Rule 2.33 **Form 2.17B**

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company	Company number
A-Belco Limited	03881238

In the	Court case number
High Court of Justice Newcastle upon Tyne Distric (full name of court)	0403 of 2016

(a) Insert full name(s) and address(es) of administrator(s)

We (a)

Clare Boardman	Adrian Peter Berry
Deloitte LLP	Deloitte LLP
1 City Square	1 City Square
Leeds	Leeds
West Yorkshire	West Yorkshire
LS1 2AL	LS1 2AL

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) 16 December 2016

Signed

Joint / Administrator(s)

Dated 16 December 2016

Contact 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 researchers of the public record

Hena Virdee
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

+44 121 632 6000

DX Number

DX Exchange

SATURDAY

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A27 17/12/2016 #114

COMPANIES HOUSE

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

Deloitte.

A-Belco Ltd
Court Case No 0403 of 2016
High Court of Justice Newcastle
Upon Tyne District Registry
Company Number 03881238

A-Belco (Holdings) Ltd
Court Case No 0405 of 2016
High Court of Justice Newcastle
Upon Tyne District Registry
Company Number 04212515

A-Belco Limited ("A-Belco") and A-Belco (Holdings) Limited ("Holdings") - in Administration (together "the Companies")

Registered Office: c/o Deloitte LLP, Four Brindleyplace, Birmingham, B1 2HZ

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 A-Belco Limited and A-Belco (Holdings) Limited on 4 November 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.

16 December 2016

Contacts
Joint Administrators of the Companies

Claire Boardman

Adrian Peter Berry

Deloitte LLP

1 City Square

Leeds

LS1 2AL

Tel +44 (0)113 243 9021

Contact details

Email hvirdee@deloitte co uk

Website www deloitte com/uk/abelco

Tel 0121 695 5644

Claire 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.

A-Belco Limited ("A-Belco") and A-Belco (Holdings) Limited ("Holdings") - (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

A-Belco

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

Holdings

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 30 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

