

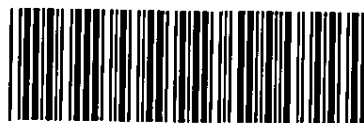
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# **DPGL Birmingham Ltd**

## **Report and Financial Statements**

30 December 2007

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COMPANIES HOUSE

**DPGL Birmingham Ltd**

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Registered No 05362720

**Directors**

S G Hemsley

L D Ginsberg

A Batty (Appointed - 18 February 2008)

**Secretary**

A Batty (Appointed – 18 February 2008)

L D Ginsberg (Resigned - 18 February 2008)

**Auditors**

Ernst & Young LLP

400 Capability Green

Luton

LU1 3LU

**Registered office**

Domino's House

Lasborough Road

Kingston

Milton Keynes

MK10 0AB

## Directors' report

The directors present their report and financial statements for the year ended 30 December 2007

### Results and dividends

The loss for the period amounted to £262,874 (2006 £98,138) The directors do not recommend the payment of any dividends

### Principal activities and review of the business

The company's principal activity during the period continued to be the operation and development of Domino's Pizza delivery stores Both the level of business and the period end financial position were satisfactory, and the directors expect the present level of activity will continue to increase

### Directors and their interests

The directors who served throughout the period were as follows -

SG Hemsley

LD Ginsberg

A Batty (Appointed - 18 February 2008)

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

S Hemsley and L Ginsberg are also directors of Domino's Pizza UK & IRL plc, the ultimate parent company and details of their interests therein are shown in the directors' report of that company for the year ended 30 December 2007

### 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 1985 relating to small entities

### 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  
Director

16 April 2008

## **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 DPGL Birmingham Limited

We have audited the company's financial statements for the period ended 30 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. 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' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are 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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 30 December 2007 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the directors' report is consistent with the financial statements

*Ernst & Young*  
Ernst & Young LLP  
Registered auditor  
Luton

16/4/08

**Profit and loss account**  
for the period ended 30 December 2007

		<i>Year ended</i> <i>30 December</i> <i>2007</i>	<i>10 months</i> <i>ended</i> <i>31 December</i> <i>2006</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
<b>Turnover</b>	2	2,086,672	1,122,587
Cost of sales		822,631	430,854
<b>Gross profit</b>		1,264,041	691,733
Distribution costs		798,296	395,115
Administrative expenses		641,539	368,001
<b>Operating loss</b>	3	(175,794)	(71,383)
Interest receivable	6	-	1,967
Interest payable	7	(82,207)	(25,017)
<b>Loss on ordinary activities before taxation</b>		(258,001)	(94,433)
Tax on loss on ordinary activities	8	(4,873)	(3,705)
<b>Loss for the financial year transferred to reserves</b>		(262,874)	(98,138)

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

# **Balance sheet** at 30 December 2007

	Notes	At 30 December 2007 £	At 31 December 2006 £
<b>Fixed assets</b>			
Intangible assets	9	533,313	549,344
Tangible assets	10	390,761	264,560
		<u>924,074</u>	<u>813,904</u>
<b>Current assets</b>			
Stocks	11	10,660	6,605
Debtors	12	47,078	48,282
Cash at bank		55,065	231,257
		<u>112,803</u>	<u>286,144</u>
<b>Creditors: amounts falling due within one year</b>	13	400,416	282,000
<b>Net current assets</b>		<u>(287,613)</u>	<u>4,144</u>
<b>Total assets less current liabilities</b>		<u>636,461</u>	<u>818,048</u>
<b>Creditors: amounts falling due after more than one year</b>	14	844,746	768,332
<b>Provisions for liabilities and charges</b>	8	8,051	3,178
		<u>(216,336)</u>	<u>46,538</u>
<b>Capital and reserves</b>			
Called up share capital	16	150,000	150,000
Profit and loss account	17	(366,336)	(103,462)
<b>Equity shareholders' funds</b>		<u>(216,336)</u>	<u>46,538</u>

The financial statements were approved by the Board on 16 April 2008 and were signed on its behalf by



L D Ginsberg  
Director

## Notes to the financial statements

at 30 December 2007

### 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 DPGL Birmingham Limited were approved for issue by the Board of Directors on 16 April 2008

The financial statements have been prepared on a going concern basis as the ultimate controlling undertaking and fellow group undertaking have confirmed that they will provide financial support to enable the company to meet its financial obligations as they fall due or until such time that the company is sold to a third party

