite

Please note that this information has not been verified by the Joint Administrators or by Deloitte

Profit and loss commentary

The Company achieved sales growth in FY15 and FY16 due to an expansion in its customer base and an upturn in the market However, despite this in the 12 month period to 31-Mar-16, the Company generated a loss before tax of £653 4k due to specific issues on certain contracts

These losses continued during the period to 31-Aug-16 as a result of continued trading issues on certain contracts and lack of cash availability in the Group to secure raw materials

Balance sheet commentary

- Total current assets increased by c£169k in the five month period to 31-Aug-16, primarily due to
  - An increase in the intercompany debtor, owed from BIM, of £202k,
  - A reduction in trade debtors of £239 6k, due to a reduction in sales during the period
- Bank loans totalling c£339 6k at 31-Aug-16 arose from the refinancing to CIFL in Jun-16 and are cross guaranteed by all Group companies

Background
Summary financials

BIM – management accounts and statutory accounts

MEP Bim Solutions Limited

Summary profit and loss account

£	Statutory Accounts for 12 months to 31-Mar-15	Management Accounts for 12 months to 31-Mar-16	Management Accounts for 5 months to 31-Aug-16
Turnover	566 505	1 096 326	148 121
Cost of sales	(527 523)	(677 966)	(312 891)
Gross profit	**38,982**	**418,360**	**(164,770)**
Gross Margin %	**7%**	**38%**	**111%**
Overheads	(380 382)	(241 618)	(86 556)
EBITDA	**(341,400)**	**176,742**	**(251,326)**
Non-trading charges	(1 812)	(15 217)	(7 751)
Profit / (Loss) before tax	**(343,212)**	**161,525**	**(259,077)**

Summary balance sheet

£	Statutory Accounts at 31-Mar-15	Management Accounts at 31-Mar-16	Management Accounts at 31-Aug-16
Fixed Assets	**45,420**	**42,537**	**37,195**
Stock	0	0	0
Trade Debtors	142 968	274 213	319 670
Amounts Recoverable on contracts & Other Debtors	25 548	43 219	46 557
Cash at Bank	1 070	0	0
Directors current account	0	0	0
Amounts owed by group undertakings	0	0	0
Total current assets	**169,586**	**317,432**	**366,227**
Bank Loan	0	(826)	(527)
Trade creditors and accruals	(71 444)	(19 272)	(91 280)
VAT / PAYE / Other tax	(21 878)	(21 748)	(12 802)
Other creditors	(18 729)	0	0
Amounts owed to group undertakings	(433 479)	(497 723)	(739 495)
Total current liabilities	**(545,530)**	**(539,569)**	**(844,104)**
Bank Loan / Finance leases	(12 607)	(2 005)	0
Total long term liabilities	**(12,607)**	**(2,005)**	**0**
Total net assets	**(343,131)**	**(181,606)**	**(440,683)**
Equity	1	1	1
P&L Reserves	(343 132)	(181 607)	(440 684)
Total capital and reserves	(343 131)	(181 606)	(440 683)
Unreconciled difference	0	0	0

Source Statutory accounts and company directors

Overview of financial information

Extracts from the audited BIM accounts for the 12 months to 31-Mar-15, and unaudited management accounts for the 12 months to 31-Mar-16 and five months to 31-Aug-16 are shown opposite

Please note that this information has not been verified by the Joint Administrators or by Deloitte

Profit and loss commentary

The Company achieved sales and profit growth in FY16 due to an increase in activity in MEP (where BIM supported these contracts) as well as a one-off project in Kazakhstan However, in the five month period to 31-Aug-16, the Company generated a loss before tax of £259k due to a decline in activity levels

These losses are attributed to the fact that BIM was predominantly a supplier to MEP, therefore it's decline in turnover and profitability is directly linked to the performance of MEP

Balance sheet commentary

- Total current assets increased by c£48 7k in the five month period to 31-Aug-16, primarily due to
  - An increase in trade debtors of £45 4k This increase predominantly due to the contractual basis of the work which enabled BIM to invoice customers during this period
- Unsecured creditors (trade creditors and accruals) increased by c£72k in the five month period to 31-Aug-16 due to cash pressures in the Company

Circumstances giving rise to the appointment of the Joint Administrators

Reasons for failure & financial distress

The Companies are two of six subsidiaries of Holdings as shown in the Group structure on page 6 The Group began to experience cash flow pressure in 2015 as a result of sales declining by 40% in the Hadar Lighting division (within A-Belco) due to the decline in the oil and gas industry In addition, there was an increase in activity levels in MEP which brought a greater working capital requirement to the Group and also resulted in specific contract disputes

Further poor trading performance in 2016, combined with the high working capital requirements of MEP, resulted in continued cash pressure within the Group This led to significant HMRC and creditors arrears resulting in two winding up petitions from trade suppliers on MEP Due to continued non-payment, many suppliers placed MEP on stop As a result of suppliers going on stop, customers procured raw materials but MEP was unable to source temporary labour on time to be able to meet milestones

Steps taken to remedy/turnaround

In September 2016, the Group sought to secure external funding to keep the Group solvent However, in light of the high level of creditor balances and increasing creditor and HMRC pressure, they were unable to secure funding in the timescales required and at a sufficient level

Futhermore, as at the date of the appointment, there was only one remaining live contract of significant value

Both MEP and BIM went into Administration on 18 October 2016 The directors believed that the other trading entities within the Group could have potentially avoided insolvency proceedings if MEP and BIM were separated out / sold from the Group However, it soon became apparent that this was not possible, and other Group entities subsequently entered into Administration following this, with A-Belco and Holdings on 4 November 2016 and Opsol on 15 November 2016