Joint Administrators

Executive Summary

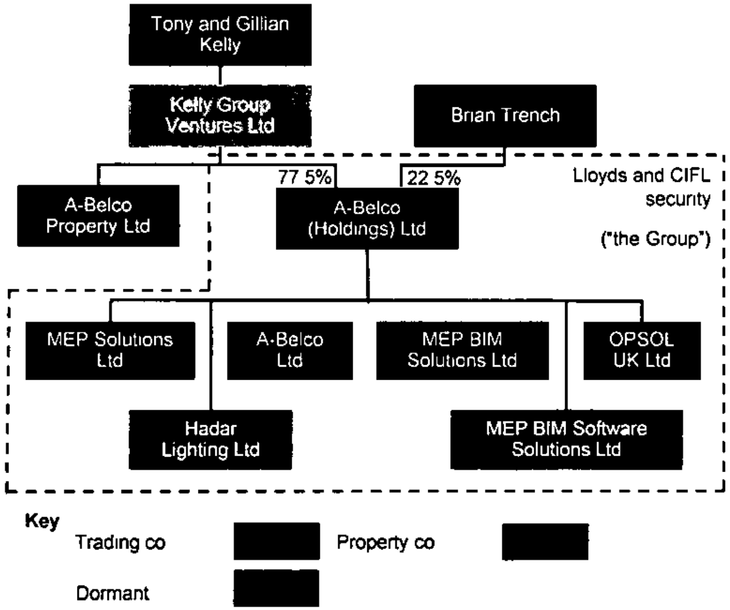
Executive Summary

Topic	Summary
Purpose of the administration	• The purpose of the administrations will be to achieve a better result for the creditors of the Companies as a whole than a liquidation
Joint Administrators' strategy	• A managed wind-down of the business was undertaken following the Administrators' appointment, with 10 employees being retained to assist with the wind-down process As part of this process the Joint Administrators' also initiated a restricted sales process • A-Belco consisted of four divisions, The Hadar Lighting and Industrial Connectors divisions were sold to Hubbell Limited on 23 November 2016 The Hazardous Area and Electrical divisions were sold to Barrier Limited on 24 November 2016 • The Joint Administrators are not aware of any realisable assets in Holdings as shown in the Statement of Affairs at Appendix A
Initial meeting of creditors	• As there is no prospect of any funds being returned to unsecured creditors in either of the Companies, we will not be convening a creditors' meetings, unless required to do so Please refer to Page 1 for further details
Estimated Timescale	• On current information the duration of the administrations is not likely to exceed 12 months following which it is anticipated that the Companies will move to dissolution as detailed at Page 16
Fees Estimate	• We intend to seek approval to fix the basis of our fees as a set fee of £275k in A-Belco and £25k in Holdings We have provided an outline of the work we propose to undertake and our anticipated costs at page 19 and Appendix C The fee for Holdings will only be paid if sufficient realisations are generated from the Administration estate
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 Recoveries for the secured creditors will be dependent on the level of book debt recoveries across the companies in the A-Belco Group ("the Group") (which are also in administration) given CIFL's cross guarantee security structure • Preferential creditors – There may be sufficient floating charge realisations to enable a dividend to be paid to preferential creditors Again, any return to this class of creditor is likely to be subject to the level of recoveries from book debts • Unsecured creditors – It is uncertain at this stage whether there will be a distribution for unsecured creditors via the Prescribed Part
Shareholders	• There is no prospect of a return to shareholders of the Companies
Proposals	• Our proposals for managing the business and affairs of the Companies can be found at Appendix E

Background

Background
The Group

Group structure



Overview

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

Clare Boardman and Adrian Berry were appointed as Joint Administrators of MEP Solutions Limited ("MEP") and MEP BIM Solutions Limited ("BIM") on 18 October 2016 and of A-Belco Limited ("A-Belco") and A-Belco (Holdings) Limited ("Holdings") on 4 November 2016 Opsol UK Limited ("Opsol") the last trading entity in the Group entered administration on 15 November 2016

A-Belco Limited comprised of four divisions -

- **Hadar Lighting** – manufacturing explosion proof lighting for the oil, gas and pharmaceutical industries, and also commercial lighting
- **Industrial Connectors** – specialist manufacturer of industrial plugs, sockets and custom built solutions for the control and distribution of electrical power
- **Hazardous Area** – manufacturer of explosion proof equipment for the oil, gas and pharmaceutical industries, and
- **Trackside Solutions** – manufacturer of bespoke engineering solutions for low voltage applications, for the rail industry and other industrial environments

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 its 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

As at the date of the Joint Administrators' appointment, the directors were Brian Trench (Limited and Holdings) Kevin Wills (Limited only) and Tony Kelly (Holdings only) The Company secretaries were Kevin Wills and Brian Trench for Limited and Holdings respectively

Brian Trench holds a 22 5% shareholding in Holdings

Employees

As at 4 November 2016, A-Belco employed 60 staff Holdings did not employ any staff

Background

A-Belco Limited
Summary financials

A-Belco Limited Summary profit and loss account

£	Management Accounts for 6 months to Sep-16	Statutory Accounts for 12 months to Mar-15	Statutory Accounts for 12 months to Mar-14
Turnover	1,898,196	6,010,281	9,277,015
Cost of Sales	(1,289,142)	(3,555,520)	(5,355,235)
Gross Margin	**609,054**	**2,454,761**	**3,921,780**
Gross Margin %	32%	41%	42%
Other Expenses	(1,045,573)	(3,388,873)	(3,161,667)
L/E BITDA	**(436,519)**	**(934,112)**	**760,113**

