

# REGISTRAR

**DOLPHIN FINANCE CORPORATION PLC**  
(Company number 1549655)

**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2012**

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COMPANIES HOUSE

## **DOLPHIN FINANCE CORPORATION PLC**

<b>Directors</b>	Mr L W Melville Mr L D Melville
<b>Secretary</b>	Mrs G F Ellis
<b>Registered Office</b>	4th Floor 7/10 Chandos Street London, W1G 9DQ
<b>Auditors</b>	Simmons Gainsford LLP 7/10 Chandos Street Cavendish Square London, W1G 9DQ

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### **REPORT OF THE DIRECTORS**

The directors present their report with the accounts of the Group for the year ended 31st December 2012

#### **Principal activities**

The principal activities of the Company in the year under review were the provision of finance and management services, leasing capital equipment and dealing in securities. The principal activities of its subsidiary undertakings are the provision and installation of electronic payment software and the storage of multi-media content.

#### **Business review and future developments**

The results for the year are as set out in the attached accounts.

The directors are pleased to report an operating profit for the year. However, one of the Company's associated undertakings went into liquidation during the year and full provision has been made against this investment, resulting in a loss for the year.

The directors continue to develop the future profitability of the Group.

#### **Directors**

The directors in office in the year were as follows:

L W Melville  
L D Melville

#### **Fixed assets**

Changes in the fixed assets of the Company are as shown in the notes to the accounts.

#### **Payments policy**

In the absence of dispute, amounts due to suppliers are settled within their terms of payment. At 31st December 2012, there were 8 suppliers' days outstanding (2011: 3).

## **DOLPHIN FINANCE CORPORATION PLC**

### **REPORT OF THE DIRECTORS (continued)**

#### **Financial Instruments**

The Group's financial instruments include cash, listed and unlisted investments and borrowings from related undertakings. In addition, the Group has various other financial assets and liabilities such as trade debtors and trade creditors. The company has a policy of trading in certain listed investments at the discretion of the directors.

The main risks arising from the Group's financial instruments are interest, liquidity and market conditions affecting the listed investments. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged throughout the year.

#### **Interest rate risk**

The Group is exposed to interest rate risk on its bank deposits. All amounts are held in Sterling.

#### **Liquidity risk**

The Group manages its cash balances in order to maximise interest income whilst ensuring the Group has sufficient liquid resources to meet its requirements.

#### **Market conditions**

The Group is exposed to fluctuations in the market conditions affecting its listed investments. The Board monitors these conditions and manages the investments accordingly.

#### **Disclosure of information to auditors**

So far as each director at the date of the approval of this report are aware:

- there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **Reappointment of auditors**

The auditors, Simmons Gainsford LLP, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

By order of the board



L D Melville  
Director

28<sup>th</sup> June - 2013

## **DOLPHIN FINANCE CORPORATION PLC**

### **DIRECTORS' RESPONSIBILITIES FOR PREPARING THE ACCOUNTS**

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The directors are responsible for preparing 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). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

# INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

## DOLPHIN FINANCE CORPORATION PLC

We have audited the group and parent company financial statements of Dolphin Finance Corporation PLC for the year ended 31st December 2012 on pages 5 to 18, which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related Notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibility Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### 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 31st December 2012 and of the Group's loss for the period then ended, and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006.

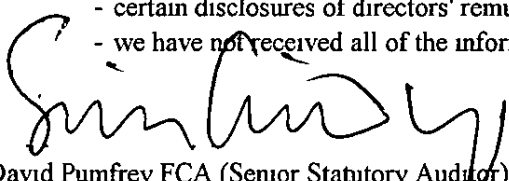
### Opinion on other matters prescribed by the Companies Act 2006

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

### 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's 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 of the information and explanations we require for our audit.

