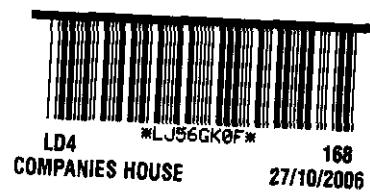


DP Group Developments Limited

Report and Financial Statements

1 January 2006



DP Group Developments Limited

Registered No: 3419202

Directors

S G Hemsley
C H R Moore
A Mallows (resigned 30 June 2006)
L D Ginsberg

Secretary

L D Ginsberg

Auditors

Ernst & Young LLP
400 Capability Green
Luton
LU1 3LU

Registered office

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

Directors' report

The directors present their report and financial statements for the year ended 1 January 2006.

Results and dividends

The profit for the period amounted to £571. The directors do not recommend the payment of any dividends.

Principal activities and review of the business

The principal activity of the company during the year was the acquisition, development and maintenance of commissary sites for its parent company. Both the level of business and the year end financial position were satisfactory, and the directors expect the present level of activity will continue to increase.

Directors

The directors at 1 January 2006 are listed on page 1.

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, C Moore 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 1 January 2006.

A Mallows has an interest of 38,000 (2004:38,000) Ordinary Shares, and has the following interest in share options over Ordinary Shares in Domino's Pizza UK & IRL plc:

| <i>Date of grant</i> | <i>Exercise price per share</i> | <i>As at 2 January 2005</i> | <i>Exercised in the year</i> | <i>As at 1 January 2006</i> | <i>Date of expiry</i> |
|----------------------|---------------------------------|-----------------------------|------------------------------|-----------------------------|-----------------------|
| 04.10.2001 | 55p | 25,000 | 25,000 | — | 03.10.2011 |

In addition to the interest in options above, A Mallows holds reversionary interests over 300,000 Ordinary Shares in Domino's Pizza UK & IRL plc. 235,000 of these interests are capable of vesting between 31 December 2005 and 31 December 2007 if specific performance criteria are met. These interests were granted at a price of £1.35 per share.

The remaining 65,000 interests are capable of vesting between 31 December 2006 and 31 December 2009 if specific performance criteria are met. These interests were granted at a price of £2.00 per share.

Financial instruments

The company's principal financial instruments are intercompany creditors.

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.


Due to the nature of customers who trade on credit terms, being predominantly franchisees, the franchisee selection process is sufficiently robust to ensure an appropriate credit verification procedure. In addition, balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant. Since the group trades only with franchisees that have been subject to the franchisee selection process there is no requirement for collateral.

Directors' report

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



L D Ginsberg
Secretary

24 OCTOBER 2006

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 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 financial statements for the year ended 1 January 2006 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements 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 financial statements, 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 other transactions 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 International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion, the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 1 January 2006 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

26 October 2006

Profit and loss account

for the year ended 1 January 2006

| | | <i>Year ended 1 January 2006</i> | <i>Year ended 2 January 2005</i> |
|---|--------------|--|--|
| | <i>Notes</i> | <i>£</i> | <i>£</i> |
| Turnover | 3 | 130,000 | 132,500 |
| Administrative expenses | | 129,429 | 124,935 |
| Profit on ordinary activities before taxation | 4 | 571 | 7,565 |
| Tax on profit on ordinary activities | 6 | 25,201 | (25,173) |
| (Loss)/profit for the financial period transferred to reserves | | <u>(24,630)</u> | <u>32,738</u> |

The company has no recognised gains or losses other than the results for the period as set out above.

Balance sheet

at 1 January 2006

| | | <i>At 1 January 2006</i> | <i>At 2 January 2005</i> |
|---|--------------|------------------------------|------------------------------|
| | <i>Notes</i> | <i>£</i> | <i>£</i> |
| Fixed assets | | | |
| Tangible assets | 7 | 5,298,757 | 5,383,512 |
| Creditors: amounts falling due within one year | 8 | 5,419,877 | 5,505,203 |
| Total assets less current liabilities | | (121,120) | (121,691) |
| Deferred taxation | 6 | 291,837 | 266,636 |
| | | (412,957) | (388,327) |
| Capital and reserves | | | |
| Called up share capital | 10 | 10 | 10 |
| Profit and loss account | 11 | (412,967) | (388,337) |
| Equity shareholders' funds | 11 | (412,957) | (388,327) |

The financial statements were approved by the Board on ~~24 October~~ 2006 and were signed on its behalf by



L D Ginsberg
Director

Notes to the financial statements

at 1 January 2006

1. Fundamental accounting concept

The financial statements have been prepared on a going concern basis as the ultimate controlling undertaking and fellow group undertakings have confirmed that they will provide financial support to enable the company to meet its financial obligations, as they fall due.

2. Accounting policies

Basis of preparation

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

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 parties 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.

Fixed assets

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

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Freehold buildings - Over 50 years

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

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.

Notes to the financial statements

at 1 January 2006

3. Turnover

Turnover represents gross rents receivable and property management fees exclusive of Value Added Tax.

