Grant Thornton

Abbreviated accounts Dolphin Enterprises Europe Limited

For the year ended 31 March 2010

Company No. 03850899

Company information

Registered office	70-72 Evans Road Speke Merseyside L24 9PB
Directors	J Tavaria P Moss S Davey
Secretary	J Tavaria
Bankers	Bank of Scotland 36 Castle Street Liverpool L2 0NT
Solicitors	Guy Williams Layton Pacific Chambers 11/13 Victoria Street Liverpool L2 5QQ
Auditor	Grant Thornton UK LLP Chartered Accountants Statutory Auditor Royal Liver Building Liverpool Merseyside L3 1PS

Index to the abbreviated accounts

Grant Thornton

Independent auditor's report to Dolphin Enterprises Europe Limited under Section 449 of the Companies Act 2006

We have examined the abbreviated accounts which comprise the accounting policies, balance sheet and the related notes, together with the financial statements of Dolphin Enterprises Europe Limited for the year ended 31 March 2010 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006 Our work has been undertaken so that we might state to the company those matters we are required to state to them in a special auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006 It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section

Other information

On the same date as this report we reported as auditor to the members of the company on the financial statements prepared under Section 396 of the Companies Act 2006 and our report included the following paragraph

Independent auditor's report to Dolphin Enterprises Europe Limited under Section 449 of the Companies Act 2006 (continued)

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the accounting policy concerning the company's ability to continue as a going concern As fully explained in the accounting policy, to allow the company to trade, funding has been secured which is due for renewal on 31 December 2010 The fact that the additional funding has not been secured for a longer period indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern in the longer term The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern

Grant Thornton UK LLP

Carl Williams
Senior Statutory Auditor
For and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Liverpool
24 December 2010

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention

The principal accounting policies have remained unchanged from previous years and are set out below

Going concern

The company's business activities together with the factors likely to affect its future development and performance are set out in the Report of the directors The bank facilities have been renewed post year end and the forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facility but they are due to expire on 31 December 2010 The Board has opened renewal discussions with the bank and whilst at this stage not sought any written commitment that the facility will be renewed, no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms, which is subject to normal credit committee approval

After making enquiries, the directors have a reasonable expectation that the company has adequate access to financial resources from both the bank and other stakeholders in order to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the financial statements accounts

Cash flow statement

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

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax and discounts Turnover is recognised upon delivery when the risks and rewards associated with the goods are transferred to the customer

Fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment

Depreciation

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

Leasehold property improvements	-	Over life of the lease
Fixtures, fittings and equipment	-	25% straight line
Motor vehicles	-	17 - 25% straight line
Computer equipment	-	33% straight line

Stocks

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

Operating lease agreements

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

Pension costs

The company operates a defined contribution pension scheme for employees The assets of the scheme are held separately from those of the company The annual contributions payable are charged to the profit and loss account

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date Deferred tax assets are recognised when it is more likely than not that they will be recovered Deferred tax is measured using rates of tax that have been enacted by the balance sheet date The company has not adopted a policy of discounting deferred tax

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction Exchange differences are taken into account in arriving at the operating profit

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

Abbreviated balance sheet

	Note	2010 £	2009 £
Fixed assets	1		
Tangible assets		**118,816**	197,033
Current assets			
Stocks		**1,017,492**	1,088,237
Debtors		**1,524,562**	1,525,418
Cash at bank and in hand		**150,044**	5,063
		2,692,098	2,618,718
Creditors. amounts falling due within one year	2	**2,217,791**	2,136,122
Net current assets		**474,307**	482,596
Total assets less current liabilities		**593,123**	679,629
Creditors amounts falling due after more than one year	3	**211,667**	205,084
Provisions for liabilities		**-**	8,547
		381,456	465,998
Capital and reserves			
Called-up equity share capital	4	**500**	500
Profit and loss account		**380,956**	465,498
Shareholders' funds		**381,456**	465,998

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on 22 December 2010, and are signed on their behalf by

J Tavaria
Director

Company Registration Number 03850899

Notes to the abbreviated accounts

1 Fixed assets

	Tangible Assets
	£
Cost	
At 1 April 2009	322,242
Additions	9,293
Disposals	(105,632)
At 31 March 2010	225,903
Depreciation	
At 1 April 2009	125,209
Charge for year	69,907
On disposals	(88,029)
At 31 March 2010	107,087
Net book value	
At 31 March 2010	118,816
At 31 March 2009	197,033

2 Creditors: amounts falling due within one year

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

	2010	2009
	£	£
Other loans	92,500	30,000
Bank loans and overdrafts	343,990	258,035
Amounts due under hire purchase agreements	25,292	15,907
	461,782	303,942

3 Creditors: amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2010	2009
	£	£
Other loans	211,667	75,000
Bank loans	-	94,007
Amounts due under hire purchase agreements	-	36,077
	211,667	205,084

4 Share capital

Authorised share capital

	2010	2009
	£	£
10,000 Ordinary shares of £0 05 each	**500**	500

Allotted, called up and fully paid

	2010		2009	
	No	£	No	£
10,000 Ordinary shares of £0 05 each	**10,000**	**500**	10,000	500

5 Ultimate parent company

The parent company is Dolphin Music Holdings Limited, a company incorporated in England & Wales

6 Related party transactions

Included within directors current account is £55,000 owed from J Tavaria (2009 £181 was owed to J Tavaria) No interest is charged on these loans, which are unsecured During the year the maximum amount overdrawn on this account was £55,000 (2009 £nil) which has been repaid post year end