A-Belco Limited Summary balance sheet

£	Management Accounts as at Sep-16	Statutory Accounts as at Mar-15	Statutory Accounts as at Mar-14
Tangible assets	445,981	585,504	603,118
Fixed assets	**445,981**	**585,504**	**603,118**
Stock	785,229	1,128,902	1,170,172
Debtors	1,108,795	1,682,878	2,044,635
Bank	80,688	69,388	229,384
Inter-Company	2,306,125	-	-
Current Assets	**4,280,837**	**2,881,168**	**3,444,191**
Trade creditors	(1,442,708)	(737,221)	(1,175,161)
VAT/Tax/PAYE	(214,418)	(198,588)	(88,155)
Bank Factoring	(575,119)	-	-
Group Liabilities	(3,067,460)	(1,277,687)	(162,563)
Hire Purchase/Leasing	-	(12,071)	(23,154)
Other current	-	(578,091)	(1,031,801)
Total Liabilities	**(5,299,705)**	**(2,803,658)**	**(2,480,834)**
Net Assets	**(572,887)**	**663,014**	**1,566,475**

Overview of financial information

Extracts from the audited accounts for the last two periods to 31 March 2015, and draft management accounts from 1 April 2016 to 30 September 2016 are shown opposite

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

Profit and loss commentary

EBITDA in the year to March 2015 moved by almost £1 7m from March 2014, actual losses in the six months from April 2016 to September 2016 were £0 4m which continued the loss making trend of A-Belco This was primarily driven by a decline in the oil and gas elements of the business in FY15 which continued into FY16

In addition, the Group suffered from a number of health & safety investigations/ audits with its lighting products which impacted its ability to ship products to customers

Balance sheet commentary

Tangible assets principally comprise plant, machinery, vehicles and fixtures and fittings The current assets of A-Belco include debtors, cash and stock

The liabilities have increased due to group liabilities and trade creditors which would be as a result of trading pressures

Background

A-Belco (Holdings) Limited

Summary financials

A-Belco (Holdings) Limited Summary balance sheet

£	Management Accounts as at Nov-16	Statutory Accounts as at Mar-15	Statutory Accounts as at Mar-14
Tangible assets	-	-	-
Intangible assets	3,729,014	3,729,017	826,451
Fixed assets	**3,729,014**	**3,729,017**	**826,451**
VAT	15,577		
Debtors	-	1,277,684	-
Bank	-	1,231	50
Current Assets	**15,577**	**1,278,915**	**50**
Bank loans and overdrafts	(134,924)	(1,605,802)	-
Amounts owed to group undertakings	(2,341,899)	(2,108,832)	-
Accruals and deferred income	-	(2,999)	-
Other Creditors (due within 1 Year)	(11,374)	(452,500)	-
Other Creditors (more than 1 Year)	(867,534)	(182,250)	-
Total Liabilities	**(3,355,731)**	**(4,352,383)**	**-**
Net Assets	**388,860**	**655,549**	**826,501**

Overview of financial information

Extracts from the audited accounts for the last two periods to 31 March 2015, and draft management accounts from 1 April 2016 to 30 November 2016 are shown opposite

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

As the Group prepared consolidated accounts Holdings did not prepare its own profit and loss account However, there will be minimal entries in the Holdings P&L

Balance sheet commentary

Intangible assets reflect the investments in subsidiary undertakings

Liabilities on the Balance sheet principally related to amounts due to secured creditors (Lloyds) and other group undertakings

Background
Joint Administrators' appointment

Circumstances giving rise to the appointment of the Joint Administrators

Reasons for failure & financial distress

The Group began to experience cash flow pressure in 2015 as a result of sales falling by 40% in the Hadar Lighting division within A-Belco due to the decline in the oil and gas industry In addition, four large contracts in MEP, a Group entity, were delayed which created cash pressure within the wider Group

Further poor trading performance in 2016 both in Limited and the wider Group created further cash pressure and creditor arrears Limited then was subject to investigations into certain Hadar products by the Health & Safety Executive and CSA Group (SIRA) règarding non conformity of some lighting products

As a result, the QAN was temporarily withdrawn in April 2016 which prevented Limited from releasing products to customers This further exacerbated the cash flow position The QAN was later re-instated pending further testing

The creditor stretch coupled with HMRC arrears resulting in suppliers going on stop, and activity levels reducing

Steps taken to remedy/turnaround

In January 2016, the Group sought to secure external funding to keep the Group solvent However, they were unable to secure funding to the levels required

Management revisited the funding process in September 2016 and also had discussions with certain interested parties over the sale of the intellectual property in Hadar

