

Mediaco Business Services Limited

Registered number 07463997

Directors' report and financial statements

For the year ended 31 December 2012



MEDIACO BUSINESS SERVICES LIMITED

COMPANY INFORMATION

Directors	P S Latham N Boyle
Company secretary	N Board
Registered number	07463997
Registered office	4th Floor, 20 Old Bailey London EC4M 7AN
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor Tower Bridge House St Katharine's Way London E1W 1DD
Bankers	Coutts & Co 440 Strand London WC2R 0QS
Solicitors	SGH Martineau LLP No 1 Colmore Square Birmingham B4 6AA

MEDIACO BUSINESS SERVICES LIMITED

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MEDIACO BUSINESS SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and the financial statements for the year ended 31 December 2012

Principal activities

The Company is the parent company of a group of which the principal activities are that of construction and operation of solar plants and the generation of solar power

The Company acquired its principal subsidiaries, as disclosed in note 8, during the year

Directors

The directors who served during the year were

P S Latham (appointed 22 November 2012)
N Boyle (appointed 19 March 2012)
A J Seabright (appointed 31 July 2012 & resigned 22 November 2012)
D S Nicol (resigned 31 July 2012)
R S Price (resigned 19 March 2012)

Directors' responsibilities statement

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

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

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

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

MEDIACO BUSINESS SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

Provision of information to auditor

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

- so far as that director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company and the Group's auditor in connection with preparing its report and to establish that the Company and the Group's auditor is aware of that information

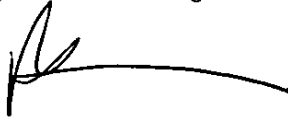
Auditor

Mazars LLP was appointed as auditor on 27 March 2013

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

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

This report was approved by the board and signed on its behalf by



P S Latham
Director

Date 25 September 2013

MEDIACO BUSINESS SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDIACO BUSINESS SERVICES LIMITED

We have audited the financial statements of Mediaco Business Services Limited for the year ended 31 December 2012 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and Company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2012 and of the Group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Other matters

The comparative figures disclosed in the financial statements for the Consolidated and Company Balance Sheets at 31 December 2011 and the Consolidated Profit and Loss Account and the Consolidated Statement of Total Recognised Gains and Losses for the period then ended were not audited.

Opinion on the other matter prescribed by the Companies Act 2006

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

MEDIACO BUSINESS SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDIACO BUSINESS SERVICES LIMITED

Matters on which we are required to report by exception

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

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



David Herbinet (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Tower Bridge House
St Katharine's Way
London
E1W 1DD

30 September 2013

MEDIACO BUSINESS SERVICES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

		2012 £	Unaudited 13 month period to 31 December 2011 £
	Note		
Turnover	1,2	648,576	-
Administrative expenses		(554,800)	(8,594)
Operating profit/(loss)	3	93,776	(8,594)
Interest receivable and similar income		21,386	5,916
Interest payable and similar charges		(341,104)	(6,127)
Loss on ordinary activities before taxation		(225,942)	(8,805)
Tax on loss on ordinary activities	5	-	-
Loss for the financial year	14	(225,942)	(8,805)

The notes on pages 9 to 20 form part of these financial statements

MEDIACO BUSINESS SERVICES LIMITED

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2012

		2012	Unaudited 13 month period to 31 December 2011
	Note	£	£
Loss for the financial year		(225,942)	(8,805)
Foreign exchange loss on translation of subsidiaries	14	(54,650)	-
		<hr/>	<hr/>
Total recognised gains and losses relating to the year		<u>(280,592)</u>	<u>(8,805)</u>

