

**Strategic Report, Report of the Directors and
Financial Statements for the Period 26 December 2016 to 31 December 2017**

for

Domino's Pizza West Country Limited

THURSDAY



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Domino's Pizza West Country Limited

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Domino's Pizza West Country Limited

**Company Information
for the Period 26 December 2016 to 31 December 2017**

DIRECTORS:

Mr D Rose
Mr G Rose
Mr D J Wild
Mr A J Bushnell

SECRETARY:

Mr A J Bushnell

REGISTERED OFFICE:

1 Thornbury
West Ashland
Milton Keynes
MK6 4BB

REGISTERED NUMBER:

08131752 (England and Wales)

AUDITORS:

Parcell & Associates
Aldreth
Pearcroft Road
Stonehouse
Gloucestershire
GL10 2JY

Domino's Pizza West Country Limited

Strategic Report for the Period 26 December 2016 to 31 December 2017

The directors present their strategic report for the period 26 December 2016 to 31 December 2017.

REVIEW OF BUSINESS

The company operates 11 stores and 2 mobile units, it also employs over 400 staff. The company has traded fairly successfully in the year, with sales increased both overall and on a like for like basis. However, largely due to the increases in both food and staff costs, profits before tax have decreased. Profits before tax in 2017 amounted to £751,440 compared with £1,263,200 in 2016.

KEY PERFORMANCE INDICATORS

Sales growth has been strong across all the company's stores, except where part of a store's catchment area was allocated to another store. The overall increase in sales was 4.45%, and in like for like terms was 3.4%. Overheads have increased in proportion to the increased sales and number of stores. Costs have also increased in areas such as wages and the purchasing of food, meaning that gross profit as a percentage of sales has dropped by 1.78%. The strength of the balance sheet has decreased slightly during the year, net assets amount to £5,715,000, compared with £5,955,000 last year. The business cash-flow is healthy and the company is able to meet all liabilities.

FUTURE DEVELOPMENTS

The company plans to continue its program of improving its stores. It also intends to acquire more stores when the opportunity arises.

Domino's Pizza West Country Limited

Strategic Report for the Period 26 December 2016 to 31 December 2017

PRINCIPAL RISKS AND UNCERTAINTIES

Economic risk:

Following some very challenging economic times, we are cautiously optimistic about the economic outlook. Customer confidence appears to be rising and unemployment rates continue to fall. A cautious approach is still needed as real disposable income is declining over the longer term as the cost of living increases, despite interest rates remaining at historical low. Food prices continue to rise, which will remain an area of concern for the company due to the detrimental effect on profit margins.

Regulatory risks:

The companies operations require compliance with a wide range of regulatory requirements. In particular -

- * health and safety
- * hygiene procedures
- * employment
- * licensing

The above, along with a number of other areas, are monitored in detail as being in the fast food industry brings a high level of regulatory concerns.

Consumer taste:

Any material change in the way the consumer views the pizza delivery industry could have an adverse affect on the company. However, this can also work in the opposite way and could assist the company to achieve growth. As a result the company focuses, in detail, on recognising demographic trends, ensuring innovation and ensuring that the company only use the freshest and highest quality products through it stores.

Competitors:

The fast food market is a very competitive market, with a high number of large competitors trading in the sector. In order to remain as one of the main players, Dominos have dedicated teams who focus on ensuring Dominos is the leading company in the market. This will allow them to compete with other large fast food chains.

ON BEHALF OF THE BOARD:



Mr G Rose - Director

25 July 2018

Domino's Pizza West Country Limited

Report of the Directors for the Period 26 December 2016 to 31 December 2017

The directors present their report with the financial statements of the company for the period 26 December 2016 to 31 December 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the operation of Domino's franchised restaurants

DIVIDENDS

The following interim dividends were paid in the year:

A Ordinary shares

12 July 2017	- £1.100 per share
28 July 2017	- £900.00 per share

B Ordinary shares

12 July 2017	- £1.100 per share
28 July 2017	- £900.00 per share

The total distribution of dividends for the period ended December 31st 2017 will be £800,000.

RESEARCH AND DEVELOPMENT

The company does not carry out any independent research and development. However the franchisor, Domino's Pizza UK & Ireland Limited, carries out its own research and development on behalf of all franchisees. The company makes a contribution towards this through its existing payments to the franchisor.

DIRECTORS

The directors who have held office during the period from 26 December 2016 to the date of this report are as follows:

Mr D Rose
Mr G Rose
Ms R Osborne
Mr D Wild

EMPLOYMENT OF DISABLED PERSONS

The company operates a policy of giving full & fair consideration to employment applications from disabled persons.