However, the increasing creditor position and HMRC pressure meant the funding process was not successful In addition, the interest in the Hadar Intellectual Property ("IP") fell away following a period of diligence

In order to stem cash outflows in other parts of the Group, BIM and MEP went into Administration on 18 October 2016, initially whilst solvent solutions for the rest of the group were pursued by Management However, A-Belco and Holdings entered Administration on 4 November 2016 Opsol entered Administration on 15 November 2016 to allow time for the business and assets sale to be executed

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 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

The directors filed their first notice of intention to appoint Administrators on 18 October 2016 and a second was filed on 1 November 2016

The directors' notice of appointment of Administrators was made on 4 November 2016

Post-appointment

Post-appointment
Purpose

Appointment of the Joint Administrators

Clare Boardman and Adrian Berry of Deloitte were appointed Joint Administrators of the Companies by the directors on 4 November 2016, pursuant to Paragraph 22 of Schedule B1 of the Act 1986 (as amended)

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

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

A-Belco

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

Holdings

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

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

Wind-down

Immediately following our appointment the Administrators implemented a managed wind-down of the business, retaining 10 employees to assist with this process To support the wind-down, CIFL approved a further small drawdown of the Group facilities to meet the various costs associated with delivering the Administration strategy

Employees were retained principally to support the Administrators with the following matters -

IP – to provide support with, and preserve value in, the IP of the Companies and assist with the sale of business process

P&M /Stock – to assist our agents, Liquidity Services UK Limited, with identifying and realising value from the plant & machinery, stock and work in progress

Finance – to support ledger cut-off's, debtor collections, information requests and general administrative information provision

IT – maintaining the IT infrastructure (including IP)

Payroll – to provide necessary payroll support and provision of employee information, and

HSE – Health & Safety support during wind-down of the business

In conjunction with the wind-down process, a restricted marketing phase of the business and assets of the Companies was undertaken

Sale of business

As part of the wind-down process, and as a result of the funding provided by CIFL, the Joint Administrators concluded that a restricted marketing phase of the business and assets of the Companies could be undertaken

In excess of 40 potential purchasers were identified (via inbound enquiries and also potential purchasers known to Deloitte), which included both trade parties and investors

Data packs were provided to all parties that expressed an intention to pursue their interest in the business further

Metis Partners Limited, a firm of intellectual property agents, were also instructed to assist with the marketing of the Hadar business and assets

The sale process specifically included -

- Compilation of information for a data pack to distribute to interested parties,
- Co-ordinating site visits, meetings and discussions with interested parties,
- Provision of information and attending to significant quantities of information requests, to support interested parties in their diligence process,
- Liaising with customers and suppliers in order to preserve relationships with the respective businesses, and
- Detailed discussions with certification bodies (CSA Group), including discussions alongside interested parties, to assist with identifying known issues, specifically with Hadar products

Given the restricted marketing period, an offer deadline of 10 November 2016 was set, which resulted in a number of offers for the business and assets of the various divisions of A-Belco Following a review of those offers and identification of the preferred parties (based on proposed consideration value and ability to transact within the specified timetable) a target completion deadline of 17 November 2016 was subsequently set

A sale of the Hadar Lighting and Industrial Connectors divisions was completed to Hubbell Limited on 23 November 2016 The Hazardous Area and Electrical divisions were subsequently sold to Barrier Limited on 24 November 2016

Consideration for the sales totalled £625k and £150k respectively

In addition, each purchaser paid a fee for access to the site whilst the respective assets for each sale were collected The collection process of both tangible and intangible (electronic information) assets was closely co-ordinated and monitored by the Administrators during the access period

Asset realisations

Stock & WIP

All stock and WIP relating specifically to the divisions acquired by the purchasers were included in the respective sales to Hubbell and Barrier

The Directors did not anticipate any realisations from stock and WIP in their Statement of Affairs However, the Joint Administrators have realised £32,000 as part of the sale agreements for the A-Belco assets The realisations are split between the two buyers of the companies, Hubbell Limited for £18,000 and Barrier Limited for £14,000