The notes on pages 9 to 20 form part of these financial statements

MEDIACO BUSINESS SERVICES LIMITED


Registered number 07463997

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2012**

			2012	As restated Unaudited 2011
	Note	£	£	£
Fixed assets				
Intangible fixed assets	6		2,008,709	-
Tangible fixed assets	7		6,723,703	-
			<u>8,732,412</u>	<u>-</u>
Current assets				
Debtors	9	399,698		2,631
Cash at bank	10	4,883,183		989,510
		<u>5,282,881</u>		<u>992,141</u>
Creditors amounts falling due within one year	11	(1,182,031)		(946)
Net current assets			<u>4,100,850</u>	<u>991,195</u>
Total assets less current liabilities			<u>12,833,262</u>	<u>991,195</u>
Creditors amounts falling due after more than one year	12		(10,222,608)	(700,000)
Net assets			<u><u>2,610,654</u></u>	<u><u>291,195</u></u>
Capital and reserves				
Share capital	13		542	100
Share premium account	14		2,899,509	299,900
Foreign exchange reserve	14		(54,650)	-
Profit and loss account	14		(234,747)	(8,805)
Shareholders' funds			<u><u>2,610,654</u></u>	<u><u>291,195</u></u>

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

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



P S Latham
Director

Date 25 September 2013

The notes on pages 9 to 20 form part of these financial statements

MEDIACO BUSINESS SERVICES LIMITED

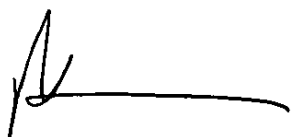
Registered number 07463997

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2012

			2012	As restated Unaudited 2011
	Note	£	£	£
Fixed assets				
Tangible fixed assets	7		5,388	-
Fixed asset investments	8		194,711	-
			<u>200,099</u>	<u>-</u>
Current assets				
Debtors	9	8,603,400		2,631
Cash at bank		46,014		989,510
		<u>8,649,414</u>		<u>992,141</u>
Creditors amounts falling due within one year	11	(451,752)		(946)
Net current assets			<u>8,197,662</u>	<u>991,195</u>
Total assets less current liabilities			<u>8,397,761</u>	<u>991,195</u>
Creditors amounts falling due after more than one year	12		(5,390,300)	(700,000)
Net assets			<u>3,007,461</u>	<u>291,195</u>
Capital and reserves				
Share capital	13		542	100
Share premium account	14		2,899,509	299,900
Profit and loss account	14		107,410	(8,805)
Shareholders' funds			<u>3,007,461</u>	<u>291,195</u>

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

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



P S Latham
Director

Date 25 September 2013

The notes on pages 9 to 20 form part of these financial statements

MEDIACO BUSINESS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

1.1 Basis of preparation of financial statements

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

The comparatives are unaudited as the Company was previously entitled to exemption from audit under section 477 of the Companies Act 2006

1.2 Restatement

The Consolidated and Company Balance Sheets at 31 December 2011 have been restated to reclassify loan notes from capital and reserves to creditors falling due after more than one year. This reclassification reflects the rights attached to the loan notes, including the obligation on the Company to repay the balance in full. The effect of the restatement is to reduce the Group's and Company's net assets at 31 December 2011 by £700,000. The restatement has no effect on the Group's result for the period ended 31 December 2011.

1.3 Basis of consolidation

The financial statements consolidate the accounts of Mediaco Business Services Limited and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

1.4 Cash flow

The financial statements do not include a Consolidated cash flow statement because the Company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.5 Turnover

Turnover comprises revenue recognised by the Group in respect of electricity generated and supplied during the period in accordance with Power Purchasing Agreements, exclusive of Value Added Tax.

1.6 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

Amortisation is provided at the following rate:

Goodwill	-	straight line over 20 years
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MEDIACO BUSINESS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies (continued)

1 7 Tangible fixed assets and depreciation

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

Leasehold property	-	straight line over 20 years
Plant & machinery	-	straight line over 20 years

1 8 Investments

Investments in subsidiaries are valued at cost less provision for impairment

1 9 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

1 10 Deferred taxation

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

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

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

Deferred tax assets and liabilities are not discounted

1 11 Foreign currencies

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

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

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

1 12 Financial instruments

Receipts and payments arising from financial instruments entered into in order to fix foreign exchange rates on loans are treated as additions to or reductions from interest payable. The fair value of the financial instruments is not recognised in these financial statements

MEDIACO BUSINESS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

2 Turnover

99.9% of the Group's turnover is attributable to geographical markets outside the United Kingdom. There was no turnover in the previous period.