Involvement of Deloitte pre-appointment

Deloitte was engaged by Lloyds and the Group in October 2015 to review trading and funding options following the downturn in trading performance

In March 2016, Deloitte undertook a second phase of work to review the Group's revised debt proposal and refinance / debt raising process which highlighted significant risk of the revised financing structure being sufficient

Deloitte undertook a third phase of work in June 2016 to review an updated financial forecast after following a period of underperformance against the initial forecast

Monthly monitoring was subsequently undertaken in August 2016 as a fourth phase of work, however only one month of monitoring was completed

As the Group's cash flow continued to worsen and with significantly increasing creditor pressure, a fifth phase of work commenced in September 2016 to review the Group's short term cash flow, provide cash monitoring, options analysis and contingency planning for Group insolvencies

When decision to appoint was made

In September 2016 management had spoken to a select number of parties regarding acquiring the MEP business These conversations did not result in any offers being made

Two creditors filed winding up petitions against MEP on 2 September 2016 and 9 September 2016 respectively

On 18 October 2016, at the invitation of the directors of MEP and BIM, CIFL proceeded to instruct partners of Deloitte to accept the appointment as Joint Administrators of the Companies Other than the advisory engagements noted above, the Joint Administrators have had no other prior relationship with the Companies or its directors

Clare Boardman and Adrian Peter Berry of Deloitte were asked to take the pending appointment as Joint Administrators by CIFL on 18 October 2016

Post-appointment

Post-appointment
Purpose

Appointment of the Joint Administrators

Clare Boardman and Adrian Peter Berry, of Deloitte were appointed Joint Administrators of the Companies by the High Court of Justice, Chancery Division, Manchester District Registry on 18 October 2016, following the filing of a Notice of Appointment of Joint Administrators by CIFL, a qualifying floating charge holder

Purpose of the administrations

Both Companies have significant levels of borrowing (secured debt) which would need to be restructured in order to rescue the businesses as a going concern However, having regard to the likely value of the underlying businesses and assets, as based on available financial information there has been no interest from third parties in a debt restructuring

MEP

The purpose of the Administration is to achieve a better result for creditors as a whole than would be obtained through an immediate liquidation and sale of the assets on a break up basis

BIM

The purpose of the Administration is to achieve a better result for creditors as a whole than would be obtained through an immediate liquidation and sale of the assets on a break up basis

Post-appointment Joint Administrators' strategy

The Joint Administrators concluded it would be in the interests of creditors to continue to trade the businesses whilst they sought to achieve going concern sales.

In addition the Joint Administrators sought to finalise an ongoing contract during the sale process.

How the affairs and business of the Companies have been managed and financed since appointment, and the Joint Administrators' intended strategy if their proposals are approved

Sale of business

Immediately following our appointment, we concluded it would be in the best interests of creditors to continue to trade the Companies whilst seeking going concern sales

Further detail regarding the trading of the businesses is provided below along with our trading account at Appendix C

A total of 26 potential purchasers were identified and provided with information memorandums detailing the businesses An offer deadline of 4 November 2016 was set and resulted in no firm offers being made to us The offer deadline was extended for a period of seven days to 11 November 2016 to allow the one remaining interested party to complete their due diligence and to then confirm their offer Regrettably the final interested party concluded that the businesses did not complement their current operations sufficiently in order to proceed with an offer

In addition to which, the Joint Administrators had been completing a contract with Mercury, a major customer, since their appointment and were served notice of the intention to terminate the trading agreement by Mercury on 14 November 2016 Further details on the trading agreement are discussed below

Trading Agreement – Mercury

In the period prior to their appointment, the directors, with our assistance, were liaising with Mercury, in order to finalise trading terms relating to a major contract The terms of the trading agreement stated that Mercury were to

- Provide an unsecured loan to MEP to cover the outstanding wage arrears as at the date of appointment (staff had not been paid for the six week period prior to the Joint Administrators appointment) The payment of the wage arrears by Mercury has mitigated additional preferential claims that would have been crystallised in both MEP and BIM This has therefore increased floating charge realisations by reducing the preferential claims
- Pay the sum of £248k, being the outstanding book debt due to the Companies (£200k to be paid immediately and the £48k balance to be paid upon completion of the agreement or termination whichever was the earlier date)
- In exchange for completing work in progress, Mercury were to pay the sum of £33k inclusive of VAT

To assist the Joint Administrators in completion of the contract 29 staff members across both MEP and BIM were retained who were specific to the Mercury contract Regrettably 17 staff members (7 MEP and 10 BIM) were made redundant immediately on the Joint Administrators' appointment

In addition, Mercury were to provide funding for the costs of the trading period which included the purchases of stock required, hire of equipment, payment of staff wages and a contribution towards the costs of the administrations

Under the terms of the trading agreement there was a 'longstop' date of 11 November 2016, which stated that on the basis that Mercury had been provided with all access to the trading premises and been permitted to uplift all completed goods a final payment in respect of the work in progress / finished goods and the final book debt monies would fall due

Immediately following this the trading agreement was terminated by Mercury and a 48 hour termination period commenced on 14 November 2016 All trading therefore ceased with effect from 16 November 2016 at which time the Joint Administrators were left with no option but to make all remaining employees redundant

Post-appointment

Joint Administrators' strategy

Post Trade Realisation Strategy

Our realisation strategy is now therefore to wind down the Companies' remaining businesses in an orderly fashion

As part of this strategy, we will be seeking purchasers for the various chattel assets of the Companies having previously exhausted the sale of business option

Asset realisations

Trading, Stock & RoT

Trading continued in the short term with a view to selling the businesses and assets as a going concern The Joint Administrators believed that this would have achieved a better result for creditors than an immediate winding up of the Companies

