

349202

DP GROUP DEVELOPMENTS LIMITED

Report and Accounts

30 December 2001

ERNST & YOUNG



DP Group Developments Limited

Registered no. 3419202

DIRECTORS

S G Hemsley
C H R Moore
A Mallows

SECRETARY

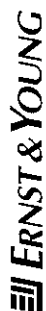
A Mallows

AUDITORS

Ernst & Young LLP
400 Capability Green
Luton
Beds
LU1 3LU

REGISTERED OFFICE

Domino's House
Lasborough Road
Kingston
Milton Keynes
Bucks
MK10 0AB

 ERNST & YOUNG

DP Group Developments Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 December 2001.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £738 (2000: loss £14,147). The directors do not recommend the payment of a dividend.

PRINCIPLE ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity during the year continued to be the acquisition, development and maintenance of commissary sites for its parent company.

DIRECTORS AND THEIR INTERESTS

The directors had no interest, as defined by the Companies Act 1985, in the share capital of the company at any time during the year.

S Hemsley and C Moore are also directors of Domino's Pizza UK & IRL plc, the immediate parent company, details of their interests therein are shown in the directors' report of that company for the year ended 30 December 2001. A Malloes has the following share options in Domino's Pizza UK & IRL plc:

<i>Date of grant</i>	<i>Number of ordinary shares under options</i>	<i>Exercise price per ordinary share</i>	<i>Date of expiry</i>
31.03.99	34,638	42.1p	30.03.2009
24.11.99	51,957	50p	23.11.2009
04.08.00	30,000	53p	03.08.2010
04.10.01	75,000	55p	03.10.2011

AUDITORS

A resolution to reappoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

By order of the board



Secretary

22 October 2002

DP Group Developments Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 accounts; and
- prepare the accounts 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 accounts comply with the Companies Act 1985. 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 DP Group Developments Limited

We have audited the company's accounts for the year ended 30 December 2001 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 12. These accounts have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Registered Auditor
Luton

22 October 2002

DP Group Developments Limited

PROFIT AND LOSS ACCOUNT for the year ended 30 December 2001

		2001	(Restated) 2000
	Notes	£	£
Rent receivable		104,000	106,000
GROSS PROFIT		<u>104,000</u>	<u>106,000</u>
Administrative expenses		60,925	65,046
PROFIT BEFORE TAXATION	2	<u>43,075</u>	<u>40,954</u>
Taxation	3	42,337	55,101
PROFIT/(LOSS) RETAINED FOR THE FINANCIAL YEAR	9	<u><u>738</u></u>	<u><u>(14,147)</u></u>

All turnover relates to continuing activities.

DP Group Developments Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 30 December 2001

	2001	(Restated) 2000
	£	£
Profit/(loss) attributable to the financial year	738	(14,147)
Prior period adjustment in relation to full provision for deferred tax	(148,227)	
TOTAL GAINS AND LOSS RECOGNISED SINCE THE LAST ANNUAL REPORT	(147,489)	

DP Group Developments Limited

BALANCE SHEET at 30 December 2001

		2001	(Restated) 2000
	Notes	£	£
FIXED ASSETS			
Tangible assets	4	4,471,123	4,069,175
		<u>4,471,123</u>	<u>4,069,175</u>
CURRENT ASSETS			
Debtors	5	2,874	—
		<u>2,874</u>	<u>—</u>
CREDITORS: amounts falling due within one year	6	4,576,642	4,214,895
NET CURRENT LIABILITIES		<u>(4,573,768)</u>	<u>(4,214,895)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(102,645)</u>	<u>(145,720)</u>
PROVISION FOR LIABILITIES AND CHARGES	7	(190,564)	(148,227)
		<u>(293,209)</u>	<u>(293,947)</u>
		<u></u>	<u></u>
CAPITAL AND RESERVES			
Called up share capital	8	10	10
Profit and loss account	9	(293,219)	(293,957)
		<u></u>	<u></u>
Equity shareholders' funds - deficit		<u>(293,209)</u>	<u>(293,947)</u>
		<u></u>	<u></u>



Director

22 October 2002

DP Group Developments Limited

NOTES TO THE ACCOUNTS

at 30 December 2001

1. ACCOUNTING POLICIES

Fundamental accounting concept

The accounts are prepared on a going concern basis as the immediate parent undertaking has agreed not to seek repayment at the expense of third party creditors.

Turnover

Turnover represents gross rents receivable. Substantially all such services are rendered within the United Kingdom.

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Tangible fixed assets and depreciation

Freehold land and buildings are stated at cost. Interest accrued during the building phase has been capitalised into the cost of the asset.