  
David Pumfrey FCA (Senior Statutory Auditor)  
for and on behalf of Simmons Gainsford LLP  
Chartered Accountants and Statutory Auditors

7/10 Chandos Street  
Cavendish Square  
London  
W1G 9DQ

28<sup>th</sup> Jan 2013

**DOLPHIN FINANCE CORPORATION PLC**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2012**

	Note	2012	2011
		£	£
<b>Turnover</b>	<b>2</b>	1,297,601	1,390,033
Cost of sales		291,066	3,978
<b>Gross profit</b>		<u>1,588,667</u>	<u>1,394,011</u>
Administrative expenses		(870,255)	(1,033,131)
<b>Group Operating profit</b>	<b>3</b>	718,412	360,880
<b>Operating (loss) from interests in associates</b>		(116,055)	(94,488)
Loss on liquidation of associate		(1,212,249)	-
Surplus on disposal of loan notes		-	57,965
Interest receivable - associates		442	834
Interest payable - group		(1,615)	(2,223)
Interest payable - associates		(27,215)	(35,400)
		<u>(28,830)</u>	<u>(37,623)</u>
<b>(Loss) / profit on ordinary activities before taxation</b>		(638,280)	287,568
<b>Taxation</b>	<b>5</b>	(162,047)	(54,175)
<b>(Loss) / profit on ordinary activities after taxation</b>		(800,327)	233,393
<b>Minority interests</b>		(59,821)	(56,418)
<b>(Loss) / profit on ordinary activities after taxation and minority interests</b>		<u>£ (860,148)</u>	<u>£ 176,975</u>

*Total recognised gains and losses*

The Group has no recognised gains and losses other than the profit for the above two financial periods

The profit and loss account has been prepared on the basis that all operations are continuing

The notes on pages 9 to 18 form part of these accounts

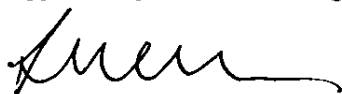
**DOLPHIN FINANCE CORPORATION PLC**

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

		<b>2012</b>		<b>2011</b>	
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Intangible fixed assets	7	191,496		228,176	
Tangible fixed assets	8	30,799		402,976	
Investments in associates	9	1,602,716		1,978,663	
other		1,000,000		1,000,000	
		<hr/>	2,825,011	<hr/>	3,609,815
			<hr/>		<hr/>
			2,825,011		3,609,815
<b>Current assets</b>					
Stock	10	2,016,846		1,686,398	
Debtors	11	849,886		740,199	
Cash at bank		3,489,834		3,728,796	
		<hr/>		<hr/>	
		6,356,566		6,155,393	
<b>Creditors: amounts falling due within one year</b>	12	(7,014,022)		(6,793,968)	
		<hr/>		<hr/>	
<b>Net current (liabilities)</b>			(657,456)		(638,575)
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>		<b>£ 2,167,555</b>		<b>£ 2,971,240</b>	
		<hr/> <hr/>		<hr/> <hr/>	
<i>Represented by</i>					
<b>Creditors: amounts falling due after one year</b>	13		-		3,359
<b>Capital and reserves</b>					
Called up share capital	14	12,600		12,600	
Profit and loss account	15	2,177,032		3,037,180	
		<hr/>		<hr/>	
Shareholders' funds	16		2,189,632		3,049,780
<b>Minority interests</b>			(22,077)		(81,899)
			<hr/>		<hr/>
		<b>£ 2,167,555</b>		<b>£ 2,971,240</b>	
		<hr/> <hr/>		<hr/> <hr/>	

The notes on pages 9 to 18 form part of these accounts

Approved by the board and signed on its behalf by



L D Melville  
Director  
(Company number 01549655)