Ongoing trade without the support of Mercury would not have been possible due to the nature of, and amounts owing to the suppliers Mercury have therefore provided funding for the purchases of stock and other suppliers either through direct purchases or through cash payments to the Joint Administrators

As Mercury provided the majority of the stock held at the Companies premises on appointment to date there have been no claims of any stock being subject to retention of title ('RoT')

To date, £157 8k has been received in respect of trading contributions from Mercury and trading costs of £29 9k incurred Please note that a number of the trading liabilities have yet to be settled as the Joint Administrators await invoices for costs incurred Significantly the wages of the remaining staff for the month of November to their redundancy date were paid on 28 November, therefore are not yet reflected in the trading account, which is complete to 23 November 2016

As the funding for trading was provided by Mercury, these figures do not reflect the final trading position which is expected to be cash neutral for the administration estate A detailed trading account is provided at Appendix C

Leasehold property

The Companies operated from two leasehold properties situated in Ashington, Northumberland One of which was a shared occupation with a number of other group entities, all of which are now in administration A-Belco is the tenant for the leasehold property and rent is due from MEP and BIM to A-Belco in respect of their occupation during the Administrations There is no formal lease agreement in place between A-Belco and MEP regarding this property All occupants were in common law occupation

A-Belco had a licence to occupy the second leasehold premises from an unconnected third party A-Belco in turn had permitted occupation (in variance to the licence) to MEP

Books debts

As at the date of our appointment, the Companies had book debts of £672 5k which were subject to a confidential invoice finance agreement with Close Invoice Finance Limited ('CIFL')

Excluding Mercury (as detailed on page 13), we have collected £66 6k (inclusive of VAT) with the assistance of the Companies' staff We have now instructed Contract Recovery Solutions ('CRS') to assist with the recovery of remaining eight debtors It is currently too early to estimate how much will be recovered from the remaining book debts

A further detailed update regarding the book debts will be provided in our first progress report to creditors

Receipts and payment account

A receipts and payments account, detailing asset realisations achieved and costs paid up to 23 November 2016 is provided at Appendix C

Post-appointment

Joint Administrators' strategy

There are minimal chattel assets to realise. The Joint Administrators have instructed independent agents to assist with the realisation of these assets.

Chattel assets

As at the date of appointment the Companies owned a limited quantity of tangible assets including plant and machinery, fixtures and fittings and other items across its trading premises, with a combined book value of £143k An independent valuer, Liquidity Services UK Limited ('LS'), has been instructed to secure, value and seek purchasers for these assets

This process is ongoing, although it is anticipated that the realisable value of these assets will be lower than the book value

Post-appointment
Joint Administrators' proposals

The Joint Administrators' proposals

Our proposals for the administration include

- continuing to manage the affairs and any remaining assets of the Companies and the settlement of all administration expenses,
- assessing the affairs of the Companies and reviewing and reporting on the conduct of their directors and, where required, providing assistance to any regulatory authorities with any investigation into the affairs of the Companies or its management,
- continuing with enquiries into the conduct of the directors of the Companies and continuing to assist any regulatory authorities with any investigation into the affairs of the Companies,
- agreement of the claims of any secured, preferential and unsecured creditors against the Companies unless we conclude, in our reasonable opinion, that the Companies will have no assets available for distribution,
- distributing funds to any secured and preferential creditors and, where applicable, to unsecured creditors under the Prescribed Part as and when their claims are agreed and funds permit, and to make distributions to unsecured creditors, other than out of the Prescribed Part if the court gives permission following an appropriate application, and
- that, following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, we will implement the most appropriate exit route to formally conclude the administration

We will seek specific approval from the appropriate body to fix the basis of and the ability to draw our remuneration and expenses, including pre administration costs and expenses, and to agree the time of our discharge on conclusion of the administration

Please refer to Appendix E for further details

Estimated outcome for creditors

Secured creditors

The Group is funded by a £4m invoice discounting facility and £330k cash flow loan from CIFL, and a term loan of £833k from Lloyds In addition MEP has a performance bond facility with Lloyds of £50k of which £41k has been drawn, which will be considered in due course

The Holdings' Lloyds current account is overdrawn by c£134k Both CIFL and Lloyds are finalising additional fees that will result from making demand on their indebtedness

Lloyds and CIFL (via its security trustee, Close Brothers Limited) hold fixed and floating charge debentures over the Group companies, dated 30 May 2014 and 21 June 2016 respectively All respective debts are cross-guaranteed for each secured creditor

There is an intercreditor agreement that provides CIFL with priority over all book debts in the Group, and provides Lloyds with priority over all other assets

It is uncertain whether CIFL will be repaid in full The amount of repayment is subject to the level of book debt collections across all Group companies, given CIFL's cross guarantee security structure We do not expect there will be sufficient asset realisations to repay Lloyds in full

Preferential creditors

Preferential creditors consist of amounts owed to the Companies' employees for arrears of wages, holiday pay and pension contributions We estimate that there will be preferential claims totalling c£26 7k in MEP and c£16 0k in BIM These figures would be significantly higher had Mercury not provided the funding to the Companies for the payment of the wage arrears for the pre-appointment period

Based on current information we do not anticipate there to be sufficient asset realisations to enable a distribution to be paid to the preferential creditors

Unsecured creditors

The directors' statement of affairs for MEP shows 65 unsecured creditors with estimated non-preferential claims totalling £1 12m In BIM, the directors' statement of affairs shows 10 unsecured creditors with estimated non-preferential claims totalling £102k

As detailed above, we do not anticipate that there will be sufficient asset realisations to enable a distribution to be made to unsecured creditors

