

Registered No 2090645

American Pizza Company Limited

Report and Financial Statements

25 December 2011



American Pizza Company Limited

Registered No 2090645

Directors

S G Hemsley
L Batchelor
L D Ginsberg
A Batty

Secretary

A Batty

Auditors

Ernst & Young LLP
No 1 Colmore Square
Birmingham
B4 6HQ

Bankers

Barclays Bank Plc
669 Midsummer Boulevard
Central Milton Keynes
Buckinghamshire
MK9 3BQ

Registered office

1 Thornbury
West Ashland
Milton Keynes
MK6 4BB

Directors' report

The directors present their report and financial statements for the year ended 25 December 2011

Results and dividends

The loss after taxation for the period amounted to £nil (2010 £25). The directors do not recommend the payment of any dividends. Preference dividends were not paid nor are proposed.

Principal activities and review of the business

The company did not trade at any point during the year. The directors do not recommend the payment of any dividends.

Directors

The directors who served throughout the period were as follows -

S G Hemsley
C H R Moore (Resigned 26th December 2011)
L Batchelor (Appointed 27th June 2011)
L D Ginsberg
A Batty

The directors had no interest, as defined by the Companies Act 2006, in the share capital of the company at any time during the year.

S Hemsley, L Batchelor and L Ginsberg are also directors of Domino's Pizza UK & IRL plc, the immediate parent company and details of their interests therein are shown in the directors' report of that company for the year ended 25 December 2011.

Disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Special provisions

The directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small entities.

Financial instruments

The company's principal financial instruments are cash and trade debtors.

The company has not entered into any derivative transactions such as interest rate swaps or financial foreign currency contracts. The main risks arising from the company's financial instruments are cash flow interest risk, fair value interest rate risk and credit risk. In view of the low level of foreign currency transactions the Board does not consider there to be any significant foreign currency risks.

Directors' report

Going Concern

The Company expects to maintain its positive net asset position for the foreseeable future. The directors, having assessed the Company have no reason to believe that a material uncertainty exists that casts significant doubt over its ability to continue as a going concern or its ability to continue with the current banking arrangements. On the basis of their assessment of the company's financial position and of the enquiries made the directors reasonably expect that the company will be able to continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the board



A Batty
Secretary

7th August 2012

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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 members of American Pizza Company Limited

We have audited the financial statements of American Pizza Company Limited for the year ended 25 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 11. 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 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 of the financial statements

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. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 25 December 2011 and of its results for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on 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.

Independent auditors' report
to the members of American Pizza Company 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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 take advantage of the small companies' exemption in preparing the directors' report

Ernst & Young LLP

Simon O'Neill (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

10/8/2012

Profit and loss account

for the year ended 25 December 2011

		<i>Year ended 25 December 2011</i>	<i>Year ended 26 December 2010</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
Turnover	2	-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administrative expenses		-	(25)
		<hr/>	<hr/>
Operating loss	3	-	(25)
Loss on ordinary activities before taxation		-	(25)
Tax on loss on ordinary activities	5	-	-
		<hr/>	<hr/>
Loss for the financial year transferred to reserves		-	(25)
		<hr/>	<hr/>

The company has no recognised gains or losses other than the results for the period as set out above
All activities relate to continuing operations

American Pizza Company Limited

Registered No 2090645

Balance sheet at 25 December 2011

		<i>At 25 December 2011</i>	<i>At 26 December 2010</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
Current assets			
Debtors	6	1,107,637	1,188,943
Cash at bank		-	4,980
		<u>1,107,637</u>	<u>1,193,923</u>
Creditors amounts falling due within one year	7	(667)	(86,953)
Net current assets		<u>1,106,970</u>	<u>1,106,970</u>
Total assets less current liabilities		<u>1,106,970</u>	<u>1,106,970</u>
		<u>1,106,970</u>	<u>1,106,970</u>
Capital and reserves			
Called up share capital	9	1,717,073	1,717,073
Share premium account	10	337,212	337,212
Profit and loss account	10	(947,315)	(947,315)
Equity shareholders' funds	10	<u>1,106,970</u>	<u>1,106,970</u>

The financial statements were approved by the Board on 7th August 2012 and were signed on its behalf by



L D Ginsberg
Director

Notes to the financial statements

at 25 December 2011

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards

The financial statements of American Pizza Company Limited were approved for issue by the Board of Directors on 7th August 2012

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements

Related party transactions

The company is a wholly owned subsidiary of Domino's Pizza UK & IRL plc, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with group companies

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions.

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

2. Turnover

Turnover, which is stated net of VAT, represents amounts receivable in respect of goods sold and management fees receivable

Turnover is attributable to one continuing activity, that of the operation and development of Domino's Pizza delivery stores in the United Kingdom

Notes to the financial statements

at 25 December 2011

3. Operating loss

This is stated after charging

	<i>Year ended 25 December 2011 £</i>	<i>Year ended 26 December 2010 £</i>
Auditors' remuneration - audit of the financial statements*	-	-
Depreciation of owned fixed assets	-	-
Amortisation	-	-
Operating lease rentals	-	-

* Auditors' remuneration for the year ended 25 December 2011 has been borne by the parent company

4. Staff costs

No salaries or wages have been paid to employees, including directors, during the year (2010 nil). The directors were remunerated by Domino's Pizza Group Limited. The following disclosures relate to the total amounts paid to the directors of American Pizza Company Limited for their services to this company and other subsidiaries of the Group. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of other fellow subsidiaries.