#### **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 qualifies as a small company

#### **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

#### **Intangible fixed assets**

Franchise fees are amounts paid to the franchisor. Amortisation is provided on a straight line basis over 20 years which aims to write off the cost of the asset over its expected useful life

Goodwill represents the excess of purchase price over fair value on the acquisition of a store and will be amortised over 20 years being the estimated useful life

#### **Fixed assets**

All fixed assets are initially recorded at cost

#### **Depreciation**

Depreciation is provided on all tangible fixed assets, 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

Leasehold improvements	- over the life of the lease term
Fixtures, fittings and equipment	- over 1 - 10 years

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Costs are determined on the average cost basis

#### **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

- 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

#### **Leasing**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term



## Notes to the financial statements

at 30 December 2007

### 1. Accounting policies (continued)

#### *Pensions*

The company makes contributions to certain individuals' personal pension plans. Contributions are charged in the profit and loss account as they become payable.

### 2. Turnover

Turnover, which is stated net of VAT, represents amounts receivable in respect of goods sold.

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

### 3. Operating profit

This is stated after charging

	<i>Year ended 30 December 2007 £</i>	<i>10 months ended 31 December 2006 £</i>
Auditors' remuneration - audit of the financial statements	4,025	4,025
Depreciation of owned fixed assets	106,920	52,980
Amortisation	31,031	10,748
Operating lease rentals	86,014	53,420
	<u>223,965</u>	<u>117,148</u>

### 4. Staff costs

	<i>Year ended 30 December 2007 £</i>	<i>10 months ended 31 December 2006 £</i>
Wages and salaries	644,961	306,463
Social security costs	39,841	17,900
	<u>684,802</u>	<u>324,363</u>

The monthly average number of employees during the year was as follows

	<i>Year ended 30 December 2007 No</i>	<i>10 months ended 31 December 2006 No</i>
Store operations	104	70
	<u>104</u>	<u>70</u>

## Notes to the financial statements

at 30 December 2007

### 5. Directors' emoluments

	<i>Year ended 30 December 2007</i>	<i>10 months ended 31 December 2006</i>
	<i>£</i>	<i>£</i>
Emoluments	-	49,534
Value of company pension contributions to personal pension scheme	-	1,125
Number of directors' accruing benefits under company personal pension scheme	-	1

### 6. Interest receivable

	<i>Year ended 30 December 2007</i>	<i>10 months ended 31 December 2006</i>
	<i>£</i>	<i>£</i>
Interest receivable from group undertakings	-	1,967

### 7. Interest payable

	<i>Year ended 30 December 2007</i>	<i>10 months ended 31 December 2006</i>
	<i>£</i>	<i>£</i>
Interest payable to group undertakings	82,207	25,017

### 8. Tax on loss on ordinary activities

#### (a) Tax on loss on ordinary activities

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

	<i>Year ended 30 December 2007</i>	<i>10 months ended 31 December 2006</i>
	<i>£</i>	<i>£</i>
<i>Current tax</i>		
Total current tax (note 8(b))	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	4,873	3,705
Tax on loss on ordinary activities	4,873	3,705

## Notes to the financial statements

at 30 December 2007

### 8. Tax on loss on ordinary activities (continued)

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

The differences are reconciled below

	<i>Year ended 30 December 2007 £</i>	<i>10 months ended 31 December 2006 £</i>
Loss on ordinary activities before tax	(258,001)	(94,433)
Loss on ordinary activities at standard rate of tax - 30%	(77,400)	(28,330)
Non-qualifying depreciation	29,027	7,058
Accelerated capital allowances	(8,548)	(1,087)
Expenses not deductible for tax purposes	(611)	2,610
Group surrender	57,532	19,749
Total current tax (note 8(a))	-	-

#### (c) Deferred tax

	<i>At 30 December 2007 £</i>	<i>At 31 December 2006 £</i>
Capital allowances in advance of depreciation	(8,051)	(3,178)
Provision for deferred taxation	(8,051)	(3,178)
		£
At 31 December 2006		(3,178)
Profit and loss account movement arising during the year		(4,873)
At 30 December 2007		(8,051)

## Notes to the financial statements

at 30 December 2007

### 9. Intangible fixed assets

	<i>Goodwill</i> £	<i>Franchise Fee</i> £	<i>Total</i> £
Cost			
At 31 December 2006	565,708	-	565,708
Additions	-	15,000	15,000
At 30 December 2007	<u>565,708</u>	<u>15,000</u>	<u>580,708</u>
Amortisation			
At 31 December 2006	16,364	-	16,364
Charge for the period	29,733	1,298	31,031
At 30 December 2007	<u>46,097</u>	<u>1,298</u>	<u>47,395</u>
Net book value			
At 30 December 2007	<u>519,611</u>	<u>13,702</u>	<u>533,313</u>
At 31 December 2006	<u>549,344</u>	<u>-</u>	<u>549,344</u>