Prescribed Part

The Prescribed Part is an amount set aside for unsecured creditors from asset realisations that would otherwise be paid to secured creditors under their floating charge, (referred to as the net property), as set out under section 176A of the Act It applies only where the charge was created on or after 15 September 2003

The Prescribed Part is calculated as a % of the net property and is subject to a statutory maximum of £600k per company

Based on current information, we do not anticipate that there will be sufficient floating charge realisations to enable a distribution to be made to unsecured creditors It is likely that there will be no net property realisations in either MEP or BIM

Claims process

As there is no prospect of a distribution for unsecured creditors, we do not intend to undertake any work to agree any creditor claims received as this work will be performed only once the dividend prospects are certain

Post-appointment

Extensions & exit routes

Exit routes

In accordance with the provisions of the Act, all administrations automatically come to an end after one year, unless an extension is granted by the court or with consent of the creditors

There are several possible exit routes from administration Based on current information, we consider the following exit routes may be appropriate

- *Dissolution* – If there is no further property which might permit a distribution to the Companies' creditors, we may file notice to that effect with the Registrar of Companies and the Companies will be dissolved three months later
- *Compulsory Liquidation ("WUC")* – where there is a possibility, but no certainty, of recoveries being made or matters such as property to disclaim or further enquiry, it may be appropriate to ask the court to end the administration and to make an order to wind up the Companies
- *Creditors' Voluntary Liquidation ("CVL")* - Where a distribution to unsecured creditors will be made, other than by virtue of the Prescribed Part, we may file a notice to that effect with the Registrar of Companies The administration will cease on the date that notice is registered and the Companies will be wound up

Please note the following

- That if the Companies are placed into CVL, the Joint Administrators (or any person appointed as a replacement office holder) propose to be appointed as Joint Liquidators The creditors may nominate a different person to be liquidator(s) provided the nomination is made before the proposals are deemed approved i e by 12 December 2016
- Any creditors' committee appointed in the administration will become a liquidation committee
- For the purposes of section 231 of the Act the liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally

Discharge of Joint Administrators' liability

Pursuant to paragraph 98 of Schedule B1 of the Act, the Joint Administrators' discharge of liability in respect of their actions as administrators takes effect at the specific time appointed by either the court, the creditors (either via the creditors' committee or by meeting) or, in specific circumstances, by the secured (and preferential) creditors

In this case, we will request approval from the secured creditors for us to be discharged from liability as at the date the Registrar of Companies registers the Joint Administrators' final progress report

Remuneration and Expenses

Remuneration and Expenses

Creditors' Guide to Administrators' Remuneration

A Creditors' Guide to Administrators' Remuneration" is appended to SIP 9 and is provided on the administration website and also available for download at www deloitte com/uk/sip-9-england-and-wales

Should you require a paper copy, please send your request in writing to the Joint Administrators at the address on page 1 and this will be provided to you at no cost

Basis of Administrators' remuneration

Pursuant to Rule 2 106 of the Rules, the basis of the Joint Administrators' remuneration may be fixed

- by reference to time properly given by the insolvency practitioners and their staff in attending to matters as set out in the Fees Estimate,
- as a percentage of the value of the property with which the Joint Administrators have to deal,
- as a set amount,
- or, any combination of the above

As we expect there will be no funds available to the unsecured creditors in either administration, in accordance with Rule 2 106(5A) of the Rules and in the absence of a creditors' committee, we will seek to fix the basis of our remuneration as a set amount by approval of

i) each secured creditor, or

ii) Where we intend to make a distribution to preferential creditors, with the approval of each secured creditor and 50% of preferential creditors who respond to an invitation to consider approval

The secured creditors will be invited to fix the basis of our remuneration as a set amount in each company

Remuneration and Expenses

Creditors' Guide to Administrators' Remuneration

A Creditors' Guide to Administrators' Remuneration" is appended to SIP 9 and is provided on the administration website and also available for download at www deloitte com/uk/sip-9-england-and-wales /

Should you require a paper copy, please send your request in writing to the Joint Administrators at the address on page 1 and this will be provided to you at no cost

Estimate of work required – Fixed Fee

There are a number of tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature These tasks are a necessary part of the engagement but do not generate any direct benefit for creditors As such we consider it appropriate to limit our fee to a set or fixed amount in relation to performance of these tasks

In addition to these tasks, we will also monitor the collection of the remaining book debts which will benefit the Secured Creditors through increased realisations

Based on previous appointments of this nature and having regard to the likely number and grades of staff required to fulfil these obligations and based on time already incurred and actions undertaken, we intend to seek approval to draw a fee of £200k plus VAT in MEP and £50k plus VAT in BIM, if funds permit Even if the asset realisations are sufficient to pay the full £250k plus VAT after meeting other costs and expenses of the administrations, we anticipate that this sum will be lower than a fee based on time costs

Full details of the work anticipated to be performed are provided at Appendix D

Joint Administrators' Expenses

We anticipate that the following expenses will be incurred for the duration of the appointment

- Specific Penalty Bond– mandatory insurance cover to protect the estate in the event of loss Estimated cost £230 plus VAT per administration
- Statutory Advertising - we are required to give notice by advert in the London Gazette of our appointment and any future proposed distributions if applicable We estimate costs in this regard will be £170 plus VAT per administration

Legal Costs

We have instructed Ward Hadaway LLP, a firm of independent solicitors to provide advice in relation to the validity of the Joint Administrators appointment, the secured creditors' security, assistance relating to the Mercury trading agreement and general ongoing advice relating to the administrations We estimate their total fee for so doing will be £25k plus VAT This includes both pre and post-appointment work