3 Operating profit/(loss)

The operating profit/(loss) is stated after charging

	2012 £	Unaudited 2011 £
Amortisation - intangible fixed assets	77,148	-
Depreciation of tangible fixed assets - owned by the group	264,815	-
Auditor's remuneration	8,250	-
Auditor's remuneration - non-audit	4,000	-
	<u> </u>	<u> </u>

4 Directors' remuneration

	2012 £	2011 £
Aggregate emoluments	1,250	4,096
	<u> </u>	<u> </u>

5 Taxation

	2012 £	Unaudited 2011 £
UK corporation tax charge on loss for the year/period	-	-
	<u> </u>	<u> </u>

Factors that may affect future tax charges

The Group has no tax liability for the year and there are tax losses available to carry forward and offset against any future taxable profits. The Group has not recognised a deferred tax asset in respect of any losses available to carry forward due to there being insufficient certainty regarding its recovery. The unrecognised deferred tax asset at the balance sheet date was approximately £370,249.

MEDIACO BUSINESS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

6 Intangible fixed assets

	Goodwill £
Group	
Cost	
At 1 January 2012	-
Additions	2,085,857
At 31 December 2012	<u>2,085,857</u>
Amortisation	
At 1 January 2012	-
Charge for the year	77,148
At 31 December 2012	<u>77,148</u>
Net book value	
At 31 December 2012	<u><u>2,008,709</u></u>
At 31 December 2011	<u><u>-</u></u>

Goodwill has arisen in the year on the acquisition of the principal subsidiaries as disclosed in note 8

MEDIACO BUSINESS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

7 Tangible fixed assets

	Leasehold property £	Plant & machinery £	Total £
Group			
Cost			
At 1 January 2012	-	-	-
Additions	-	212,877	212,877
On acquisition of subsidiaries	409,332	6,666,699	7,076,031
At 31 December 2012	409,332	6,879,576	7,288,908
Depreciation			
At 1 January 2012	-	-	-
Charge for the year	15,513	249,302	264,815
On acquisition of subsidiaries	3,987	299,160	303,147
Foreign exchange movement	(163)	(2,594)	(2,757)
At 31 December 2012	19,337	545,868	565,205
Net book value			
At 31 December 2012	389,995	6,333,708	6,723,703
At 31 December 2011	-	-	-
Company			
Cost			
At 1 January 2012			-
Additions			7,001
At 31 December 2012			7,001
Depreciation			
At 1 January 2012			-
Charge for the year			1,613
At 31 December 2012			1,613
Net book value			
At 31 December 2012			5,388
At 31 December 2011			-

MEDIACO BUSINESS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

8 Fixed asset investments

	Investments in subsidiary companies £
Company	
Cost	
At 1 January 2012	-
Additions	194,711
At 31 December 2012	194,711
Net book value	
At 31 December 2012	194,711
At 31 December 2011	-

Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Encke Solar Limited	United Kingdom	100%	Intermediate holding company
SAS Elecsol Camargue*	France	100%	Generation of solar power

*indirect investment

The Company's subsidiary registered in the United Kingdom was acquired on 4 April 2012. The Company's subsidiary incorporated in France was acquired on 5 April 2012.

The acquisition agreement for the French subsidiary includes an adjustment mechanism to allow for an increase in consideration or the refund of consideration already paid, depending on the amount of expenditure incurred by the company after the acquisition. The final settlement will be made during the year ending 31 December 2013. In relation to the final settlement £194,693 is being held in Escrow which is included in the cash at bank and in hand balance in the financial statements.

The result of the final settlement is currently unknown. Any adjustments to the total consideration payable would have an impact on goodwill as disclosed in note 6.