PROVISION OF INFORMATION TO EMPLOYEES

The company has a system for providing employees with information of concern to them. It also consults employees on a regular basis so that their views can be taken into account in making decisions affecting them. It regularly explains to employees the financial and economic factors affecting the performance of the company and makes them aware of the provision of training, career development and employment of disabled employees.

Domino's Pizza West Country Limited

Report of the Directors for the Period 26 December 2016 to 31 December 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. 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 of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Parcell & Associates, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mr G Rose - Director

25 July 2018

Report of the Independent Auditors to the Members of Domino's Pizza West Country Limited

Opinion

We have audited the financial statements of Domino's Pizza West Country Limited (the 'company') for the period ended 31 December 2017 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion 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, 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. We have nothing to report in this regard.

Report of the Independent Auditors to the Members of Domino's Pizza West Country Limited

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 a Report of the Auditors 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
Domino's Pizza West Country Limited**

Use of our report

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 a Report of the Auditors 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.



Nicholas Parcell (Senior Statutory Auditor)
for and on behalf of Parcell & Associates
Aldreth
Pearcroft Road
Stonehouse
Gloucestershire
GL10 2JY

25 July 2018

Domino's Pizza West Country Limited

**Income Statement
for the Period 26 December 2016 to 31 December 2017**

		Period 26.12.16 to 31.12.17 £	Period 28.12.15 to 25.12.16 £
	Notes		
TURNOVER		12,109,589	11,595,157
Cost of sales		4,381,513	3,988,434
GROSS PROFIT		7,728,076	7,606,723
Administrative expenses		6,962,834	6,329,672
OPERATING PROFIT	4	765,242	1,277,051
Interest payable and similar expenses	5	(13,802)	(13,880)
PROFIT BEFORE TAXATION		751,440	1,263,171
Tax on profit	6	191,361	281,992
PROFIT FOR THE FINANCIAL PERIOD		560,079	981,179

The notes form part of these financial statements

Domino's Pizza West Country Limited

**Other Comprehensive Income
for the Period 26 December 2016 to 31 December 2017**

	Period 26.12.16 to 31.12.17 Notes £	Period 28.12.15 to 25.12.16 £
PROFIT FOR THE PERIOD	560,079	981,179
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>560,079</u>	<u>981,179</u>

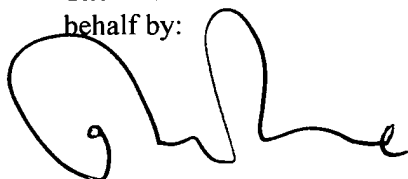
The notes form part of these financial statements

Domino's Pizza West Country Limited (Registered number: 08131752)

**Balance Sheet
31 December 2017**

	Notes	31.12.17	25.12.16
		£	£
FIXED ASSETS			
Intangible assets	8	3,586,563	3,821,959
Tangible assets	9	978,942	798,613
Investments	10	-	-
		<hr/>	<hr/>
		4,565,505	4,620,572
CURRENT ASSETS			
Stocks	11	68,371	56,230
Debtors	12	215,344	299,462
Cash at bank and in hand		2,851,586	3,170,868
		<hr/>	<hr/>
		3,135,301	3,526,560
CREDITORS			
Amounts falling due within one year	13	1,855,654	2,064,567
		<hr/>	<hr/>
NET CURRENT ASSETS		1,279,647	1,461,993
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,845,152	6,082,565
PROVISIONS FOR LIABILITIES	16	129,368	126,860
		<hr/>	<hr/>
NET ASSETS		5,715,784	5,955,705
		<hr/> <hr/>	<hr/> <hr/>
CAPITAL AND RESERVES			
Called up share capital	17	4	4
Share premium	18	5,048,798	5,048,798
Retained earnings	18	666,982	906,903
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS		5,715,784	5,955,705
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved by the Board of Directors on 25 July 2018 and were signed on its behalf by:



Mr G Rose - Director

The notes form part of these financial statements

Domino's Pizza West Country Limited

**Statement of Changes in Equity
for the Period 26 December 2016 to 31 December 2017**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 28 December 2015	4	475,724	5,048,798	5,524,526
Changes in equity				
Dividends	-	(550,000)	-	(550,000)
Total comprehensive income	-	981,179	-	981,179
Balance at 25 December 2016	4	906,903	5,048,798	5,955,705
Changes in equity				
Dividends	-	(800,000)	-	(800,000)
Total comprehensive income	-	560,079	-	560,079
Balance at 31 December 2017	4	666,982	5,048,798	5,715,784