Freehold buildings are depreciated over 50 years, this being the rate calculated to write off the cost of each asset over its expected useful life. Provision for depreciation commenced on the date the building came into use.

Deferred taxation

The Group has adopted the new Accounting Standard on Deferred Taxation FRS 19. Comparative tax charge figures have been restated following the adoption of this Standard

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 right to pay less or to receive more tax, with the following exceptions:

- Provision is made for tax on gains from the revaluation (and similar fair value adjustments) of fixed assets, or 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 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. PROFIT BEFORE TAXATION

This is stated after charging:

	2001	2000
	£	£
Depreciation of owned fixed assets	61,926	58,210

DP Group Developments Limited

NOTES TO THE ACCOUNTS

at 30 December 2001

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001	(Restated) 2000
	£	£
UK corporation tax:		
Total current tax	—	—
UK deferred tax:		
Origination and the reversal of timing differences in respect of:		
Profits in the period (note 7)	42,337	55,101
Total deferred tax	42,337	55,101
Tax on profit on ordinary activities	42,337	55,101

The Group has adopted the new Accounting Standard on Deferred Taxation FRS 19. Comparative tax charge figures have been restated following the adoption of this Standard. However, disclosure of factors effecting the tax charge have not been made in these accounts. This disclosure has been made for all of the group in the accounts of the group's parent undertaking, Domino's Pizza UK & IRL plc.

4. TANGIBLE FIXED ASSETS

	Freehold land £	Freehold buildings £	Total £
Cost:			
At 31 December 2000	998,990	3,197,141	4,196,131
Additions	353,389	110,485	463,874
At 30 December 2001	1,352,379	3,307,626	4,660,005
Amortisation:			
At 31 December 2000	—	126,956	126,956
Provided during the year	—	61,926	61,926
At 30 December 2001	—	188,882	188,882
Net book value:			
At 30 December 2001	1,352,379	3,118,744	4,471,123
At 31 December 2000	998,990	3,070,185	4,069,175

Freehold buildings include £141,550 of capitalised interest (2000: £141,550).

DP Group Developments Limited

NOTES TO THE ACCOUNTS

at 30 December 2001

5. DEBTORS

	2001	2000
	£	£
Prepayments and accrued income	2,874	—

6. CREDITORS: amounts falling due within one year

	2001	2000
	£	£
Amounts due to group undertaking	4,522,013	4,139,587
Accruals	54,629	75,308
	<u>4,576,642</u>	<u>4,214,895</u>

The parent and other group companies have undertaken not to seek repayments of their debts totalling £4,522,013 until the finances of the company permit.

7. PROVISION FOR LIABILITIES AND CHARGES

Deferred tax provided in the accounts is as follows:

	2001	(Restated) Provided 2000
	£	£
Accelerated capital allowances	197,321	155,284
Other timing differences	(6,757)	(7,057)
	<u>190,564</u>	<u>148,227</u>
At 26 December 1999 – as previously stated		—
Prior year adjustment for FRS 19		93,126
At 26 December 1999 – as re - stated		93,126
Charge to profit and loss account		55,101
At 31 December 2000 – as re - stated		148,227
Charge to profit and loss account (note 3)		42,337
Deferred tax provided at 30 December 2001		<u>190,564</u>

As a result of the adoption of FRS 19, the profit and loss reserve and certain balance sheet values were restated and as a result the reserve as at 31 December 2000 was reduced by £148,227.

DP Group Developments Limited

NOTES TO THE ACCOUNTS

at 30 December 2001

8. SHARE CAPITAL

	2001	Authorised 2000
	£	£
Ordinary shares of £1 each	100	100

	2001	2000
	£	£
Ordinary shares of £1 each	10	10

9. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 26 December 1999 as previously reported	10	(186,684)	(186,674)
Effect of full provision for deferred tax	–	(93,126)	(93,126)
At 26 December 1999 – as restated	10	(279,810)	(279,800)
Profit for the year – as restated	–	(14,147)	(14,147)
At 31 December 2000	10	(293,957)	(293,947)
Profit for the year	–	738	738
At 30 December 2001	10	(293,219)	(293,209)

Shareholders funds at 31 December 2000 were previously reported as a deficit of £145,720 before deducting the prior year adjustment of £148,227.

10. CONTINGENT LIABILITIES

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. At 30 December 2001 the balance due under these facilities was £7,425,000 (2000: £6,000,000). The loans will bear interest at 1.1% over base.

11. RELATED PARTIES

The company has relied on the exemption under FRS 8 from disclosing transactions with group companies on the basis that the company is a wholly owned subsidiary and the immediate parent company produces consolidated accounts which are publicly available.

12. PARENT UNDERTAKING 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.