Agent's Costs

We have instructed LS, a firm of independent agents to provide a valuation and realisation strategy for the plant & machinery, fixtures & fittings and stock We estimate their fee for so doing will be £1k plus VAT for the valuation services plus all associated selling costs

We have also instructed Metis Partners Limited ('Metis') to provide valuation advice on the intellectual property of BIM Metis will proceed on a contingent fee basis and will receive a fee of 35% of any agreed sale price

All professional costs will be reviewed and analysed in detail before payment is approved

Remuneration and Expenses
Pre-administration costs

Pre-administration costs

Pre-administration costs are defined as the remuneration charged and expenses incurred by the Joint Administrators (or other person qualified to act as such) before the Companies entered into administration but with a view to them doing so

Approval of pre-administration costs

Determination of whether and to what extent the unpaid pre-administration costs are approved for payment shall be by the Secured Creditors

Statement of pre-administration costs

- Work was completed in the agreement of the trading agreement with Mercury which required a significant amount of work in agreeing the terms of the contract with Mercury, including correspondence with solicitors and Mercury to obtain a final agreement
- This work was required prior to the Companies entering administration, as without the trading agreement the Companies would not have been able to trade during an administration process and all employees would have been made redundant immediately on the Joint Administrators appointment

Fees

We have incurred pre-administration time costs of £66 9k plus VAT in MEP only as detailed above

Expenses

In addition, the following pre-administration expenses were also incurred

- Travel - £964
- Accommodation - £1,310

Legal costs

During planning for the administration, we were assisted by Ward Hadaway on matters including

- Appointment documentation,
- Serving notices, and
- Preparing the trading agreement

In respect of this work, Ward Hadaway incurred £15k of time costs Mercury have contributed towards the cost of these time costs and have paid the sum of £7 5k

Additional information

Additional information
Investigations and case specific matters

Transactions with connected parties

We confirm that we are not aware of any transactions with connected parties for MEP or BIM during the period of this report or in the two years prior to our appointment

Investigations

As part of our duties, we are obliged shortly after our appointment to review all of the information available to us and conduct an initial assessment of whether there are any matters that might lead to a recovery for the benefit of creditors This initial assessment includes enquiries into any potential claims that may be brought against parties either connected to or who have had past dealings with the Companies

In addition, we are required to consider the conduct of the Directors and any person we consider to have acted as a shadow or de facto director in relation to their management of the affairs of the Companies and the causes of failure and we will submit a confidential report to the Insolvency Service, a division of the Department for Business, Innovation and Skills Creditors who wish to draw any matters to our attention should contact us using the contact details given on page 1 as soon as possible

EU Regulations

As stated in the administration appointment documents, Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that Regulation

Third party assets

Should you believe that you own or have a claim regarding items that may have been present at the Companies' premises at the date of our appointment please contact us as soon as possible

Appendices

Statutory Information

	MEP Solutions Limited	MEP Bim Solutions Limited
Company Name	**MEP Solutions Limited**	**MEP BIM Solutions Limited**
Previous Names	Bals Engineering Group Limited Copylimit Limited	n/a
Proceedings	Administration	Administration
Date of Appointment	18-Oct-16	18-Oct-16
Joint Administrators	Clare Boardman and Adrian Peter Berry	Clare Boardman and Adrian Peter Berry
Registered Office Address	Deloitte LLP, Four Brindley Place, Birmingham B1 2HZ	Deloitte LLP Four Brindley Place, Birmingham, B1 2HZ
Court	High Court of Justice Chancery Division - Manchester District Registry	High Court of Justice Chancery Division - Manchester District Registry
Court Reference	2957 of 2016	2957 of 2016
Company Number	02769705	08933005
Incorporation Date	01-Dec-92	11-Mar-14
Company Secretary	Brian Trench	Kevin Wills
Appointment by	Close Borthers (QFC)	Close Borthers (QFC)
Directors at date of Appointment (*Last 3 years*)	Brian Trench Kevin Wills Linda Billings	Brian Trench Kevin Wills Linda Billings
Directors' Shareholdings	Nil	Nil

Website

In an effort to reduce the costs of the administration, all communications with creditors, including updates and progress reports, will be posted onto a website, which has been set up specifically for this purpose The web address is www deloitte-insolvencies co uk/k-r/mep-solutions-limited-and-mep-bim-solutions-limited/creditor-forms

A letter will be issued to all creditors each time the website is updated with a statutory notice or report All statutory notices will be retained on the website until its closure three months from the administration ending

Please ensure that you review the website regularly for updates and further notices and reports

If any person wishes to receive a hard copy of any document uploaded by the Joint Administrators to the above website, they should contact the Joint Administrators via the contact details on page 1 of this report, and hard copies will be provided free of charge

Directors Statement of Affairs - MEP

Directors' summary Statement of Affairs - MEP Solutions Limited

£	Book value	Estimated to realise
Assets subject to fixed charge		
Trade Debtors	282,803	258,248
Less Amounts owed to Close Brothers	(658,396)	(658,396)
Estimated surplus/(deficiency) to fixed charge holders	(375,593)	(400,148)
Assets subject to floating charge		
Fixed Assets	103,187	11,230
Stock	357,315	-
Other debtors	160,197	-
Amounts recoverable on Contracts	899,520	225,799
Estimated total assets available for preferential creditors	1,520,219	237,029
Preferential creditors		(26,675)
Estimated deficiency / surplus to preferential creditors		210,354
Estimated prescribed part of net property		45,071
Estimated total assets available for floating charge holders		165,283
Debt secured by floating charges		(1,279,453)
Estimated deficiency / surplus after floating charges		(1,114,170)
Estimated prescribed part of net property (brought down)		(45,071)
Total assets available to unsecured creditors		(1,159,241)
Unsecured non-preferential claims		(1,728,055)
Estimated deficiency / surplus to creditors		(2,887,296)
Called up share capital		(305,010)
Estimate deficiency / surplus to members		**(3,192,306)**