Goodwill and Intellectual Property

The Directors did not anticipate any realisations from goodwill or intellectual property in their Statement of Affairs It is noted that IP is not held on the balance sheet of the Companies

Following the marketing of the business and assets and the successful sale of the A-Belco divisions, the Joint Administrators have realised £704,000 in relation to goodwill and intellectual property, which is apportioned as £575,000 for the sale of Hadar/ Industrial Connectors to Hubbell Limited and £129,000 relating to the sale of Hazardous and Electrical to Barrier Limited

Access fee

As previously discussed, access fees of £32,379 were paid in total by the purchasers of the respective businesses This is split between the two buyers of A-Belco, Hubble Limited for £30,474 and Barrier Limited for £1,905

However a rebate of c £16k is due be repaid to Hubbell Limited following their early exit from site

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 was the main tenant for this property, with MEP and BIM also occupying certain areas

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

A-Belco vacated the main property on 9 December 2016 The second property, occupied by MEP, was vacated on 4 November 2016

Book debts

As shown in the Statement of Affairs the Director's identified debtors with an estimated realisable value of £307,883 for A-Belco

As at the date of our appointment, the Companies had book debts of £806k which were subject to a confidential invoice finance agreement with CIFL Under the terms of this agreement, CIFL has now assumed control and responsibility for the debt collection process To date c £191k of debts have been collected directly by CIFL and are therefore not yet reflected in our R&P

It is currently too early to estimate how much will be recovered from the remaining book debts

The Joint Administrators are not aware of any book debts in relation to Holdings

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

Chattel assets

As at the date of appointment the Companies owned tangible assets including plant and machinery, fixtures and fittings and other items across its trading premises The Statement of Affairs for A-Belco shows an estimated to realise value of £40,535

An independent valuer, Liquidity Services UK Limited, was instructed to secure and value these assets

To date the Joint Administrators have realised £65,996 in Plant and Machinery disposals

This consists of, £31,998 in relation to the apportioned sale proceeds to Hubble Limited, £27,500 in relation to assets located at Opsol UK Limited (sold to Hindley Circuits Limited) and finally £6,998 of the apportioned sale proceeds to Barrier Limited

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 £375k cash flow loan (remaining balance of c£330k at the date of appointment) from CIFL In addition, the Group's liability to Lloyds in terms of its available facilities totalled £1 02m at the date of appointment 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 inter-creditor 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 A-Belco's employees for arrears of wages/salaries (just over a month), holiday pay and pension contributions We estimate that there will be preferential claims totalling c£80k, based on which we do not anticipate being able to pay the preferential creditors in full during the Administration

There are no preferential creditors in Holdings

Unsecured creditors

Holdings

The directors' statement of affairs shows three unsecured creditors (including connected parties) with estimated non-preferential claims totalling £6 9m

A-Belco

The directors' statement of affairs shows unsecured creditors with estimated non-preferential claims totalling £2 6m

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 £600,000 per company

We currently estimate the Prescribed Part for Holdings and A-Belco to be Nil

Claims process

Unsecured creditors are invited to submit their claims to us by completing a proof of debt form which is available on the administration website and which should be sent to the address on page 1, marked for the attention of Hena Virdee

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 by 30 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 and preferential 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

There will be no funds available to the unsecured creditors Therefore, 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 each secured creditor

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.

Set Fee

Based on previous appointments of this nature and having regard to the likely number and grades of staff required to fulfil these obligations, we intend to seek approval to draw a fee of £275k in A-Belco and £25k in Holdings Full details of the work anticipated to be performed are provided at Appendix C

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, reviewing the secured creditors' security, drafting and completing sale of business documentation and general ongoing advice relating to the administrations We estimate their total fee for so doing will be £45k plus VAT and disbursements

Agent's Costs

We have instructed Liquidity Services UK Limited, a firm of independent agents and valuer's, to provide advice in relation to the chattel assets, stock and WIP of the Companies We estimate their total fee for so doing will be £3k plus VAT in relation to the initial valuation fee Additional costs, in relation to on-site supervision, porterage and security are currently being assessed finalised and will be in addition to the above amount