20<sup>th</sup> June 2013

**DOLPHIN FINANCE CORPORATION PLC**

**COMPANY BALANCE SHEET AS AT 31ST DECEMBER 2012**

		<b>2012</b>		<b>2011</b>	
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible fixed assets	<b>8</b>		30,799		64,629
Investments	<b>9</b>		2,236,484		3,263,369
			<u>2,267,283</u>		<u>3,327,998</u>
<b>Current assets</b>					
Stock	<b>10</b>	2,016,846		1,686,398	
Debtors	<b>11</b>	517,934		727,451	
Cash at bank		3,467,835		3,658,425	
		<u>6,002,615</u>		<u>6,072,274</u>	
<b>Creditors: amounts falling due within one year</b>	<b>12</b>	<u>(6,845,284)</u>		<u>(6,467,643)</u>	
<b>Net current (liabilities)</b>			<u>(842,669)</u>		<u>(395,369)</u>
<b>Total assets less current liabilities</b>		<u><u>£ 1,424,614</u></u>		<u><u>£ 2,932,629</u></u>	
<i>Represented by</i>					
<b>Creditors: amounts falling due after one year</b>	<b>13</b>		-		3,359
<b>Capital and reserves</b>					
Called up share capital	<b>14</b>	12,600		12,600	
Profit and loss account	<b>15</b>	1,412,014		2,916,670	
		<u>1,424,614</u>		<u>2,929,270</u>	
Shareholders' funds	<b>16</b>		<u>1,424,614</u>		<u>2,929,270</u>
		<u><u>£ 1,424,614</u></u>		<u><u>£ 2,932,629</u></u>	

The notes on pages 9 to 18 form part of these accounts

Approved by the board and signed on its behalf by



L D Melville  
Director  
(Company number 01549655)

*28<sup>th</sup> Jan* 2013



**DOLPHIN FINANCE CORPORATION PLC**

**CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31ST DECEMBER 2012**

	2012 £	2011 £	
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit	718,412	360,880	
(Profit) on disposal of fixed assets	(3,374)	-	
Depreciation	33,831	39,723	
Amortisation	36,680	36,680	
(Increase) in stock	(330,448)	(43,923)	
(Increase) / decrease in debtors	(159,623)	736,747	
Increase / (decrease) in creditors	139,115	(233,558)	
<b>Net cash inflow from operating activities</b>	<b>434,593</b>	<b>896,549</b>	
<b>CASH FLOW STATEMENT</b>			
<b>Net cash inflow from operating activities</b>	<b>434,593</b>	<b>896,549</b>	
<b>Returns on investments and servicing of finance</b>			
Interest paid	(1,615)	(2,223)	
<b>Taxation - paid</b>	<b>(20,639)</b>	<b>-</b>	
<b>Capital expenditure and financial investment</b>			
Loan to associate	(885,269)	(997,347)	
Repayments from associates	-	192,305	
Investment in shares of associates	(107,752)	-	
Other investments	-	(30,000)	
Sale of fixed assets	341,720	-	
Purchase of fixed assets	-	(338,346)	
<b>(Decrease) in cash</b>	<b>(238,962)</b>	<b>(279,062)</b>	
<b>Reconciliation of net cash flow to movement in net funds</b>			
<b>(Decrease) in cash</b>	<b>(238,962)</b>	<b>(279,062)</b>	
<b>Change in net funds (see below)</b>	<b>(238,962)</b>	<b>(279,062)</b>	
Net funds at 1st January	3,728,796	4,007,858	
Net funds at 31st December	3,489,834	3,728,796	
<b>Analysis of change in net funds</b>			
	<b>At 1/1/12</b>	<b>Cash flows</b>	<b>At 31/12/12</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank	3,728,796	(238,962)	3,489,834
	3,728,796	(238,962)	3,489,834

The notes on pages 9 to 18 form part of these accounts

# **DOLPHIN FINANCE CORPORATION PLC**

## **NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31ST DECEMBER 2012**

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### **1 Accounting policies**

**(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards

**(b) Group accounts**

The group financial statements consolidate those of the company and its subsidiary undertakings drawn up to 31 December 2012 Profits and losses on intra-group transactions are eliminated in full

**(c) Turnover**

Turnover represents management fees receivable and interest receivable on loans and investments, recognised in the period to which they relate

**(d) Fixed assets and depreciation**

Depreciation is provided at the following rates in order to write off the assets over their useful lives