Joint Administrators' comments

The Directors' statement of affairs is available online at www deloitte-insolvencies co uk/k-r/mep-solutions-limited-and-mep-bim-solutions-limited/creditor-forms, including a full list of creditors' names and addresses

In accordance with the standard format of the statement of affairs, no provision has been made for the costs of the administration (including agents', legal and other professionals' fees)

Directors Statement of Affairs - BIM

Directors' summary Statement of Affairs - MEP BIM Solutions Limited

£	Book value	Estimated to realise
Assets subject to fixed charge		
	-	-
	-	-
	-	-
	-	-
Estimated surplus/(deficiency) to fixed charge holders	-	-
Assets subject to floating charge		
Trade debtors less bad debt provision	141,626	-
Fixed Assets	35,654	8,900
Inter-company debtors	148,258	-
Other debtors (prepayments etc)	70,652	-
Estimated total assets available for preferential creditors	396,190	8,900
Preferential creditors		(16,058)
Estimated deficiency / surplus to preferential creditors		(7,158)
Estimated prescribed part of net property		-
Estimated total assets available for floating charge holders		(7,158)
Debt secured by floating charges		-
Estimated deficiency / surplus after floating charges		(7,158)
Estimated prescribed part of net property (brought down)		-
Total assets available to unsecured creditors		(7,158)
Unsecured non-preferential claims		(502,002)
Estimated deficiency / surplus to creditors		(509,160)
Called up share capital		(1)
Estimate deficiency / surplus to members		**(509,161)**

Joint Administrators' comments

The Directors' statement of affairs is available online at www deloitte-insolvencies co uk/k-r/mep-solutions-limited-and-mep-bim-solutions-limited/creditor-forms, including a full list of creditors' names and addresses

In accordance with the standard format of the statement of affairs, no provision has been made for the costs of the administration (including agents', legal and other professionals' fees)

Trading Account - MEP

Joint Administrators' trading account
18 October 2016 to 23 November 2016

£	To 23 November 2016	Estimated future movements	Estimated outcome
Receipts			
Trading Contribution from Mercury	157,855		157,855
Total receipts	157,855	-	157,855
Payments			-
Purchases	540		540
Salaries	22,346		22,346
BIM Recharge	6,822		6,822
Fork Lift Hire	260		260
Invoices yet to be received / paid		127 887	127,887
Total payments	29,968	127,887	157,855
Trading surplus/(deficit)	127,887		-

Notes to the trading account

Prior to their appointment the Joint Administrators agreed a trading agreement with Mercury which provided that Mercury met all costs associated with the trading of the Companies for the duration of the trading period Under the terms of the agreement, the Joint Administrators were to provide Mercury with a weekly cost card of all committed costs for the following week Mercury were to provide funding weekly in advance for all estimated costs, and any non committed costs would be refunded to Mercury

Now that the trading period has ceased, a final reconciliation exercise will be completed by the Joint Administrators and agreed with Mercury Therefore the trading account opposite does not represent the final trading position A final trading account will be provided in our next report to creditors

The trading account opposite does not include any other costs associated with the administrations, such as the professional costs of the Joint Administrators, appointed solicitors and agents In addition it does not include the monies received from Mercury in respect of book debts and the work in progress

R&P - MEP

Joint Administrators' receipts and payments account 18 October 2016 to 23 November 2016

£	SoA values	Notes	To date
Receipts			
Trading surplus/deficit	-	3	127,887
Book Debts	484,047	1	315,487
WIP and finished goods	-	2	27,825
Fixed assets	*11,230*		-
Total receipts	495,277		**471,199**
Payments			
Employee Expenses			276
Legal fees			7,500
Distribution to Close			1,427
Total payments			**9,203**
Balance			**461,997**
Made up of			
VAT Receivable			1,857
Interest Bearing Current Account*			512,414
PAYE Payable			613
NICs Payable			(1,248)
Pensions			(477)
Petty Cash Float			300
VAT Payable			(41,290)
Pensions			(171)
Mercury contingency			(10,000)
Balance in hand			**461,997**

**This is the current account operated by the Joint Administrators which is a requirement in each Administration case*

Notes to the receipts and payments account

Receipts

1 Book Debts – as agreed with Mercury (as part of the trading agreement), the sum of £200k was received immediately on the Joint Administrators appointment A further £48 8k was received on the cessation of the trading period

1 We have also received the sum of £66 6k in respect of a further book debt collected A final settlement was agreed with the debtor for the payment of the outstanding invoiced debt together with a final payment

2 WIP and finished goods – as agreed with Mercury, a final sum of £27 8k was due on the completion of the contract / cessation of the trading period

Payments

3 There have been minimal payments made outside the trading costs to date Such trading costs are included in the net trading surplus

We are currently holding a £10k contingency fund received from Mercury This sum will be repaid to Mercury following settlement of all invoices should funds permit

Expenses - Professional costs

To advise on relevant legal matters and to prepare required legal documentation we instructed Ward Hadaway, a firm of lawyers with the appropriate expertise and experience in dealing with these types of administrations

They have estimated that their fees will not exceed £25k (exclusive of VAT and disbursements) across the Companies This includes both pre and post-appointment work To date their billed costs have amounted to £7 5k (plus VAT)

All professional fees are based upon their recorded charge out rates and will be reviewed by the Joint Administrators' staff before being approved for payment

