Registered No 3419202

DP Group Developments Limited

Report and Financial Statements

30 December 2012

Registered No 3419202

Directors
S G Hemsley
L Batchelor
L D Ginsberg
M Millar

Secretary
M Millar

Auditor
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
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MK6 4BB

Directors' report

The directors present their report and financial statements for the year ended 30 December 2012

Results and dividends

The loss for the period amounted to £58,894 (25 December 2011 profit of £225,436) The directors do not recommend the payment of any dividends (2011 nil)

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 who served throughout the period were as follows -
S G Hemsley
L Batchelor
L D Ginsberg
A Batty (Resigned 15th February 2013)

Directors appointed after the period end were as follows -
M Millar (Appointed 28th January 2013)

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 Group plc (formerly 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 30 December 2012

Disclosure of information to auditor

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 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 franchises, 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 (Domino's Pizza Group plc and its subsidiaries) trades only

Directors' report (continued)

with franchises that have been subject to the franchise selection process there is no requirement for collateral

Going Concern
The company has an excess of current liabilities over total assets of £1,854,299 at 30 December 2012 (2011 £1,897,960) The directors have carried out a detailed review of the cash flow projections covering 12 months from the approval of these financial statements The company is dependent on the continued support of its ultimate parent company, however, the directors are satisfied that the company can generate sufficient cash flow from the existing business to meet its day to day obligations as they fall due Therefore, they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Directors' and officers' liability insurance
The Company maintains insurance against certain liabilities, which could arise from a negligent act or a breach of duty by its directors and officers in the discharge of their duties

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

By order of the board

M Millar
Secretary

9th September 2013

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 auditor's report

to the members of DP Group Developments Limited

We have audited the financial statements of DP Group Developments Limited for the year ended 30 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12 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 30 December 2012 and of its loss 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 auditor's report (continued)

to the members of DP Group Developments 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

13/9/2013

Profit and loss account

for the year ended 30 December 2012

	Notes	*Year ended 30 December 2012 £*	*Year ended 25 December 2011 £*
Turnover	3	547,360	426,204
Administrative expenses		(503,699)	(332,057)
Profit on ordinary activities before taxation	4	43,661	94,147
Tax on profit on ordinary activities	6	(102,555)	131,289
(Loss) / profit for the financial period transferred to reserves		(58,894)	225,436

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

Registered No 3419202

Balance sheet
at 30 December 2012

	Notes	*Year ended 30 December 2012* £	*Year ended 25 December 2011* £
Fixed assets			
Tangible assets	7	26,198,245	26,289,463
Creditors amounts falling due within one year	8	(28,052,544)	(28,187,423)
Total assets less current liabilities		(1,854,299)	(1,897,960)
Deferred taxation	6	(146,846)	(44,291)
		(2,001,145)	(1,942,251)
Capital and reserves			
Called up share capital	10	10	10
Profit and loss account	11	(2,001,155)	(1,942,261)
Equity shareholders' deficit	11	(2,001,145)	(1,942,251)

The financial statements were approved by the Board on 9th September 2013 and were signed on its behalf by

L D Ginsberg
Director

Notes to the financial statements

at 30 December 2012

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 The financial statements of DP Group Developments Ltd were approved for issue by the Board of Directors on [ ]

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 Group plc (formerly 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 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

Notes to the financial statements
at 30 December 2012

Deferred taxatıon (contınued)
Deferred tax ıs measured on an undıscounted basıs at the tax rates that are expected to apply ın the perıods ın whıch tımıng dıfferences reverse, based on tax rates and laws enacted or substantıvely enacted at the balance sheet date

3. Turnover
Turnover represents gross rents receıvable and property management fees exclusıve of Value Added Tax

Turnover ıs attrıbutable to the company's one contınuıng actıvıty Substantıally all of the Company's turnover ıs derıved ın the UK

4. Profit on ordınary activitıes before taxation
Thıs ıs stated after chargıng

	Year ended 30 December 2012	*Year ended 25 December 2011*
	£	*£*
Audıtor's remuneratıon - audıt of the financıal statements	3,150	3,150
Depreciatıon of owned fıxed assets	459,484	282,334
Total depreciatıon charge	459,484	282,334

5. Staff costs

No salarıes or wages have been paıd to employees, ıncludıng dırectors, durıng the year (2011 nıl) The dırectors were remunerated by Domıno's Pızza UK & Ireland Lımıted (formerly Domıno's Pızza Group Lımıted) The followıng dısclosures relate to the total amounts paıd to the dırectors of DP Group Developments Lımıted for theır servıces to thıs company and other subsıdıarıes of the Group The dırectors do not belıeve that ıt ıs practıcable to apportıon thıs amount between theır servıces as dırectors of the company and theır servıces as dırectors of other fellow subsıdıarıes

	Year ended 30 December 2012	*Year ended 25 December 2011*
	£	*£*
Emoluments	1,909,099	1,806,000
Company contrıbutıons paıd to ındıvıdual personal pensıon plan	119,133	131,000

	Year ended 30 December 2012	*Year ended 25 December 2011*
	No	*No*
Members of money purchase pensıon schemes	3	4