Turnover is attributable to the company's one continuing activity. Substantially all of the turnover is derived in the UK.

4. Profit on ordinary activities before taxation

This is stated after charging:

| | <i>Year ended 1 January 2006 £</i> | <i>Year ended 2 January 2005 £</i> |
|---|--|--|
| Auditors' remuneration - audit services | <u>3,000</u> | <u>3,000</u> |
| Depreciation of owned fixed assets | <u>90,430</u> | <u>91,935</u> |

5. Staff costs

No salaries or wages have been paid to employees, including the directors, during the period.

6. Tax on profit on ordinary activities

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

| | <i>Year ended 1 January 2006 £</i> | <i>Year ended 2 January 2005 £</i> |
|--|--|--|
| <i>Deferred tax:</i> | | |
| Origination and reversal of timing differences | <u>25,201</u> | <u>(25,173)</u> |

b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2004 – 30%).

| | <i>Year ended 1 January 2006 £</i> | <i>Year ended 2 January 2005 £</i> |
|---|--|--|
| Profit on ordinary activities before taxation | <u>571</u> | <u>7,565</u> |
| Profit on ordinary activities at the standard rate of tax | 171 | 2,270 |
| Non-qualifying depreciation | 12,390 | 12,799 |
| Accelerated capital allowances | (21,540) | (27,249) |
| Group relief | – | 12,930 |
| Expenses not deductible for tax purposes | (1,775) | (2,550) |
| Other timing differences | – | 1,800 |
| Group relief | <u>10,754</u> | <u>–</u> |
| Total current tax | <u>–</u> | <u>–</u> |

Notes to the financial statements

at 1 January 2006

6. Tax on profit on ordinary activities (continued)

c) Deferred tax

| | <i>At 1 January 2006 £</i> | <i>At 2 January 2005 £</i> |
|--|------------------------------------|------------------------------------|
| Capital allowances in advance of depreciation | (291,837) | (266,636) |
| Provision for deferred taxation | <u>(291,837)</u> | <u>(266,636)</u> |
| | | £ |
| At 2 January 2005 | | (266,636) |
| Profit and loss account movement arising during the year | | (25,201) |
| At 1 January 2006 | | <u>(291,837)</u> |

7. Tangible fixed assets

| | <i>Freehold properties £</i> |
|----------------------------|----------------------------------|
| Cost: | |
| At 2 January 2005 | 5,822,588 |
| Additions | 5,675 |
| At 1 January 2006 | <u>5,828,263</u> |
| Depreciation: | |
| At 2 January 2005 | 439,076 |
| Provided during the period | 90,430 |
| At 1 January 2006 | <u>529,506</u> |
| Net book value: | |
| At 1 January 2006 | <u>5,298,757</u> |
| At 2 January 2005 | <u>5,383,512</u> |

Freehold properties include £141,550 (2004: £141,550) of capitalised interest. No interest was capitalised during the year.

8. Creditors: amounts falling due within one year

| | <i>At 1 January 2006 £</i> | <i>At 2 January 2005 £</i> |
|------------------------------------|------------------------------------|------------------------------------|
| Amounts owed to group undertakings | 5,330,590 | 5,409,285 |
| Accruals and deferred income | 89,287 | 95,918 |
| | <u>5,419,877</u> | <u>5,505,203</u> |

Notes to the financial statements

at 1 January 2006

9. Contingent liability

The Group 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 1 January 2006 the balance due under these facilities was £7,500,000 (2004: £6,360,000). The loans bear interest at 0.625% (2004: 0.625%) over base.

10. Share capital

| | <i>Authorised</i> | |
|----------------------------|--------------------------|--------------------------|
| | <i>At 1 January 2006</i> | <i>At 2 January 2005</i> |
| | £ | £ |
| Ordinary shares of £1 each | 100 | 100 |

| | <i>Allotted, called up and fully paid</i> | |
|----------------------------|---|-----------------------|
| | <i>1 January 2006</i> | <i>2 January 2005</i> |
| | No. | No. |
| | £ | £ |
| Ordinary shares of £1 each | 10 | 10 |

11. Reconciliation of shareholders' funds and movement on reserves

| | <i>Share capital</i> | <i>Profit and loss account</i> | <i>Total shareholders' funds</i> |
|---------------------|----------------------|--------------------------------|----------------------------------|
| | £ | £ | £ |
| At 29 December 2003 | 10 | (421,075) | (421,065) |
| Profit for the year | — | 32,738 | 32,738 |
| At 2 January 2005 | 10 | (388,337) | (388,327) |
| Loss for the year | — | (24,630) | (24,630) |
| At 1 January 2006 | 10 | (412,967) | (412,957) |

12. Ultimate 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. Copies of the financial statements of Domino's Pizza UK & IRL plc may be obtained from its registered office: Domino's House, Lasborough Road, Kingston, Milton Keynes, MK10 OAB.