Trading Account and R&P - BIM

Joint Administrators' trading account
18 October 2016 to 23 November 2016

£	To date	Estimated future movements	Estimated outcome
Receipts			
Trading contribution from Mercury	6,822		6,822
Total receipts	**6,822**	-	**6,822**
Payments			-
Salaries	6,822		6,822
Invoices not yet paid		-	-
Total payments	**6,822**	-	**6,822**
Trading surplus/(deficit)	-		-

Joint Administrators' receipts and payments account
18 October 2016 to 23 November 2016

£	*SoA values*	*Notes*	To date
Receipts			
Trading surplus/deficit	-		-
Total receipts	-		-
Payments			
Statutory Advertising			85
Total payments			**85**
Balance			**(85)**
Made up of			
VAT Receivable			17
Interest Bearing Current Account			1,223
PAYE Payable			(316)
NICs Payable			(925)
Pensions			(83)
Balance in hand		-	**(85)**

**This is the current account operated by the Joint Administrators which is a requirement in each Administration case*

Notes to the receipts and payments account

Receipts

The only receipt in BIM has been the transfer of funds from MEP to pay the wages of the BIM staff for the period from the date of appointment to 31 October 2016

Payments

There have been minimal payments made outside the trading costs to date

Estimate of work to be undertaken - MEP

Joint Administrators' Estimate of Work to be undertaken

As indicated at page 21, in the absence of a creditors meeting being requested, we invite the secured creditors to fix the basis of our fees as a set amount not exceeding £200k plus VAT in MEP and £50k plus VAT in BIM The proposed fee for MEP is significantly higher than that in BIM as predominantly all trading and associated costs are in respect of MEP

Details of work that we anticipate will be undertaken, and have been performed already, are provided below

Statutory Tasks, Trading and Administration

- General activities include case set up, compliance, appointment notifications, correspondence and closure of the case
- Formulating and implementing an appropriate strategy for the administration
- Estimated outcome statements prepared for the Companies to enable distributions to secured creditors and other dividend prospects to be considered and calculated in due course
- Cashiering functions, operating bank accounts for the administrations with monthly reconciliations and maintaining receipts and payments accounts, accounting for book debt monies receipts and making expense payments
- Trading contract related matters including correspondence with Mercury during the trading period, discussions and meetings with staff relating to the completion of the Mercury contract
- Dealings with the landlord at the satellite site Discussions with A-Belco relating to the vacation of the site
- Discussions with suppliers relating to the trading agreement and support required during the trading period
- Statutory reporting, drafting proposals and issuing progress reports and closure reports
- Statements of affairs, liaising with the directors and Companies staff
- Tax and VAT, submitting Tax and VAT returns for the administrations and finalising the Companies pre-appointment tax affairs

Assets

- Dealing with the sale of the Companies' plant and machinery, fixtures and fittings and stock
- Dealing with the sales of the Companies' chattel assets
- Book debt collection, managing and monitoring the debt collection process with the Companies staff and appointed debt collection agency This is likely to involve work to resolve disputes with debtors and may require liaison with legal parties

Investigations

- Review of any information or any future connected party transactions
- Issuing and coordination of directors' questionnaires and responding to any matters raised by creditors
- Reporting on the directors' conduct

Creditors

- Unsecured creditors, dealings with queries received from the creditors of the Companies
- RoT and dealing with any suppliers that have any RoT claims
- Employees, dealing with the employees and any employee related claims
- Secured creditors, reporting to the secured creditors, preparing formal reports and ad hoc communications and distributions

Estimate of work to be undertaken - BIM

Joint Administrators' Estimate of Work to be undertaken

As indicated at page 21, in the absence of a creditors meeting being requested, we invite the secured creditors to fix the basis of our fees as a set amount not exceeding £200k plus VAT in MEP and £50k plus VAT in BIM The proposed fee for MEP is significantly higher than that in BIM as predominantly all trading and associated costs are in respect of MEP

Details of work that we anticipate will be undertaken, and have been performed already, are provided below

Statutory Tasks and Administration

- General activities include case set up, compliance, appointment notifications, correspondence and closure of the case
- Formulating and implementing an appropriate strategy for the administration
- Estimated outcome statements prepared for the Companies to enable distributions to secured creditors and other dividend prospects to be considered and calculated in due course
- Cashiering functions, operating bank accounts for the administrations with monthly reconciliations and maintaining receipts and payments accounts, accounting for book debt monies receipts and making expense payments
- Statutory reporting, drafting proposals and issuing progress reports and closure reports
- Statements of affairs, liaising with the directors and Companies staff
- Tax and VAT, submitting Tax and VAT returns for the administrations and finalising the Companies pre-appointment tax affairs

Assets

- Book debt collection, managing and monitoring the debt collection process with the Companies staff and appointed debt collection agency This is likely to involve work to resolve disputes with debtors and may require liaison with legal parties

Investigations

- Review of any information or any future connected party transactions
- Issuing and coordination of directors' questionnaires and responding to any matters raised by creditors
- Reporting on the directors' conduct

Creditors

- Unsecured creditors, dealings with queries received from the creditors of the Companies
- Employees, dealing with the employees and any employee related claims
- Secured creditors, reporting to the secured creditors, preparing formal reports and ad hoc communications and distributions

Disbursements - MEP

Disbursements

We estimate that the following disbursements are likely to be incurred in relation to the administration

Category 1 disbursements

These are payments made by us direct to third parties and for which no approval is required

Our current Category 1 disbursements are given below, all figures are shown excluding VAT

Category 1 disbursements as at 23 November 2016

£ (net)	Value	Paid	Unpaid
Travel	66	-	66
Accommodation	1,395	-	1,395
Subsistence	12	-	12
Postage/Couriers	215	-	215
Total expenses	**1,688**	-	**1,688**