MEDIACO BUSINESS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

8 Fixed asset investments (continued)

The net assets at the date of acquisition were

	SAS Elecsol Camargue
Tangible fixed assets	7,006,822
Trade and other creditors	710,155
Cash at bank and in hand	601,770
Bank loans	(5,074,412)
Other loans	(1,194,184)
Trade and other creditors	(417,438)
Net assets acquired	<u>1,632,713</u>
Goodwill arising on acquisition	<u>2,085,857</u>
	<u>3,718,570</u>
Satisfied by	
	SAS Elecsol Camargue
Payment to vendor	3,500,749
Deferred consideration	<u>217,821</u>
	<u>3,718,570</u>

Encke Solar Limited was a newly incorporated business prior to its acquisition at net asset value

9 Debtors

	Group		Company	
	2012	Unaudited 2011	2012	Unaudited 2011
	£	£	£	£
Trade debtors	98,927	-	62	-
Amounts owed by group undertakings	-	-	8,214,879	-
Other debtors	300,771	2,631	388,459	2,631
	<u>399,698</u>	<u>2,631</u>	<u>8,603,400</u>	<u>2,631</u>

10. Cash at bank

Included within cash at bank as at 31 December 2012 is £194,693 (2011 £nil) held in an Escrow account. This amount relates to final potential adjustments to the consideration paid on the acquisition made in the year as discussed in note 8 to the financial statements.

Included within cash at bank as at 31 December 2012 is £373,277 (2011 £nil) held in a collateral account. Per the terms of the cross currency swap as discussed in note 17 to the financial statements a certain level of cash is required to be held in the account as security for the cross currency swap.

MEDIACO BUSINESS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

11 Creditors. Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2012	Unaudited 2011	2012	Unaudited 2011
	£	£	£	£
Bank loans and overdrafts	250,460	-	-	-
Other loans	240,000	-	240,000	-
Trade creditors	214,318	-	12,414	-
Other creditors	477,253	946	199,338	946
	<u>1,182,031</u>	<u>946</u>	<u>451,752</u>	<u>946</u>

Details of bank and other loans are included in note 12

12 Creditors Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2012	As restated Unaudited 2011	2012	As restated Unaudited 2011
	£	£	£	£
Loan notes	-	700,000	-	700,000
Bank loans	4,832,308	-	-	-
Other loans	5,390,300	-	5,390,300	-
	<u>10,222,608</u>	<u>700,000</u>	<u>5,390,300</u>	<u>700,000</u>

Included within the above are amounts falling due as follows

	<u>Group</u>		<u>Company</u>	
	2012	As restated Unaudited 2011	2012	As restated Unaudited 2011
	£	£	£	£
Between one and two years				
Bank loans	264,896	-	-	-
Between two and five years				
Loan notes	-	700,000	-	700,000
Bank loans	889,866	-	-	-
Other loans	5,390,300	-	5,390,300	-
Over five years				
Bank loans	3,677,546	-	-	-

MEDIACO BUSINESS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

12 Creditors Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows

	<u>Group</u>		<u>Company</u>	
	2012	As restated Unaudited 2011	2012	As restated Unaudited 2011
	£	£	£	£
Repayable by instalments	3,677,546	-	-	-

The Group has four bank loans which incur fixed interest charges from 5.5% to 5.709%. The loans are repayable in equal six-monthly instalments, with a final repayment to be made during the year ending 31 December 2026.

The Group's bank loans are secured against the fixed and current assets of the French subsidiary.

The Group and Company's other loans relate to borrowings from Fern Trading Limited, a related party. These borrowings include a working capital facility and a term facility, which both incur a fixed interest charge of 8%.

Other loans are secured by fixed and floating charges against the assets of the Company.

On 5 January 2011 the Company issued £700,000 loan notes which were repayable in full on the fifth anniversary from the date of issue. The loan notes were secured against the assets of the Company. During the year ended 31 December 2012 the loan notes were converted in full into "A" ordinary shares as disclosed in note 13.