The notes form part of these financial statements

Domino's Pizza West Country Limited

**Cash Flow Statement
for the Period 26 December 2016 to 31 December 2017**

		Period 26.12.16 to 31.12.17 £	Period 28.12.15 to 25.12.16 £
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	1,412,066	1,828,276
Interest paid		(13,802)	(13,880)
Tax paid		(468,404)	(380,612)
Net cash from operating activities		<u>929,860</u>	<u>1,433,784</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(3,750)	-
Purchase of tangible fixed assets		(454,549)	(129,643)
Sale of tangible fixed assets		12,000	2,250
Net cash from investing activities		<u>(446,299)</u>	<u>(127,393)</u>
Cash flows from financing activities			
Amount introduced by directors		450,000	275,001
Amount withdrawn by directors		(521,799)	(198,615)
Loans from participating interest		68,956	48,810
Equity dividends paid		(800,000)	(550,000)
Net cash from financing activities		<u>(802,843)</u>	<u>(424,804)</u>
(Decrease)/increase in cash and cash equivalents		<u>(319,282)</u>	<u>881,587</u>
Cash and cash equivalents at beginning of period	2	<u>3,170,868</u>	<u>2,289,281</u>
Cash and cash equivalents at end of period	2	<u><u>2,851,586</u></u>	<u><u>3,170,868</u></u>

The notes form part of these financial statements

Domino's Pizza West Country Limited

Notes to the Cash Flow Statement for the Period 26 December 2016 to 31 December 2017

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Period 26.12.16 to 31.12.17 £	Period 28.12.15 to 25.12.16 £
Profit before taxation	751,440	1,263,171
Depreciation charges	492,905	468,134
Loss on disposal of fixed assets	8,461	1,990
Finance costs	13,802	13,880
	<u>1,266,608</u>	<u>1,747,175</u>
Increase in stocks	(12,141)	(15,146)
Decrease/(increase) in trade and other debtors	84,118	(159,437)
Increase in trade and other creditors	73,481	255,684
	<u>1,412,066</u>	<u>1,828,276</u>
Cash generated from operations	1,412,066	1,828,276

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 31 December 2017

	31.12.17 £	26.12.16 £
Cash and cash equivalents	<u>2,851,586</u>	<u>3,170,868</u>

Period ended 25 December 2016

	25.12.16 £	28.12.15 £
Cash and cash equivalents	<u>3,170,868</u>	<u>2,289,281</u>

The notes form part of these financial statements

Domino's Pizza West Country Limited

Notes to the Financial Statements for the Period 26 December 2016 to 31 December 2017

1. STATUTORY INFORMATION

Domino's Pizza West Country Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The financial statements contain information about Domino's Pizza West Country Limited as an individual company and do not contain consolidated financial information as the parent of the group. The company has taken the option under Section 402, sub section 405 (2) of the Companies Act 2006 not to prepare consolidated financial statements. The exemption applies as none of the three subsidiary undertakings are deemed to be material as individuals or as a whole. All three companies are dormant.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings, represents any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired.

Goodwill is being written off over twenty years on the basis that the company has the option, as stipulated in its franchise agreements, to renew the existing franchises for further ten year terms at the end of the initial ten year term. As the directors are likely to take up the option and due to the company being in a good standing with regards the terms of the franchise agreement, the directors believe amortisation over the full 20 years reflects the likely consumption of economic benefits.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- at varying rates on cost
Plant and machinery	- at varying rates on cost
Fixtures and fittings	- at varying rates on cost
Motor vehicles	- at varying rates on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Domino's Pizza West Country Limited

Notes to the Financial Statements - continued for the Period 26 December 2016 to 31 December 2017

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Notes to the Financial Statements - continued
for the Period 26 December 2016 to 31 December 2017**

2. ACCOUNTING POLICIES - continued

Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated 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 each asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted cost of the future holiday entitlement so accrued at the Balance Sheet date.