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

IP Agent Costs

Metis Partners Limited, a firm of IP agents, were instructed to support the marketing of the business and assets of the Hadar division Fees for this work will total £10k plus VAT

Additional information

Transactions with connected parties

In accordance with the guidance given in SIP13, the Companies' transactions with connected parties during the period of this report and the two years prior to our appointment are currently being reviewed

A further update shall be provided in our next report to creditors

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

Additional information
Case specific matters

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

Shareholders

We are not obliged to provide further information or reports to shareholders of the Companies However regular updates will be uploaded to the website set up for the administration at www deloitte-insolvencies co uk/k-r/mep-solutions-limited-and-mep-bim-solutions-limited/creditor-forms

Due to the insolvency of the Companies and anticipated level of asset realisations compared with the level of creditor liabilities owed by the Companies, there is no prospect of a return being made to the shareholders

Following our appointment, the Companies are no longer able to process transfers of shares, nor re-issue unclaimed dividend cheques

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 com/uk/abelco

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

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

Appendices

A-Belco

A-Belco - Directors' summary Statement of Affairs

£	Book value	Estimated to realise
Assets subject to fixed charge		
Trade Debtors	805,818	307,883
Less Amounts owed to Close Brother Asset Finance	(285,824)	(285,824)
Estimated surplus/(deficiency) to fixed charge holders	519,994	22,059
Assets subject to floating charge		
Fixed Assets	445,981	40,535
Stock	706,267	-
Other debtors	151,345	-
Estimated total assets available for preferential creditors	1,303,593	62,594
Preferential creditors		(81,210)
Estimated deficiency / surplus to preferential creditors		(18,616)
Estimated prescribed part of net property		-
Estimated total assets available for floating charge holders		(18,616)
Debt secured by floating charges		(974,380)
Estimated deficiency / surplus after floating charges		(992,996)
Estimated prescribed part of net property (brought down)		-
Total assets available to unsecured creditors		(992,996)
Unsecured non-preferential claims (excluding any shortfall to floating charge hc		(2,575,888)
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge		
Shortfall to floating charge holders (brought down)		(992,996)
Estimate deficiency / surplus to creditors		(3,568,884)
Issues and called up capital		(80,000)
Estimate deficiency / surplus to members		**(3,648,884)**

Joint Administrators' comments

The Directors' statement of affairs is available online at www deloitte com/uk/abelco, 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)

Holdings

Holdings - Directors' summary Statement of Affairs

£	Book value	Estimated to realise
Assets subject to fixed charge		
Investments in subsidiary undertakings	3,729,014	-
Less Due to Lloyds bank group	(974,958)	(974,958)
Estimated surplus/(deficiency) to fixed charge holders	2,754,056	(974,958)
Assets subject to floating charge		
Intercompany loans	3,250,852	-
VAT	15,574	-
Uncharged Assets	-	-
Estimated total assets available for preferential creditors	3,266,426	-
Preferential creditors		-
Estimated deficiency / surplus to preferential creditors		-
Estimated prescribed part of net property		-
Estimated total assets available for floating charge holders		-
Debt secured by floating charges		(974,958)
Estimated deficiency / surplus after floating charges		(974,958)
Estimated prescribed part of net property (brought down)		-
Total assets available to unsecured creditors		(974,958)
Unsecured non-preferential claims (excluding any shortfall to floating charge hold		(5,930,472)
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge		
Shortfall to floating charge holders (brought down)		(974,958)
Estimate deficiency / surplus to creditors		(6,905,430)
Issues and called up capital		(208,012)
Estimate deficiency / surplus to members		**(7,113,442)**

Joint Administrators' comments

The Directors' statement of affairs is available online at www deloitte com/uk/abelco, 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)

A-Belco Limited

Joint Administrators' receipts and payments account
4 November 2016 to 16 December 2016