MEDIACO BUSINESS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

13 Share capital

	2012 £	Unaudited 2011 £
Allotted, called up and fully paid		
654 (2011 - 196) "A" ordinary shares of £0 25 each	164	49
2,000,000 (2011 - nil) "B" ordinary shares of £0 0001635 each	327	-
204 (2011 - nil) deferred shares of £0 25 each	51	-
Nil (2011 - 204) ordinary shares of £0 25 each	-	51
	<u>542</u>	<u>100</u>

On 20 March 2012, the Company issued 1,308 "B" ordinary shares of £0 25 each for consideration of £1,529, which were converted on the same day into 2,000,000 "B" ordinary shares of £0 0001635

On 20 March 2012, the Company converted 204 ordinary shares of £0 25 each into 204 deferred shares of £0 25

On 20 March 2012, the Company converted loan notes totalling £700,000 into 458 "A" ordinary shares of £0 25 each

The difference between the consideration received and the nominal value, being £2,699,609, has been credited to the share premium account. Arrangement fees for the issue of these shares of £100,000 have been deducted from the share premium account. Arrangement fees were paid to a related party, Octopus Investments Limited, as disclosed in note 18.

14 Reserves

Group	Share premium account £	Foreign exchange reserve £	Profit and loss account £
At 1 January 2012	299,900	-	(8,805)
Loss for the year	-	-	(225,942)
Premium on shares issued during the year	2,599,609	-	-
Movement on foreign exchange	-	(54,650)	-
At 31 December 2012	<u>2,899,509</u>	<u>(54,650)</u>	<u>(234,747)</u>

Company	Share premium account £	Profit and loss account £
At 1 January 2012	299,900	(8,805)
Profit for the year	-	116,215
Premium on shares issued during the year	2,599,609	-
At 31 December 2012	<u>2,899,509</u>	<u>107,410</u>

MEDIACO BUSINESS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

15 Contingent liabilities

During the period a claim for €116,000 was brought against SAS Elecsol Camargue, a subsidiary company, from the administrator of a supplier to the company. The claim relates to an event which occurred prior to the acquisition of the subsidiary. Any amounts payable in relation to the claim may be recovered from the vendor under the terms of the Sale and Purchase Agreement dated 5 April 2012. The probable outcome of the litigation is unknown and therefore no amounts have been recognised in these financial statements in respect of the claim.

16 Operating lease commitments

At 31 December 2012 the Group had annual commitments under non-cancellable operating leases as follows

	2012	Unaudited 2011
Group	£	£
Expiry date		
After more than 5 years	15,609	-

17 Financial instruments

A swap agreement was entered into by a subsidiary company, Encke Solar Limited, on 5 April 2012 with Investec Bank plc in order to fix the exchange rate on amounts owed to group undertakings. The subsidiary company is to exchange €4,753,156 for £3,896,030 at the date of the swap. The final maturity date of the agreement is 30 September 2015. The fair value of the swap at 31 December 2012 was £70,630 out of the money.

18. Related party transactions

During the year, the Group was charged £19,760 (2011: £nil) in respect of monitoring fees and administrative fees by Lightsource Renewable Energy Limited, a related party due to its significant influence over the entity. In addition, costs associated with the acquisition of subsidiaries totalling £194,711 (2011: £nil) were recharged to the Group by Lightsource Renewable Energy Limited. At the year end, an amount of £5,007 (2011: £nil) was outstanding, which is included in trade creditors. Lightsource Renewable Energy Limited is the holder of the deferred shares in issue.

During the year, the Group was charged £6,255 (2011: £nil) in respect of monitoring fees by Octopus Investments Limited, a related party due to its significant influence over the entity.

During the year, arrangement fees of £100,000 (2011: £nil) were charged by Octopus Investments Limited. Octopus Investments Limited also recharged legal fees totalling £3,000 (2011: £nil) to the Group. At the year end, an amount of £7,406 (2011: £nil) was outstanding, which is included in trade creditors.

P S Latham is a director of Fern Trading Limited. During the year, a loan totalling £5,630,300 (2011: £nil) was received from Fern Trading Limited. Interest of £184,458 (2011: £nil) has been charged to the Group during the year. The amount owed to Fern Trading Limited at the balance sheet date was £5,814,758 (2011: £nil).

MEDIACO BUSINESS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

19 Controlling party

In the opinion of the directors, the Company does not have a controlling party