Domino's Pizza West Country Limited

Notes to the Financial Statements - continued for the Period 26 December 2016 to 31 December 2017

2. ACCOUNTING POLICIES - continued

Financial instruments

The Company only enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares

For financial assets measured at amortised cost, the impairment cost is measured at the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the assets effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract

For assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument

Dividends

Equity dividends are recognised when they legally become payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Judgements in applying accounting policies and key sources of estimation uncertainty

In the process of applying the company's accounting policies, management are required to make certain estimates and judgements. The key estimates and judgements are as follows:

Depreciation and residual values

The directors have reviewed the asset lives and associated residual values of all fixed asset classes, and has concluded that asset lives and residual values are appropriate

Domino's Pizza West Country Limited

Notes to the Financial Statements - continued for the Period 26 December 2016 to 31 December 2017

3. EMPLOYEES AND DIRECTORS

	Period 26.12.16 to 31.12.17 £	Period 28.12.15 to 25.12.16 £
Wages and salaries	3,592,382	3,286,409
Social security costs	146,035	140,596
Other pension costs	4,202	-
	<u>3,742,619</u>	<u>3,427,005</u>

The average number of employees during the period was as follows:

	Period 26.12.16 to 31.12.17	Period 28.12.15 to 25.12.16
Hourly staff	366	316
Salaried staff	13	9
	<u>379</u>	<u>325</u>

	Period 26.12.16 to 31.12.17 £	Period 28.12.15 to 25.12.16 £
Directors' remuneration	<u>117,792</u>	<u>139,732</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	Period 26.12.16 to 31.12.17 £	Period 28.12.15 to 25.12.16 £
Hire of plant and machinery	17,316	20,019
Other operating leases	303,027	265,501
Depreciation - owned assets	253,759	229,082
Loss on disposal of fixed assets	8,461	1,990
Goodwill amortisation	239,146	239,052
Auditors' remuneration	10,000	10,000
Other non- audit services	<u>6,165</u>	<u>2,570</u>

Domino's Pizza West Country Limited

**Notes to the Financial Statements - continued
for the Period 26 December 2016 to 31 December 2017**

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 26.12.16 to 31.12.17 £	Period 28.12.15 to 25.12.16 £
Bank loan interest	-	4,042
Other interest	13,802	9,838
	<u>13,802</u>	<u>13,880</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the period was as follows:

	Period 26.12.16 to 31.12.17 £	Period 28.12.15 to 25.12.16 £
Current tax:		
UK corporation tax	188,853	311,831
Deferred tax	2,508	(29,839)
Tax on profit	<u>191,361</u>	<u>281,992</u>

UK corporation tax has been charged at 19.26% (2016 - 20%).

Domino's Pizza West Country Limited

Notes to the Financial Statements - continued for the Period 26 December 2016 to 31 December 2017

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 26.12.16 to 31.12.17 £	Period 28.12.15 to 25.12.16 £
Profit before tax	751,440	1,263,171
Profit multiplied by the standard rate of corporation tax in the UK of 19.260% (2016 - 20%)	144,727	252,634
Effects of:		
Expenses not deductible for tax purposes	833	175
Depreciation in excess of capital allowances	43,293	59,022
Deferred tax charge	2,508	(29,839)
Total tax charge	191,361	281,992

7. DIVIDENDS

	Period 26.12.16 to 31.12.17 £	Period 28.12.15 to 25.12.16 £
Ordinary A shares of 1p each Interim	400,000	275,000
Ordinary B shares of 1p each Interim	400,000	275,000
	800,000	550,000

Domino's Pizza West Country Limited

**Notes to the Financial Statements - continued
for the Period 26 December 2016 to 31 December 2017**

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 26 December 2016	5,043,299
Additions	3,750
	<hr/>
At 31 December 2017	5,047,049
	<hr/>
AMORTISATION	
At 26 December 2016	1,221,340
Amortisation for period	239,146
	<hr/>
At 31 December 2017	1,460,486
	<hr/>
NET BOOK VALUE	
At 31 December 2017	3,586,563
	<hr/>
At 25 December 2016	3,821,959
	<hr/>

9. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 26 December 2016	29,959	891,001	580,221	54,947	1,556,128
Additions	5,879	148,781	284,208	15,681	454,549
Disposals	-	(24,072)	-	-	(24,072)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	35,838	1,015,710	864,429	70,628	1,986,605
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION					
At 26 December 2016	11,622	531,633	189,106	25,154	757,515
Charge for period	3,153	167,888	71,862	10,856	253,759
Eliminated on disposal	-	(3,611)	-	-	(3,611)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	14,775	695,910	260,968	36,010	1,007,663
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE					
At 31 December 2017	21,063	319,800	603,461	34,618	978,942
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 25 December 2016	18,337	359,368	391,115	29,793	798,613
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Domino's Pizza West Country Limited

