

Registered No: 07916193

Domino's Pizza Germany Limited

Report and Financial Statements

29 December 2019

Classification: Public



Domino's Pizza Germany Limited

Company information

52 weeks ended 29 December 2019

Directors

N R Smith
D Telford

Independent Auditors

PricewaterhouseCoopers LLP
One Chamberlain Square
Birmingham
B3 3AX

Bankers

Barclays Bank Plc
Frankfurt Branch
Taunusturm,
Taunustor 1,
60310 Frankfurt am Main
Germany

Registered office

1 Thornbury
West Ashland
Milton Keynes
Buckinghamshire
MK6 4BB
United Kingdom

Domino's Pizza Germany Limited is a private company registered in England and Wales, limited by shares.

Strategic report

52 weeks ended 29 December 2019

The Directors present their strategic report and financial statements for the 52 weeks ended 29 December 2019.

Results and dividends

The loss for the period amounted to €1,384,000 (2018: profit: €4,284,000). Ordinary dividends of €nil (2018: €nil) were paid during the period.

Business review

In previous periods, all stores and operations of the Company have either been sold to an associated undertaking or closed. Operations for the period consist of the winding-down of remaining contracts within the Company.

The local office in Germany was closed in June 2016 and there was a subsequent transfer of books and records to the UK. This transition and migration process led to limitations in the quality and completeness of the documentation available to support key balances and disclosures within the Income Statement, Statement of Comprehensive Income, Balance Sheet and related notes in the 2016 and 2018 and financial statements.

The future intention of the company is to continue to support the lease that expires in 2023, following completion of the lease, the business will be liquidated.

Risk management

The Board continues to identify, evaluate and monitor risks facing the Company. During the period under review, focus has been placed on assessing the likely impact that each identified risk could have on the business.

Our approach

The Company is winding-down residual contracts and therefore the risks associated with this are mostly administrative in nature.

Principal risks and uncertainties

The Board has undertaken an assessment of what it believes are the principal risks facing the Company, consisting primarily of those that would affect the winding-down of remaining contracts.

The risks have been assessed on a residual basis according to our current view of the potential outcome (being the combination of impact and probability). The risks therefore represent a snapshot of what the Board believes are the principal risks and are not an exhaustive list of all risks the Company faces. The environment in which the winding-down of the residual assets and liabilities is taking place is constantly evolving; new risks may arise; the potential impact of known risks may increase or decrease and/or our assessment of these risks may change.

On behalf of the board



D Telford

Director

18 December 2020

Directors' report

52 weeks ended 29 December 2019

Directors

The current directors are shown on page 1. Changes during the period were as follows:

D G Bauernfeind – Deceased 26 December 2019

D Wild – Resigned 1 May 2020

N R Smith – Appointed 1 May 2020

D Telford – Appointed 1 May 2020

The directors had no interests, as defined by the Companies Act 2006, in the share capital of the company at any time during the period. D Wild, D G Bauernfeind and N R Smith have also been directors of Domino's Pizza Group plc, the immediate parent company, details of D Wild and D G Bauernfeind interests therein are shown in the directors' report of that company for the 52 weeks ended 29 December 2019.

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.

Financial instruments

The Company's principal financial instruments consist of Group intercompany balances. The Company has not entered into any derivative transactions such as interest rate swaps or financial foreign currency contracts. In view of the intra-Group nature of remaining financial instruments in the Company, the Board does not consider there to be any significant risks.

Going concern

The Company has net current assets of €169,000. The Directors have considered the going concern position of the Company based on the Company's current financial position, together with consideration of the overall position of Domino's Pizza Group plc ("the Group").

The Company is a holding subsidiary of the Group, and therefore the position of the Company is directly related to the overall position of the Group. The Group company has confirmed that they will offer support to the Company for a minimum of twelve months from the date of signing these financial statements.