Category 2 disbursements

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs These may also include shared or allocated costs Specific approval is required before these costs and expenses can to be drawn from the administration estate

Our current Category 2 disbursements are given below, all figures are shown exclusive of VAT

Category 2 disbursements as at 23 November 2016

£ (net)	Value	Paid	Unpaid
Mileage	1,164	-	1,164
Total disbursements	**1,164**	-	**1,164**

Mileage is calculated by reference to the mileage properly incurred by the Joint Administrators and their staff, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred (currently up to 45p per mile)

Deloitte charges a fixed cost of £500 for each statutory website set up to cover the costs of setting up and maintaining the website, along with the uploading of statutory notifications, reports and other documents to the website for the duration of the appointment This cost has not yet been allocated to the case, therefore is not included in the costs incurred to date opposite

Appendices
Appendix D

Disbursements - BIM

Disbursements

We estimate that the following disbursements are likely to be incurred in relation to the administration

Category 1 disbursements

These are payments made by us direct to third parties and for which no approval is required

Our current Category 1 disbursements are given below, all figures are shown excluding VAT

Category 1 disbursements as at 23 November 2016

£ (net)	Value	Paid	Unpaid
Postage/Couriers	231	-	231
Total expenses	**231**	**-**	**231**

Category 2 disbursements

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs These may also include shared or allocated costs Specific approval is required before these costs and expenses can to be drawn from the administration estate

Our current Category 2 disbursements are given below, all figures are shown exclusive of VAT

Category 2 disbursements as at 23 November 2016

£ (net)	Value	Paid	Unpaid
Mileage	290	-	290
Total disbursements	**290**	**-**	**290**

Mileage is calculated by reference to the mileage properly incurred by the Joint Administrators and their staff, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred (currently up to 45p per mile)

Deloitte charges a fixed cost of £500 for each statutory website set up to cover the costs of setting up and maintaining the website, along with the uploading of statutory notifications, reports and other documents to the website for the duration of the appointment This cost has not yet been allocated to the case, therefore is not included in the costs incurred to date opposite

Joint Administrators Proposals - MEP

Joint Administrators' proposals

In the absence of a creditors' meeting being requested, **our proposals will be deemed approved on 12 December 2016**

We will still need to obtain specific approval for the resolutions given below from the secured creditors

1 Approval that the basis of the Joint Administrators' remuneration shall be fixed as a set fee amount not exceeding £200k plus VAT

2 Approval that the Joint Administrators' category 1 disbursements and expenses and category 2 disbursements in respect of mileage and statutory websites (as detailed at Appendix D be approved and the Joint Administrators be authorised to draw both category 1 and category 2 expenses, (plus VAT where applicable) from the administration estate

3 Approval that the Joint Administrators' pre administration fees of £66 9k plus VAT and expenses of £2 2k plus VAT, including legal fees of £15k plus VAT as detailed on page 23 of the Joint Administrators' proposals be approved and that the Joint Administrators be authorised to draw their pre-administration fees and expenses, plus VAT, from the administration estate

4 Approval that the Joint Administrators be discharged from liability per paragraph 98 of Schedule B1 of the Act immediately upon the registration of the Joint Administrators' final progress report by the Registrar of Companies

A creditors' committee will not be formed unless we are requested to convene a meeting of creditors for purposes of forming a creditor's committee, please refer to page 1 of the proposals for details of the procedure in this regard

Please note that if you wish to form a creditors' committee, you will also be expected to confirm your willingness to serve or be represented on the creditors' committee, including dealing with any business placed before the creditors' committee throughout the period of the administration and in any follow on liquidation should a creditors' committee be formed

Appendices
Appendix E

Joint Administrators Proposals - BIM

Joint Administrators' proposals

In the absence of a creditors' meeting being requested, **our proposals will be deemed approved on 12 December 2016.**

We will still need to obtain specific approval for the resolutions given below from the secured creditors

1 Approval that the basis of the Joint Administrators' remuneration shall be fixed as a set fee amount not exceeding £50k plus VAT

2 Approval that the Joint Administrators' category 1 disbursements and expenses and category 2 disbursements in respect of mileage and statutory websites (as detailed at Appendix D be approved and the Joint Administrators be authorised to draw both category 1 and category 2 expenses, (plus VAT where applicable) from the administration estate

3 Approval that the Joint Administrators be discharged from liability per paragraph 98 of Schedule B1 of the Act immediately upon the registration of the Joint Administrators' final progress report by the Registrar of Companies

A creditors' committee will not be formed unless we are requested to convene a meeting of creditors for purposes of forming a creditor's committee, please refer to page 1 of the proposals for details of the procedure in this regard

Please note that if you wish to form a creditors' committee, you will also be expected to confirm your willingness to serve or be represented on the creditors' committee, including dealing with any business placed before the creditors' committee throughout the period of the administration and in any follow on liquidation should a creditors' committee be formed

Appendices
Important notice

Important Notice

This document has been prepared by the Joint Administrators solely to comply with their statutory duty under paragraph 49 of Schedule B1 of the Act to lay before creditors a statement of their proposals for achieving the purpose of the administration, and for no other purpose It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context

This document has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company

Any estimated outcomes for creditors included in this document are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors

Any person that chooses to rely on this document for any purpose or in any context other than under paragraph 49 of Schedule B1 of the Act does so at their own risk To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these proposals

The Joint Administrators act as agents of the Companies and contracts without personal liability The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Deloitte LLP does not assume any responsibility and will not accept any liability to any person in respect of this document or the conduct of the administration

All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners

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