Notes to the Financial Statements - continued for the Period 26 December 2016 to 31 December 2017

10. FIXED ASSET INVESTMENTS

The company's investments at the Balance Sheet date in the share capital of companies include the following:

DAHT Limited

Country of incorporation: England & Wales

Nature of business: Dormant

	% holding		
Class of shares:			
Ordinary	100.00		
		31.12.17	25.12.16
		£	£
Aggregate capital and reserves		100	100

D A Hall Limited

Country of incorporation: England & Wales

Nature of business: Dormant

	% holding		
Class of shares:			
Ordinary	100.00		
		31.12.17	25.12.16
		£	£
Aggregate capital and reserves		100	100

MLS Limited

Country of incorporation: England & Wales

Nature of business: Dormant

	% holding		
Class of shares:			
Ordinary	100.00		
		31.12.17	25.12.16
		£	£
Aggregate capital and reserves		100	100

11. STOCKS

	31.12.17	25.12.16
	£	£
Stocks	<u>68,371</u>	<u>56,230</u>

Stock recognised in cost of sales during the year as an expense was £3,690,633 (2016: £3,344,218)

An impairment loss of £nil (2016: £nil) was recognised in cost of sales against stock during the year due to slow moving and obsolete stock.

Domino's Pizza West Country Limited

**Notes to the Financial Statements - continued
for the Period 26 December 2016 to 31 December 2017**

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.17	25.12.16
	£	£
Trade debtors	2,047	5,691
Other debtors	16,622	16,622
Prepayments	196,675	277,149
	<u>215,344</u>	<u>299,462</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.17	25.12.16
	£	£
Trade creditors	425,619	466,473
Amounts owed to group undertakings	400,300	275,300
Amounts owed to participating interests	167,646	223,690
Corporation tax	32,280	311,831
Social security and other taxes	16,004	46,915
VAT	426,592	444,084
Other creditors	335,369	123,264
Directors' current accounts	6,949	78,748
Accruals and deferred income	44,895	94,262
	<u>1,855,654</u>	<u>2,064,567</u>

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.17	25.12.16
	£	£
Within one year	216,738	185,250
Between one and five years	866,950	741,000
In more than five years	3,850,950	402,189
	<u>4,934,638</u>	<u>1,328,439</u>

Domino's Pizza West Country Limited

**Notes to the Financial Statements - continued
for the Period 26 December 2016 to 31 December 2017**

15. FINANCIAL INSTRUMENTS

Financial Assets	31.12.17 £	25.12.16 £
Financial assets that are debt instruments measured at amortised cost	2,870,256	3,193,180
	<u>2,870,256</u>	<u>3,193,180</u>
 Financial Liabilities	 1,372,317	 1,261,737
	<u>1,372,317</u>	<u>1,261,737</u>

16. PROVISIONS FOR LIABILITIES

	31.12.17 £	25.12.16 £
Deferred tax	<u>129,368</u>	<u>126,860</u>
		Deferred tax
		£
Balance at 26 December 2016		126,860
Provided during period		2,508
		<u>129,368</u>
Balance at 31 December 2017		<u>129,368</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31.12.17	25.12.16
Number:	Class:	Nominal value:	£	£
200	Ordinary A	1p	2	2
200	Ordinary B	1p	2	2
			<u>4</u>	<u>4</u>

Domino's Pizza West Country Limited

Notes to the Financial Statements - continued for the Period 26 December 2016 to 31 December 2017

18. RESERVES

	Retained earnings £	Share premium £	Totals £
At 26 December 2016	906,903	5,048,798	5,955,701
Profit for the period	560,079		560,079
Dividends	(800,000)		(800,000)
At 31 December 2017	666,982	5,048,798	5,715,780

19. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

Interest has been charged as appropriate on the balance at HMRC approved rates.

20. RELATED PARTY DISCLOSURES

The company acquired goods and services from Domino's Pizza UK & Ireland Limited in the year totalling £5,145,813 (2016-£4,680,596). Included in creditors is £728,939 (2016-£649,484) owed to Domino's Pizza Group Plc.

21. ULTIMATE CONTROLLING PARTY

The company is a joint venture between Domino's Pizza Group plc and Mr and Mrs David Rose. The two parties to the joint venture each own 50% of the share capital and have joint control through voting rights as well as being party to the joint venture agreement. This ensures that strategic, financial and operational decisions relating to the joint venture activities require the unanimous consent of the two joint venture parties.