Plant and machinery	20% straight line
Fixtures and fittings (including computer equipment)	15 - 100% straight line
Improvements to premises	15% straight line

In accordance with Statement of Standard Accounting Practice Number 19, no depreciation is provided in respect of freehold investment properties This is a departure from the requirements of the Companies Act 2006 The amount of depreciation which might otherwise have been provided cannot be separately identified or quantified The directors consider that this policy results in the accounts giving a true and fair view

**(e) Deferred taxation**

Full provision is made for deferred taxation resulting from material timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse

**(f) Stock**

Stock has been valued at the lower of cost and net realisable value

**(g) Goodwill**

Where a company or business has been accounted for using the principles of acquisition accounting, fair values are attributed to the company's share of the separable net assets acquired When the cost of acquisition exceeds the values attributed to such net assets, the difference is recognised as goodwill Goodwill is written off over its useful economic life which is considered by the directors to be 10 years

# DOLPHIN FINANCE CORPORATION PLC

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2012

### 2 Turnover

The gross income and profit are attributable to the following principal activities of the Group

Analysis of turnover	2012	2011
	£	£
Interest on advances	8,436	148,025
Bank interest	3,437	50,160
Income from securities	261,446	151,831
Installation of electronic payment services	348,331	354,488
Multi-media storage	155,279	144,632
Property rental income	11,249	13,750
Management fees	509,423	527,147
	<u>£ 1,297,601</u>	<u>£ 1,390,033</u>

All turnover is with customers external to the group

Analysis of profit	2012	2011
	£	£
Lending	8,436	148,025
Bank interest	3,437	50,160
Income from securities	591,894	195,754
Installation of electronic payment services	268,450	262,077
Multi-media storage	119,916	106,035
Property rental	10,986	13,061
Management fees	509,423	527,147
	<u>1,512,542</u>	<u>1,302,259</u>
Unallocated administrative expenses	<u>(794,129)</u>	<u>(941,379)</u>
	<u>£ 718,413</u>	<u>£ 360,880</u>

Analysis of net assets	2012	2011
	£	£
Lending	935,877	1,604,847
Bank interest	3,467,835	3,658,425
Income from securities	2,016,846	1,686,398
Installation of electronic payment services	391,296	104,465
Multi-media storage	22,347	23,082
Management fees	-	-
	<u>6,834,201</u>	<u>7,077,217</u>
Unallocated net (liabilities)	<u>(4,666,646)</u>	<u>(4,105,977)</u>
	<u>£ 2,167,555</u>	<u>£ 2,971,240</u>

# DOLPHIN FINANCE CORPORATION PLC

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2012

### 3 Group operating profit

The operating profit is stated after charging / (crediting)

	2012 £	2011 £
Staff costs (note 4)	229,411	204,059
Auditors' remuneration		
Audit fees	4,250	4,000
Company	11,250	10,000
Group	47,888	38,082
Non-audit fees	36,680	36,680
Other services	(3,374)	-
Amortisation of Goodwill	33,831	39,723
(Profit) on disposal of fixed assets		
Depreciation		
	<u>229,411</u>	<u>204,059</u>

### 4 Employee information

#### Staff costs

	2012 £	2011 £
Salaries	198,222	178,306
Employer's national insurance	31,189	25,753
	<u>229,411</u>	<u>204,059</u>
	<u>£ 229,411</u>	<u>£ 204,059</u>

The average monthly number of employees during the year was as follows

Office and administration	8	7
	<u>8</u>	<u>7</u>
Directors' emoluments	71,008	55,948
	<u>71,008</u>	<u>55,948</u>