	<i>Year ended 25 December 2011 £</i>	<i>Year ended 26 December 2010 £</i>
Emoluments	1,806,000	1,960,000
Company contributions paid to individual personal pension plan	131,000	96,000

	<i>Year ended 25 December 2011 No</i>	<i>Year ended 26 December 2010 No</i>
Members of money purchase pension schemes	4	3

The amounts in respect of the highest paid director are as follows

	<i>Year ended 25 December 2011 £</i>	<i>Year ended 26 December 2010 £</i>
Emoluments	630,000	809,000
Company contributions paid to individual personal pension plan	61,000	47,000

Notes to the financial statements

at 25 December 2011

5. Tax on loss on ordinary activities

(a) Tax on loss on ordinary activities

The tax charge/(credit) is made up as follows

	Year ended 25 December 2011 £	Year ended 26 December 2010 £
<i>Current tax</i>		
Total current tax (note 5(b))	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
Tax on loss on ordinary activities	-	-

(b) Factors affecting current tax charge/(credit)

The differences are reconciled below

	Year ended 25 December 2011 £	Year ended 26 December 2010 £
Loss on ordinary activities before tax	-	(25)
Loss on ordinary activities at standard rate of tax – 26.5% (2010 – 28%)	-	(7)
Group claim	-	7
Total current tax (note 5(a))	-	-

In his budget on 23 March 2011, the Chancellor of the Exchequer announced tax changes, which have an effect on the Company's current and future tax position. The changes announced were further decreases in the rate of UK corporation tax to 26% from April 2011 to 25% from April 2012 and by a further 1% each year to 23% from April 2014. The reductions to 26% and 25% were substantively enacted during the year, as were reductions in the main and special rates of capital allowances from 20% and 10% to 18% and 8% respectively effective from April 2012. The effect on the Company of these changes to the UK tax system have been reflected in the Company's financial statements for the 52 weeks ending 25 December 2011 to the extent which they have been substantively enacted as at 25 December 2011.

The further reductions to 24% and 23% had not been substantively enacted at the year end and therefore are not reflected in these financial statements.

6. Debtors

	At 25 December 2011 £	At 26 December 2010 £
Amounts owed by group undertakings	1,107,637	1,188,943
	<u>1,107,637</u>	<u>1,188,943</u>

Notes to the financial statements

at 25 December 2011

7. Creditors: amounts falling due within one year

	<i>At 25 December 2011 £</i>	<i>At 26 December 2010 £</i>
Other creditors	667	667
Amounts owed to group undertakings	-	86,286
	<u>667</u>	<u>86,953</u>

8. Contingent liability

The Group has entered into an agreement to obtain bank loans and mortgage facilities. These are secured by a fixed and floating charge over the Group's assets and an unlimited guarantee provided by Domino's Pizza UK & IRL plc. At 25 December 2011 the balance due under these facilities was £12,034,622 (2010 £12,034,622). The loans bear interest at 0.50% (2010 0.50%) above LIBOR. The loan has a term of 7 years and matures on 31 January 2014.

9. Share capital

	<i>At 25 December 2011 £</i>	<i>At 26 December 2010 £</i>
Ordinary shares of £1 each	10,000	10,000
Redeemable Preference shares of £1 each	2,000,000	2,000,000
	<u>2,010,000</u>	<u>2,010,000</u>

	<i>Allotted, called up and fully paid</i>			
	<i>At 25 December 2011</i>		<i>At 26 December 2010</i>	
	<i>No</i>	<i>£</i>	<i>No</i>	<i>£</i>
Ordinary shares of £1 each	1,536	1,536	1,536	1,536
Redeemable Preference shares of £1 each	1,715,537	1,715,537	1,715,537	1,715,537
	<u>1,717,073</u>	<u>1,717,073</u>	<u>1,717,073</u>	<u>1,717,073</u>

The preference shares may be redeemed at par at the discretion of the company at any time from the dates below:

	<i>Number of shares</i>	<i>Redemption date</i>
Preference shares of £1 each	500,000	17/01/91
Preference shares of £1 each	783,333	11/01/92
Preference shares of £1 each	432,204	23/12/98
	<u>1,715,537</u>	

Notes to the financial statements

at 25 December 2011

10. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i> £	<i>Share premium account</i> £	<i>Profit and loss account</i> £	<i>Total share- holders' funds</i> £
At 27 December 2009	1,717,073	337,212	(947,290)	1,106,995
Loss for the period	-	-	(25)	(25)
At 26 December 2010	1,717,073	337,212	(947,315)	1,106,970
Loss for the period	-	-	-	-
At 25 December 2011	<u>1,717,073</u>	<u>337,212</u>	<u>(947,315)</u>	<u>1,106,970</u>

11. Ultimate parent company and controlling party

In the opinion of the directors the immediate parent company and controlling party is Domino's Pizza UK & IRL plc, a company incorporated in the United Kingdom

The smallest and largest group and for which group financial statements are drawn up, and of which the company is a member, is Domino's Pizza UK & IRL plc, a company incorporated in the United Kingdom. Copies of the financial statements of Domino's Pizza UK & IRL plc may be obtained from its registered office, 1 Thornbury, West Ashland, Milton Keynes, MK6 4BB