The directors of the Group have performed an assessment of the overall position and future forecasts for the purposes of going concern in light of the current environment. The overall Group has continued trading in the UK and international markets throughout the COVID-19 period. In the UK, sales growth has been strong during the first half of the period, especially over the initial lockdown period. This increase in sales growth has been offset with additional costs incurred in ensuring continued trade. The Directors of the Group have considered the future position based on current trading and a number of potential downside scenarios which may occur, either through further COVID-19 related impacts, general economic uncertainty and other risks. This assessment has considered the overall level of Group borrowings and covenant requirements, the flexibility of the Group to react to changing market conditions and ability to appropriately manage any business risks. Based on this assessment, the Directors of the Group have formed a judgement that there is a reasonable expectation the Group will have adequate resources to continue in operational existence for the foreseeable future.

Directors' statement of disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

Following a tender process, a resolution to appoint PricewaterhouseCoopers LLP was passed at the 2019 Domino's Pizza Group plc AGM. Accordingly, we have appointed PricewaterhouseCoopers LLP to replace Ernst & Young LLP.

Directors' report (continued)

52 weeks ended 29 December 2019

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' Report, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 14 in accordance with applicable UK law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss 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; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

On behalf of the board



D Telford

Director

18 December 2020

Independent auditors' report to the members of Domino's Pizza Germany Limited

Report on the audit of the financial statements

Qualified opinion

In our opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraph below, Domino's Pizza Germany Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 29 December 2019 and of its loss for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 29 December 2019; the Income Statement, the Statement of comprehensive income and the Statement of changes in equity for the 52 week period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for qualified opinion

We have qualified our opinion on the financial statements for the 52 weeks ended 29 December 2019 in respect of retained earnings and equity shareholders' funds as at 31 December 2018 in the Statement of changes in equity for the 52 weeks ended 29 December 2019 because we were unable to obtain sufficient appropriate audit evidence over the opening balance sheet as at 31 December 2018 of Domino's Pizza Germany Limited ("the company"). The limitation was due to closure of offices in 2016 and the subsequent transfer of books and records, as a result of which the predecessor auditor was unable to obtain sufficient appropriate audit evidence over the financial statements for the 52 weeks ended 30 December 2018.

Our opinion on the current year's financial statements is also qualified because of the possible effect of this matter on the comparability of the current period financial statements with the corresponding Balance sheet as at 30 December 2018; the Income Statement, the Statement of comprehensive income and the Statement of changes in equity for the 52 week period then ended; and the notes to the financial statements.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Except for the possible consequential effects of the matters described in the Basis for qualified opinion section of our report, we have nothing to report based on these responsibilities.

Independent auditors' report to the members of Domino's Pizza Germany Limited

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 29 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

Except for the possible consequential effects of the matter described in the Basis for qualified opinion section of our report, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of Domino's Pizza Germany Limited

Other required reporting

Companies Act 2006 exception reporting

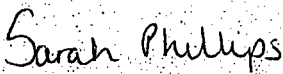
In respect solely of the limitation on our work relating to opening balances as at 31 December 2018, described in the Basis for qualified opinion paragraph above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept by the company.

Under the Companies Act 2006 we are also required to report to you if, in our opinion:

- returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Sarah Phillips (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
18 December 2020

Income Statement

52 weeks ended 29 December 2019

		52 weeks ended 29 December 2019 Total €000	(Restated)* 52 weeks ended 30 December 2018 Total €000
	Notes		
Revenue		56	80
Cost of sales		(56)	(65)
Gross profit		-	15
Administrative costs		(93)	(300)
Operating loss		(93)	(285)
Finance expense	4	(1,324)	(1,159)
Loss before Discontinued Operations		(1,417)	(1,444)
Gain from Discontinued Operations	11	-	6,212
(Loss)/profit before taxation		(1,417)	4,768
Taxation	5	33	(484)
(Loss)/profit after tax		(1,384)	4,284

*Please refer to note 12 for details regarding the restatement.

Statement of comprehensive income

52 weeks ended 29 December 2019

	52 weeks ended 29 December 2019 €000	(Restated)* 52 weeks ended 30 December 2018 €000
Profit/ (loss) for the financial period	(1,384)	4,284
Other comprehensive income	-	-
Total comprehensive expense/(income) for the period	(1,384)	4,284

*Please refer to note 12 for details regarding the restatement.