# DOLPHIN FINANCE CORPORATION PLC

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2012

		2012 £	2011 £
<b>5 Taxation</b>			
UK corporation tax			
Current year	- group	96,813	21,864
	- associates	63,828	32,311
Previous years	- group	1,406	-
		<u>£ 162,047</u>	<u>£ 54,175</u>
<b>Tax reconciliation</b>			
Tax on profit on ordinary activities, excluding associate, at UK corporation tax rate of 20% (2011 21%)		(127,656)	60,389
Effects of			
Depreciation in excess of capital allowances		4,168	4,571
Amortisation not deductible for tax purposes		7,336	7,703
Use of losses brought forward		(77,761)	(80,647)
Expenses not deductible for tax purposes		274,455	30,560
Adjustment in respect of prior periods		1,406	-
Other adjustments		16,271	(711)
Tax on share of associates profits		63,828	32,311
		<u>£ 162,047</u>	<u>£ 54,176</u>

The group has Corporation Tax losses carried forward of £63,574 (2011 £452,381)

## 6 Profit on Ordinary Activities after Taxation

The parent company has taken advantage of Section 408 Companies Act 2006 and has not included its own profit and loss account in these financial statements

The parent company's (loss)/profit after taxation for the year was £(1,504,656) (2011 £33,551)

**DOLPHIN FINANCE CORPORATION PLC**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31ST DECEMBER 2012**

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**7 Intangible fixed assets**

<b>Group</b>	<b>Goodwill £</b>
<b>Cost</b>	
At 1 January 2012	366,796
	<hr/>
At 31 December 2012	366,796
	<hr/>
<b>Amortisation</b>	
At 1 January 2012	138,620
Charge for the year	36,680
	<hr/>
At 31 December 2012	175,300
	<hr/>
<b>Net book value</b>	
At 31 December 2012	£ 191,496
	<hr/>
At 31 December 2011	£ 228,176
	<hr/>

**DOLPHIN FINANCE CORPORATION PLC**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31ST DECEMBER 2012**

**8 Tangible fixed assets**

**GROUP**

	Investment Property £	Fixtures and Fittings £	Improvements to Premises £	Plant and Machinery £	Total £
<b>Cost</b>					
At 1st January 2012	338,346	230,908	109,070	40,965	719,289
Disposals during year	(338,346)	-	-	-	(338,346)
At 31st December 2012	-	230,908	109,070	40,965	380,943
<b>Depreciation</b>					
At 1st January 2012	-	209,120	80,611	26,582	316,313
Provision for year	-	12,575	16,462	4,794	33,831
At 31st December 2012	-	221,695	97,073	31,376	350,144
<b>Net book value</b>					
At 31st December 2012	£ -	£ 9,213	£ 11,997	£ 9,589	£ 30,799
At 31st December 2011	£ 338,346	£ 21,788	£ 28,459	£ 14,383	£ 402,976

**COMPANY**

	Fixtures and Fittings £	Improvements to Premises £	Plant and Machinery £	Total £
<b>Cost</b>				
At 1st January 2012 and 31st December 2012	84,477	109,070	40,965	234,512
<b>Depreciation</b>				
At 1st January 2012	62,690	80,611	26,582	169,883
Provision for year	12,574	16,462	4,794	33,830
At 31st December 2012	75,264	97,073	31,376	203,713
<b>Net book value</b>				
At 31st December 2012	£ 9,213	£ 11,997	£ 9,589	£ 30,799
At 31st December 2011	£ 21,787	£ 28,459	£ 14,383	£ 64,629

# DOLPHIN FINANCE CORPORATION PLC

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2012

### 9 Investments

#### COMPANY AND GROUP

The Company's investments in Associates, all of which are incorporated in England and Wales, are as follows

	Shares held	Principle activity
Wirefast Limited	42%	Provision of secure electronic messaging and news aggregation delivery services
Green Baby Trading Limited	25%	Importation and distribution of children's clothes
(11% of this interest is held in trust for J Powell-Tuck, an employee of the company)		
During the year Green Baby Trading Limited has gone into liquidation		
Ingazzi Limited	30%	The creation, marketing and selling of a carbonation system for drinks
(11% of this interest is held in trust for J Powell-Tuck, an employee of the company)		