### 10. Tangible fixed assets

	<i>Leasehold improvements</i> £	<i>Fixtures, fittings and equipment</i> £	<i>Total</i> £
Cost			
At 31 December 2006	142,735	190,014	332,749
Additions	92,561	151,386	243,947
Disposals	-	(12,746)	(12,746)
At 30 December 2007	<u>235,296</u>	<u>328,654</u>	<u>563,950</u>
Depreciation			
At 31 December 2006	18,794	49,395	68,189
Provided during the period	22,159	84,761	106,920
Disposals	-	(1,920)	(1,920)
At 30 December 2007	<u>40,953</u>	<u>132,236</u>	<u>173,189</u>
Net book value			
At 30 December 2007	<u>194,343</u>	<u>196,418</u>	<u>390,761</u>
At 31 December 2006	<u>123,941</u>	<u>140,619</u>	<u>264,560</u>

## Notes to the financial statements

at 30 December 2007

### 11. Stocks

	<i>At 30 December 2007 £</i>	<i>At 31 December 2006 £</i>
Raw materials and consumables	<u>10,660</u>	<u>6,605</u>

### 12. Debtors

	<i>At 30 December 2007 £</i>	<i>At 31 December 2006 £</i>
Amounts owed by group undertakings	-	-
Other debtors	17,397	28,543
Prepayments and accrued income	<u>29,681</u>	<u>19,739</u>
	<u>47,078</u>	<u>48,282</u>

### 13. Creditors: amounts falling due within one year

	<i>At 30 December 2007 £</i>	<i>At 31 December 2006 £</i>
Trade creditors	9,481	2,346
Amounts owed to group undertakings	295,241	251,210
Other taxation and social security	17,551	-
Other creditors	22,155	-
Accruals and deferred income	<u>55,988</u>	<u>28,444</u>
	<u>400,416</u>	<u>282,000</u>

### 14. Creditors: amounts falling due after more than one year

	<i>At 30 December 2007 £</i>	<i>At 31 December 2006 £</i>
Amounts owed to group undertakings	<u>844,746</u>	<u>768,332</u>

Dominos Pizza Group Limited issued a loan note on 26 of August 2005. The loan note cannot be redeemed by the note holder earlier than ten years from the date of issue and carries an interest rate of 2.5% above the base rate of the Royal Bank of Scotland plc.

## Notes to the financial statements

at 30 December 2007

### 15. Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	<i>At 30 December 2007</i>	<i>At 31 December 2006</i>
	<i>£</i>	<i>£</i>
Operating leases which expire		
In two to five years	19,320	19,320
In over five years	69,300	46,200
	<u>88,620</u>	<u>65,520</u>

### 16. Share Capital

	<i>At 30 December 2007</i>	<i>Authorised At 31 December 2006</i>
	<i>£</i>	<i>£</i>
Ordinary A shares of £1 each	120,000	120,000
Ordinary B shares of £1 each	30,000	30,000
	<u>150,000</u>	<u>150,000</u>

	<i>Allotted, called up and fully paid</i>			
	<i>At 30 December 2007</i>		<i>At 30 December 2006</i>	
	<i>No</i>	<i>£</i>	<i>No</i>	<i>£</i>
Ordinary A shares of £1 each	120,000	120,000	120,000	120,000
Ordinary B shares of £1 each	30,000	30,000	30,000	30,000
	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>

### 17. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total share- holders' funds</i>
	<i>£</i>	<i>£</i>	<i>£</i>
At 28 February 2006	150,000	(5,324)	144,676
Loss for the period	-	(98,138)	(98,138)
At 31 December 2006	150,000	(103,462)	46,538
Loss for the period	-	(262,874)	(262,874)
At 30 December 2007	<u>150,000</u>	<u>(366,336)</u>	<u>(216,336)</u>

## **Notes to the financial statements**

**at 30 December 2007**

### **18. Ultimate parent company and controlling party**

In the opinion of the directors, the immediate parent company is Domino's Pizza Group Limited, a company incorporated in the United Kingdom, which is a wholly owned subsidiary of Domino's Pizza UK & IRL plc. 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 0AB.

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