£	SoA values	Notes	To date
Receipts			
Debtors	*22,059*		-
Goodwill and Intellectual Property	-		704,000
Secured Creditor Funding	-		11,997
Plant & Machinery	*40,535*		65,996
Motor Vehicles	-		9,000
Stock/WIP	-		32,000
Contracts/Records	-		4
Access Fee	-		32,379
Total receipts	*62,594*		**855,376**
Payments			
Wages & Salaries			17,910
Total payments			**17,910**
Balance			**837,467**
Made up of			
Balance held in interest bearing bank account			850,332
VAT Payable			(11,876)
Employee Deductions			(989)
Balance in hand			**837,467**

Notes to the receipts and payments account

All funds are held in an interest bearing account Interest earnt will be accounted for to HM Revenue & Customs in due course

VAT is recoverable/payable and will be accounted for to HM Revenue & Customs in due course

As previously discussed, book debts are currently being collected by CIFL and are held in trust Therefore debtor receipts are not yet reflected in our receipts and payments account Book debt collections to date total £191k

Appendices
Appendix B

A-Belco (Holdings) Limited

Joint Administrators' receipts and payments account
4 November 2016 to 16 December 2016

£	SoA values	Notes	To date
Receipts			
	-		-
Total receipts	-		-
Payments			
			-
Total payments			-
Balance			-
Made up of			
Balance held in interest bearing bank account			-
VAT Payable			-
Employee Deductions			-
Balance in hand			-

Notes to the receipts and payments account
No receipts or payments have been made since appointment

Estimate of work to be undertaken – A-Belco

Joint Administrators' Estimate of Work to be undertaken – set fee basis

Details of work that the we anticipate will be undertaken and for which a set fee of £275k will be charged on this case 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 A-Belco 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
- Site shut down related matters including correspondence, discussions and meetings with staff relating to the position of the company
- Dealings with the landlord
- 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 company staff to ensure completion
- 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 assets as detailed on page 12 and 13
- Future book debt collections, managing and monitoring the debt collection process with the A-Belco staff and appointed debt collection agency (once debts have been re-assigned by CIFL) 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
- 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

Tax and VAT matters

- As the Group was registered under one VAT number it has been necessary to cut the individual company out of the Group We are liaising with HM Revenue & Customs in this regard

Estimate of work to be undertaken – Holdings

Joint Administrators' Estimate of Work to be undertaken – set fee basis

Details of work that the we anticipate will be undertaken and for which a set fee of £25k will be charged on this case 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 Holdings 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
- Site shut down related matters
- Dealings with the landlord
- Statutory reporting, drafting proposals and issuing progress reports and closure reports
- Statements of affairs, liaising with the directors and company staff to ensure completion
- Tax and VAT, submitting Tax and VAT returns for the administrations and finalising the Companies pre-appointment tax affairs

Assets

- The directors statement of affairs shows that Holdings has no realisable assets, we will ensure this is the correct positon

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
- Secured creditors, reporting to the secured creditors, preparing formal reports and ad hoc communications and distributions

Joint Administrators' fees and disbursements

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

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

Details of our category 1 and 2 disbursements incurred to date is given opposite, together with an estimate of future costs all figures are shown exclusive of VAT

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 will be split between A-Belco and Holdings

A-Belco - Category 1 disbursements

£ (net)	Incurred to Date	Future Estimate	Total
Travel	425	-	425
Accommodation	1,052	-	1,052
Subsistence	488	-	488
Postage	267	750	1,017
Telephone	25	-	25
Total expenses	**2,256**	**750**	**3,006**

A-Belco - Category 2 disbursements

£ (net)	Incurred to Date	Future Estimate	Total
Mileage	440	-	440
Website set up	250	-	250
Total disbursements	**690**	**-**	**690**

Holdings - Category 2 disbursements

£ (net)	Incurred to Date	Future Estimate	Total
Website set up	250	-	250
Total disbursements	**250**	**-**	**250**

Joint Administrators' proposals

In the absence of a creditors' meeting being requested, **our proposals will be deemed approved on 30 December 2016**

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

1 Approval that the basis of the Joint Administrators' remuneration shall be fixed by as a set fee of £275k in A-Belco and £25k in Holdings 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 on page 30) 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 Companies

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

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