The Group's share of the results of the Associates are as follows

	Wirefast Limited		Green Baby Trading Limited		Total for Associates	
	2012	2011	2012	2011	2012	2011
	£	£	£	£	£	£
Turnover	2,957,584	2,686,859	214,744	411,099	3,172,782	3,097,959
Profit before tax	254,193	193,196	(74,326)	(172,324)	114,554	(66,145)
Taxation	(63,828)	(32,311)	-	-	(63,828)	(32,311)
Profit after tax	190,365	160,885	(74,326)	(172,324)	50,726	83,195
Fixed assets	49,965	60,675	-	21,923	109,118	83,195
Current assets	1,422,703	1,014,862	-	221,500	1,505,511	1,292,307
Liabilities due within one year	(665,666)	(458,901)	-	(133,151)	(366,333)	(740,652)
Liabilities due after one year	-	-	-	(335,625)	-	(335,625)

The net assets of the associates includes unamortised goodwill of £16,777 (2011 £259,396) arising on the acquisition of the group's interests in the companies

#### COMPANY

	Loans to Subsidiary Undertakings	Shares in Subsidiaries and Associates	Loans to Associates	Other	Total
	£	£		£	£
<b>Cost</b>					
At 1st January 2012	624,685	233,837	1,404,847	1,000,000	3,263,369
Additions	-	107,752	885,269	-	993,021
Repayments during year	(324,685)	-	-	-	(324,685)
At 31st December 2012	300,000	341,589	2,290,116	1,000,000	3,931,705
<b>Provision</b>					
At 1st January 2012	-	-	-	-	-
Movement during year	-	(340,982)	(1,354,239)	-	(1,695,221)
At 31st December 2012	-	(340,982)	(1,354,239)	-	(1,695,221)
<b>Net book value</b>					
At 31st December 2012	£ 300,000	£ 607	£ 935,877	£1,000,000	£2,236,484
At 31st December 2011	£ 624,685	£ 233,837	£1,404,847	£1,000,000	£3,263,369

The company has a 100% holding in Payonomy Limited, a company incorporated in England and Wales, whose principle activity is the provision and installation of electronic payment software



# DOLPHIN FINANCE CORPORATION PLC

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2012

### 9 Investments Continued

The company has a 85% holding in Tradeclips Limited, a company incorporated in England and Wales, whose principle activity is the storage of multi-media content

The company holds 11% of its interest in both Payonomy Limited and Tradeclips Limited in trust for J Powell-Tuck, an employee of the company This forms part of the minority interest

The company has a 100% interest in DFC Estates Limited, a company incorporated in England and Wales, whose principle activity is property investment

### 10 Stock

#### Group and Company

	2012	2011
Permanent interest bearing shares and subordinated bonds	£ 2,016,846	£ 1,686,398

### 11 Debtors

	2012		2011	
	Group £	Company £	Group £	Company £
Trade debtors	53,973	-	248,936	200,000
Amount due from related undertakings	2,330	2,330	2,330	2,330
Other debtors	708,926	377,870	335,325	334,721
Prepayments and accrued income	84,657	137,734	153,608	190,400
	<u>£ 849,886</u>	<u>£ 517,934</u>	<u>£ 740,199</u>	<u>£ 727,451</u>

### 12 Creditors: amounts falling due within one year

	2012		2011	
	Group £	Company £	Group £	Company £
Amounts due to related undertakings	6,664,315	6,664,315	6,401,795	6,401,795
Amounts due to subsidiary undertakings	-	25,733	-	85
Trade creditors	13,081	6,872	7,015	-
Corporation tax	99,444	92,305	21,864	19,121
Other taxes and social security	35,190	26,661	31,116	19,927
Other creditors	129,287	-	261,511	-
Accruals and deferred income	72,705	29,398	70,667	26,715
	<u>£ 7,014,022</u>	<u>£ 6,845,284</u>	<u>£ 6,793,968</u>	<u>£ 6,467,643</u>