Balance sheet

As at 29 December 2019

	Notes	At 29 December 2019 €000	(Restated)* At 30 December 2018 €000
Current assets			
Trade and other receivables	6	52	68
Cash and cash equivalents		143	628
Total assets		195	696
Current liabilities			
Trade and other payables	7	(26)	(130)
		(26)	(130)
Non-current liabilities			
Trade and other payables	7	(39,158)	(38,171)
Provision for liabilities	8	(32)	(32)
Corporation tax	5	(484)	(484)
Total liabilities		(39,700)	(38,817)
Net liabilities		(39,505)	(38,121)
Shareholders' equity			
Called up share capital	10	-	-
Share Premium account		16,500	16,500
Accumulated losses		(56,005)	(54,621)
Total equity shareholders' deficit		(39,505)	(38,121)

*Please refer to note 12 for details regarding the restatement.

The financial statements of Domino's Pizza Germany Limited (Registered No: 07916193) were approved by the Board on 18 December 2020 and signed on its behalf by



D Telford
Director

Statement of changes in equity

52 weeks ended 29 December 2019

	Share capital €000	Share Premium €000	Accumulated losses €000	Equity shareholders' funds €000
At 31 December 2017	-	16,500	(58,905)	(42,405)
Profit for the period (restated)*	-	-	4,284	4,284
Total comprehensive income for the period (restated)*	-	-	4,284	4,284
At 30 December 2018 (restated)*	-	16,500	(54,621)	(38,121)
Loss for the period	-	-	(1,384)	(1,384)
Total comprehensive expense for the period	-	-	(1,384)	(1,384)
At 29 December 2019	-	16,500	(56,005)	(39,505)

*Please refer to note 12 for details regarding the restatement.

Notes to the financial statements

52 weeks ended 29 December 2019

1. Accounting policies

General Information

The financial statements of Domino's Pizza Germany Limited for the 52 weeks ended 29 December 2019 were authorised for issue by the Board of Directors on 18 December 2020. Domino's Pizza Germany Limited is a limited liability company incorporated and domiciled in the United Kingdom.

These financial statements were presented in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101) and in accordance with applicable accounting standards and The Companies Act 2006, under the historic cost convention.

The Company's financial statements are presented in euro (€) and all values are rounded to the nearest thousand euros (€000), except when otherwise indicated.

Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the period ended 29 December 2019 and have been applied consistently.

The Company has taken advantage of the following disclosure exemptions under FRS 101 in respect of:

- a) the requirements of IFRS 7 Financial Instruments: Disclosures
- b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- c) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- d) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- e) the requirements of IAS 7 Statement of Cash Flows;
- f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- g) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- h) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- i) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets
- j) The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers

The basis for all the above exemptions is because equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

The local office in Germany was closed in June 2016 and there was a subsequent transfer of books and records to the UK. This transition and migration process led to limitations in the quality and completeness of the documentation available to support key balances and disclosures within the Income Statement, Statement of Comprehensive Income, Balance Sheet and related notes in the 2016 and 2018 and financial statements.

Going Concern

The company is dependent on the continued support of its ultimate parent company to settle its liabilities during the winding down of the company. The ultimate parent company, Domino's Pizza Group plc, has confirmed that they will provide financial support to enable the company to meet its financial obligations as they become due. Therefore, the company applies a going concern basis of accounting in preparing these financial statements.

Key Judgements and Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. The nature of estimation means that actual outcomes could differ from those estimates. There have been no key judgements or estimates in the year ended 29 December 2019 financial statements.

Foreign currencies

The company's financial statements are presented in euros, which is also the company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Notes to the financial statements (continued)

52 weeks ended 29 December 2019

1. Accounting policies (continued)

Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the Company. All other leases are classified as operating leases.

Assets held as finance leases are recognised as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments during the lease term at the inception of the lease. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest in the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the assets and the lease term.

Assets leased under operating leases are not recorded on the balance sheet. Rental payments are charged directly to the income statement on a straight-line basis over the lease term. Lease incentives, primarily up-front cash payments or rent-free periods, are capitalised and spread over the period of the lease term. Payments made to acquire operating leases are treated as prepaid lease expenses and amortised over the life of the lease.

Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Trade and other receivables

Trade receivables, which generally have seven to 28-day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision is made when it is likely that the balance will not be recovered in full. Balances are written off when the probability of recovery is considered remote.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses arising on the repurchase, settlement or other cancellation of liabilities are recognised respectively in finance revenue and finance cost.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised using the liability method, providing for temporary differences between the tax bases and the accounting bases of assets and liabilities. Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax liabilities are recognised for all temporary differences, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and

Notes to the financial statements (continued)

52 weeks ended 29 December 2019

1. Accounting policies (continued)

Income taxes (continued)

- deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or losses can be utilised.

Tax is charged or credited to the income statement, except when it relates to items charged or credited directly to other comprehensive income or to equity, in which case the income tax is also dealt with in other comprehensive income or equity respectively.

Deferred tax assets and liabilities are offset against each other when the Company has a legally enforceable right to set off current tax assets and liabilities and the deferred tax relates to income taxes levied by the same tax jurisdiction on either the same taxable entity, or on different taxable entities which intend to settle current tax assets and liabilities on a net basis or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities are expected to be settled or recovered.

Derecognition of financial assets and liabilities

A financial asset or liability is generally derecognised when the contract that gives rise to it is settled, sold or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

Pensions

The Company no longer contributes to the personal pension plans of certain staff with defined contribution schemes. Contributions are charged as an expense as they fall due. Any contributions unpaid at the balance sheet date are included as an accrual at that date. The Company has no further payment obligations once the contributions have been paid. In 2019, the company had no staff.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The Company's revenue arises from the sale services and rent. Rental income arising from leasehold properties is recognised on a straight-line basis in accordance with the lease terms. Deferred Income comprises lease premiums and rental payments. Lease premiums are recognised on a straight-line basis over the term of the lease. Rental payments are deferred and recognised over the period which it relates.

Notes to the financial statements (continued)

52 weeks ended 29 December 2019

2. Auditors' remuneration

The Company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	52 weeks ended 29 December 2019 €000	52 weeks ended 30 December 2018 €000
Fees payable for the audit of the Company annual financial statements*	5	5
Total audit fees	5	5

*The company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group financial statements of its parent Domino's Pizza Group plc.

3. Staff costs and directors' remuneration**(a) Staff costs**

No salaries have been paid to directors during the period (2018: €nil). The directors were remunerated by Domino's Pizza UK & Ireland Limited and Domino's Pizza Group plc. 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 Group companies.

4. Finance expenses

	52 weeks ended 29 December 2019 €000	52 weeks ended 30 December 2018 €000
Shareholder loan interest payable	1,324	1,159
Total finance expense	1,324	1,159

5. Taxation**(a) Tax on loss**

	52 weeks ended 29 December 2019 €000	(Restated)* 52 weeks ended 30 December 2018 €000
Tax charged in the income statement		
Current income tax:		
UK corporation tax:		
– current period	-	-
– adjustment in respect of prior periods	-	484
Overseas tax		
– adjustment in respect of prior periods	(33)	-
Total current income tax charge	(33)	484
Deferred tax:		
Origination and reversal of temporary differences	-	-
Total deferred tax	-	-
Tax charge in the income statement	(33)	484

Notes to the financial statements (continued)

52 weeks ended 29 December 2019

5. Taxation (continued)

(b) Reconciliation of the total tax charge

The tax credit (2018: charge) in the income statement for the 52 weeks ended 29 December 2019 is lower (2018: lower) than the statutory corporation tax rate of 19.0% (2018: 19.00%). The differences are reconciled below:

	52 weeks ended 29 December 2019 €000	(Restated)* 52 weeks ended 30 December 2018 €000
(Loss)/profit before taxation	(1,417)	4,768
(Loss)/profit multiplied by the standard rate of corporation tax of 19% (2018: 19.00%)	(269)	906
Group relief surrendered/(claimed) for no charge	269	(422)
Adjustment in respect of prior period	(33)	-
Total tax (credit)/charge reported in the income statement	(33)	484

*Please refer to note 12 for details regarding the restatement.

6. Trade and other receivables

	At 29 December 2019 €000	At 30 December 2018 €000
VAT receivable	-	7
Other receivables	25	34
Amounts owed by group undertakings	27	27
	52	68

7. Trade and other payables

	At 29 December 2019 €000	At 30 December 2018 €000
Included in current liabilities:		
Other payables	26	130
	26	130

	At 29 December 2019 €000	At 30 December 2018 €000
Included in non-current liabilities:		
Amounts owed to group undertakings	39,158	38,171
	39,158	38,171

Within amounts owed to group undertakings is a balance of €39,158,000 (2018: €38,171,000) which are repayable on demand if EBITDA of €1.5m is achieved. The loan accrues interest at a rate of 3.5% above EURIBOR.