Notes to the financial statements
at 30 December 2012

5. Staff costs (continued)

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

	Year ended 30 December 2012	*Year ended 25 December 2011*
	£	*£*
Emoluments	852,000	630,000
Company contributions paid to individual personal pension plan	65,000	61,000

6. Tax on profit on ordinary activities

a) The tax charge / (credit) for the period is made up as follows

	Year ended 30 December 2012	*Year ended 25 December 2011*
	£	*£*
Current tax		
UK corporation tax	-	-
Tax overprovided in previous periods	-	-
Total current tax (6b)	-	-
Deferred tax		
Origination and reversal of timing differences	114,900	71,900
Amounts relating to prior periods	(12,345)	(203,189)
Tax on profit on ordinary activities (6c)	102,555	(131,289)

Notes to the financial statements
at 30 December 2012

6. Tax on profit on ordinary activities (continued)

b) Factors affecting current tax charge/(credit)

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 24 5% (25 December 2011 26 5%)

	Year ended 30 December 2012	*Year ended 25 December 2011*
	£	*£*
Profit on ordinary activities before taxation	43,661	94,147
Profit on ordinary activities at the standard rate of tax	10,697	24,949
Non-qualifying depreciation	40,888	84,160
Accelerated capital allowances	(125,102)	(74,958)
Group relief claimed free of charge	24,065	(709)
Expenses not deductible for tax purposes	49,452	(33,442)
Total current tax charge/(credit)	-	-

In his budget on 20 March 2013, the Chancellor of the Exchequer announced tax changes, which have an effect on the Group's current and future tax position The changes announced were further decreases from the planned rate of UK corporation tax of 25% to 23% from April 2013 and by a further 1% each year to 20% from April 2015 The reduction of the UK corporation tax rate to 24% from April 2012 and 23% from April 2013 had been substantively enacted during the year The effect of these changes to the UK tax system have been reflected in the company's financial statements for the 53 weeks ending 30 December 2012 to the extent that they had been substantively enacted by that date

c) Deferred tax

	At 30 December 2012	*At 25 December 2011*
	£	*£*
Capital allowances in advance of depreciation	(146,846)	(44,291)
Provision for deferred taxation	(146,846)	(44,291)

	£
At 25 December 2011	(44,291)
Profit and loss account movement arising during the year	(102,555)
At 30 December 2012	(146,846)

Notes to the financial statements
at 30 December 2012

7. Tangible fixed assets

	Freehold properties
	£
Cost	
At 25 December 2011	29,500,866
Additions	368,266
Disposals	(40)
At 30 December 2012	29,869,092
Depreciation	
At 25 December 2011	3,211,403
Provided during the period	459,484
Disposals	(40)
At 30 December 2012	3,670,847
Net book value	
At 30 December 2012	26,198,245
At 25 December 2011	26,289,463

8. Creditors: amounts falling due within one year

	At 30 December 2012	*At 25 December 2011*
	£	*£*
Amounts owed to group undertakings	28,052,544	28,187,423
Total	28,052,544	28,187,423

Notes to the financial statements
at 30 December 2012

9. Contingent liabilities

Bank loans
Domino's Pizza Group plc (formerly Domino's Pizza UK & IRL plc) 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 the company At 30 December 2012, the balance due under these facilities was £12,035,000 (2011 £12,035,000) The loan bears interest at 0 5% (2011 0 5%) above LIBOR The loan has a term of 7 years and matures on 31st January 2014

Bank revolving facility
On 1 August 2012, the Group completed the refinancing of the existing £25,000,000 revolving credit facility with Barclays Bank plc, increasing it to a £30,000,000 facility The facility was fully drawn down at 30 December 2012 and has a five year term The interest is charged at 1 35% (2011 0 5%) per annum above LIBOR in addition to a 0 5% utilisation fee The facility is secured by an unlimited cross guarantee between the company, Domino's Pizza UK & Ireland Limited, DPG Holdings Limited, DP Realty Limited and DP Pizza as well as negative pledges given by the company, Domino's Pizza UK & Ireland Limited, DPG Holdings Limited, DP Realty Limited and DP Pizza Limited

10. Share capital

		Authorised
	At 30 December 2012	*At 25 December 2011*
	£	*£*
Ordinary shares of £1 each	100	100

	Allotted, called up and fully paid			
	30 December 2012		*25 December 2011*	
	No	*£*	*No*	*£*
Ordinary shares of £1 each	10	10	10	10

Notes to the financial statements
at 30 December 2012

11. Reconciliation of shareholders' funds and movement on reserves

	Share capital	*Profit and loss account*	*Total share-holders' funds*
	£	*£*	*£*
At 26 December 2010	*10*	(2,167,697)	(2,167,687)
Profit for the year	-	225,436	225,436
At 25 December 2011	10	(1,942,261)	(1,942,251)
Loss for the year	-	(58,894)	(58,894)
At 30 December 2012	10	(2,001,155)	(2,001,145)

12. Ultimate parent undertaking and controlling party

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

The smallest and largest group for which group financial statements are drawn up, and of which the Company is a member, is Domino's Pizza Group plc Copies of the financial statements of Domino's Pizza Group plc may be obtained from its registered office, 1 Thornbury, West Ashland, Milton Keynes, MK6 4BB