# DOLPHIN FINANCE CORPORATION PLC

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2012

### 13 Creditors: amounts falling due after more than one year

#### Group and Company

	2012	2011
Director's loan account	£ -	£ 3,359

### 14 Called up share capital

#### Group and Company

	2012 £	2011 £
Authorised 50,100 ordinary shares of £1 each	£ 50,100	£ 50,100
	100	100
Allotted and fully paid - 100 ordinary shares of £1 each	12,500	12,500
Allotted and partly paid - 50,000 ordinary shares of £1 each, 25p paid	£ 12,600	£ 12,600

### 15 Reserves

#### Profit and Loss account

	2012 Group £	2012 Company £	2011 Group £	2011 Company £
(Loss)/profit for the financial year	(860,148)	(1,504,656)	176,975	33,551
Balance at 1st January 2012	3,037,180	2,916,670	2,860,205	2,883,119
Balance at 31st December 2012	£ 2,177,032	£ 1,412,014	£ 3,037,180	£ 2,916,670

### 16 Shareholders' funds

	2012 Group £	2012 Company £	2011 Group £	2011 Company £
Shareholders' funds at 1 January 2012	3,049,780	2,929,270	2,872,805	2,895,719
(Loss)/profit for the financial year	(860,148)	(1,504,656)	176,975	33,551
Shareholders' funds at 31 December 2012	£ 2,189,632	£ 1,424,614	£ 3,049,780	£ 2,929,270

# DOLPHIN FINANCE CORPORATION PLC

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2012

### 17 Related party transactions

#### Group and Company

L W Melville, director, has loaned monies interest free to the Company. The balances outstanding at the beginning and end of the year were as follows -

1st January 2012	£	3,359	due from the Company
31st December 2012	£	5,641	due to the Company

During the year rent was payable to L D Melville, a director, of £140,000 (2011 £140,000)

The Company has borrowed monies interest free from the following related undertakings in which L W Melville has a beneficial interest

	2012 £	2011 £
Grafton Estates PLC	4,227,000	4,227,000
S L M Holdings Limited	1,927,448	2,027,448

During the year, management fees and interest of £542,423 (2011 £494,147) and £Nil (2011 £6,875), respectively, were charged to Wirefast Limited, the Company's associated undertaking. During the year, loan notes of £Nil (2011 £179,905) were repaid by Wirefast Limited. Included in creditors is £509,868 (2011 £147,347) due to Wirefast Limited.

During the year, management fees and interest of £33,000 (2011 £33,000) and £2,813 (2011 £50,875), respectively, were credited (2011 charged) to Green Baby Trading Limited, the Company's associated undertaking.

During the year, loan notes of £Nil (2011 £12,500) were repaid by Green Baby Trading Limited. Included in investments is £1,695,221 (2011 £967,500) relating to Green Baby Trading Limited. This company is now in administration and these balances have been fully provided for in the year. Further amounts of £192,900 (2011 £82,938) were due from Green Baby Limited and these balances have also been written off.

Included in investments is £935,877 (2011 £437,347) due from Ingazzi Limited, the Company's associated undertaking. Interest of £6,560 (2011 £6,544) was charged on this loan during the year. At the year end, included in debtors is unpaid interest of £15,435 (2011 £8,875).

At the year end an amount of £266,387 (2011 £266,387) was due from a trust associated with L D Melville, director.

#### Group

Included in debtors and creditors are £330,442 (2011 £nil) and £66,465 (2011 £191,334), respectively, due from / to Wirefast Limited. During the year, the Group charged Wirefast Limited £375,000 (2011 £375,000) for the use of secure data storage facility and the provision of network and other services.

Included in debtors is £nil (2011 £3,000) due from Green Baby Trading Limited for the provision of secure data storage facility in the year.

### 18 Ultimate controlling party

The Company regards L W Melville, director, as its ultimate controlling party by virtue of his shareholding in the Company. He was also the ultimate controlling party in the previous financial period.

### 19 Contingent Liability

#### Company

The company has indicated that it will provide financial support to its subsidiary undertakings to allow them to meet their liabilities as they fall due. At the Balance Sheet date, the subsidiary undertakings' net liabilities (excluding amounts due to the Company) were £147,320 (2011 £195,620).