Notes to the financial statements (continued)

52 weeks ended 29 December 2019

8. Provisions for liabilities

	Dilapidation provisions €000	Restructuring provisions €000	Total €000
At 31 December 2017	721	330	1,051
Arising during the period (restated)*	32	-	32
Utilised during the period	(19)	(196)	(215)
Released during the period	(702)	(134)	(836)
At 30 December 2018 (restated)*	32	-	32
Arising during the period	-	-	-
Utilised during the period	-	-	-
Released during the period	-	-	-
At 29 December 2019	32	-	32

	At 29 December 2019 €000	(restated)* At 30 December 2018 €000
Current	-	-
Non-current (restated)*	32	32
	32	32

Dilapidation provision

The dilapidation provision relates to the potential dilapidation obligations for one property in Germany. This property is a store which was not transferred to the associate; the store has a subtenant on terms matching the primary lease, and therefore no onerous lease provision is recognised. The lease ends in September 2023 and will be monitored.

9. Obligations under operating leases

Future minimum rentals payable under non-cancellable operating leases are as follows:

	At 29 December 2019 €000	At 30 December 2018 €000
Not later than one year	56	56
After one year but not more than five years	156	212
After five years	-	-
	212	268

10. Share capital

Allotted, called up and fully paid share capital

	At 29 December 2019		At 30 December 2018	
Ordinary shares of €1 each	Number	€	Number	€
At the start of the period	225	225	225	225
At the end of the period	225	225	225	225

11. Discontinued operations

In the prior period income of €6,212,000 has been recorded as a result of the reversal of provisions previously held against intercompany loans following settlement and release of provisions associated with the closure of activities which are no longer required.

Notes to the financial statements (continued)

52 weeks ended 29 December 2019

12. Restatement of the prior year

In preparing these financial statements, two specific balances were identified that should have been adjusted in the prior period. Both balances are material in size and have therefore been restated retrospectively.

Release of provision

In the prior year a provision for €500,000 was retained on the balance sheet in anticipation of potential costs to come from the closure of the discontinued operations in Germany. The provision was not in relation to any specific costs and no reliable estimate could not be calculated; therefore, this balance should not have been recognised. The €500,000 has been retrospectively restated in the prior period and the impact has been to reduce provisions in the prior year by €500,000 with a corresponding increase to gain on discontinued operations. Profit after tax has increased by €500,000 and net liabilities have reduced by €500,000.

Corporation tax charge

In the prior period a gain on discontinued operations of €6,212,000 was recognised, no tax charge was accrued on this gain. Following analysis during the preparation of these financial statements, a prior year charge of €484,000 has been identified. This charge has been retrospectively restated in the prior period and the impact has been to increase the corporation tax creditor by €484,000 with a corresponding increase to the tax charge. Profit after tax has decreased by €484,000 and net liabilities have increased by €484,000.

13. Contingent liabilities

Following the year end the German tax authorities have initiated a tax audit into the four financial years from 2015 through to 2018. The tax audit is still on going and there are currently no conclusions nor findings. Any potential future liabilities are currently unknown.

14. Post balance sheet events

Following the year end the COVID-19 pandemic has hit the United Kingdom and the rest of the world. Many businesses across the country have been forced to close due to government social distancing rules. Domino's Pizza as a franchise has been fortunate to remain open and continue serving pizza to the community during the pandemic. The Company has seen inflated sales during the pandemic, largely due to competitors being forced to close. The Company has also seen increased costs including but not exclusively, PPE for all team members, additional pizza boxes to enable contactless delivery and antibacterial hand gels. The increased sales combined with increased costs means profitability has remained relatively stable.

15. Ultimate parent company and controlling party

In the opinion of the directors the immediate parent company and controlling party is Domino's Pizza Germany (Holdings) Limited incorporated in United Kingdom, which is a wholly owned subsidiary of Domino's Pizza Group plc, the ultimate parent undertaking and controlling party.

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 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.