

DOMINO'S PIZZA WEST COUNTRY LIMITED

Strategic Report, Report of the Directors and

Financial Statements for the Period 27 December 2021 to 25 December 2022

Contents of the Financial Statements
for the period 27 December 2021 to 25 December 2022

	Page
Company Information	1
Strategic Report	2 to 3
Report of the Directors	4 to 5
Report of the Independent Auditors	6 to 7
Income Statement	8
Other Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Cash Flow Statement	12
Notes to the Cash Flow Statement	13
Notes to the Financial Statements	14 to 22

DOMINO'S PIZZA WEST COUNTRY LIMITED

Company Information
for the period 27 December 2021 to 25 December 2022

Directors:

Mr G Rose
Mr D Rose
Mr R K N Caley
Mrs N J Frampton

Registered office:

1 Thornbury
West Ashland
Milton Keynes
Buckinghamshire
MK6 4BB

Registered number:

08131752 (England and Wales)

Auditors:

Haines Watts Birmingham LLP
5-6 Greenfield Crescent
Edgbaston
Birmingham
West Midlands
B15 3BE

Strategic Report
for the period 27 December 2021 to 25 December 2022

The directors present their strategic report for the period 27 December 2021 to 25 December 2022.

Review of business

The company operates 11 stores and 2 mobile units, it employs over 400 staff throughout Devon.

The company has responded well to a difficult year, utilising the well-established delivery service to continue to meet customer demand safely during the pandemic. During this period the sales have decreased by £0.51m compared to 2021, however would have fallen much further had this not been well managed. .

Overall, the financial position of the company is healthy with the balance sheet currently showing net assets of over £7.3 million.

Key Performance Indicators

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these include turnover, gross profit and operating profit.

The overall sales decrease was approximately 3.29%, down from £15.39 million in 2021 to £14.90 million in 2022. Gross profit as a percentage of sales has decreased by 4.20%.down from £10.43 million in 2021 to £9.47 million in 2022. Profit before tax in 2022 amounted to £0.63m compared with £2.83m in 2021.

Future Developments

The company plans to continue its program of improving its stores.

Strategic Report
for the period 27 December 2021 to 25 December 2022

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.

Future Planning:

The business has a well established delivery service that continued to operate. The business has a strong balance sheet and is well set to weather the challenging business and economic environment. We are confident that customer demand will continue through 2023 and we are well placed to deliver, underpinned by the Domino's brand.

Projections for 2023 and 2024 have been prudently revised to reflect a slowdown in revenue growth, the National Living and Minimum wage rates increasing from April 2023 and the VAT rate increasing to 20% during 2022. These projections indicate the business generates a profit in both 2023 and 2024.

Further information is contained in the going concern note in the Report of the Directors.

On behalf of the board:

Mr G Rose - Director

6 October 2023

Report of the Directors
for the period 27 December 2021 to 25 December 2022

The directors present their report with the financial statements of the company for the period 27 December 2021 to 25 December 2022.

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

25 December 2022 - £1,360 per share

B Ordinary shares

25 December 2022 - £1,375 per share

The total distribution of dividends for the period ended 25th December 2022 will be £544,000.

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 during the period under review were:

Mr G Rose

Mr D Rose

Mr D J Paul

Mr A J Bushnell

Mr R K N Caley

Mrs N J Frampton

- resigned 25.10.22

- resigned 25.10.22

- appointed 25.10.22

- appointed 25.10.22

The directors holding office at 25 December 2022 did not hold any beneficial interest in the issued share capital of the company at 27 December 2021 (or date of appointment if later) or 25 December 2022.

Going concern

The directors have considered the application of the going concern basis of accounting in doing so they have considered the period from the date of this report until 31 December 2024. The directors have assessed the expected future financial performance of the entity and believe that the ability of the Company to continue to operate its sales through delivery, drive thru and take away channels, will enable the Company to continue its operations and settle its obligations for this period in the normal course of business.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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.

Report of the Directors
for the period 27 December 2021 to 25 December 2022

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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Haines Watts Birmingham LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:

Mr G Rose - Director

6 October 2023

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 25 December 2022 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 25 December 2022 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the industry, we identified that the principal risks of non-compliance related to breaches of health and safety, including food hygiene. We considered the extent to which non-compliance might have a material affect on the financial statements. We also considered those laws and regulations that have a direct impact on preparation of the financial statements, such as the Companies Act 2006. We examined management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of overriding of controls) and determined that the principal risks were relating to management bias in accounting estimates, in particular those of accrued liabilities and the useful life of tangible assets. We also discussed with management the possibility of non-compliance with health and safety and food hygiene regulations and reviewed the management controls in place to detect such irregularities. Audit procedures included challenging assumptions made by management in their significant accounting estimates. There are inherent limitations in the Audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions described in the financial statements, the less likely we would become aware of it. Also the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one due to error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

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.

Nichola Venables ACA (Senior Statutory Auditor)
for and on behalf of Haines Watts Birmingham LLP
5-6 Greenfield Crescent
Edgbaston
Birmingham
West Midlands
B15 3BE

6 October 2023

Income Statement
for the period 27 December 2021 to 25 December 2022

		Period 27/12/21 to 25/12/22 £	Period 28/12/20 to 26/12/21 £
	Notes		
Turnover		14,904,048	15,410,666
Cost of sales		<u>(5,436,701)</u>	<u>(4,974,312)</u>
Gross profit		9,467,347	10,436,354
Administrative expenses		<u>(8,837,418)</u>	<u>(7,607,646)</u>
		629,929	2,828,708
Other operating income		<u>-</u>	<u>2,536</u>
Operating profit	4	629,929	2,831,244
Interest receivable and similar income		<u>3,123</u>	<u>-</u>
Profit before taxation		633,052	2,831,244
Tax on profit	5	<u>(155,161)</u>	<u>(644,504)</u>
Profit for the financial period		<u>477,891</u>	<u>2,186,740</u>

The notes form part of these financial statements

DOMINO'S PIZZA WEST COUNTRY LIMITED (REGISTERED NUMBER: 08131752)

Other Comprehensive Income
for the period 27 December 2021 to 25 December 2022

	Notes	Period 27/12/21 to 25/12/22 £	Period 28/12/20 to 26/12/21 £
Profit for the period		477,891	2,186,740
Other comprehensive income		-	-
Total comprehensive income for the period		<u>477,891</u>	<u>2,186,740</u>

The notes form part of these financial statements

Balance Sheet
25 December 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	7		2,355,727		2,608,407
Tangible assets	8		883,002		1,063,091
Investments	9		-		-
			<u>3,238,729</u>		<u>3,671,498</u>
Current assets					
Stocks	10	71,595		48,817	
Debtors	11	193,831		208,257	
Cash at bank and in hand		<u>6,064,542</u>		<u>5,833,640</u>	
		<u>6,329,968</u>		<u>6,090,714</u>	
Creditors					
Amounts falling due within one year	12	<u>2,085,255</u>		<u>2,174,122</u>	
Net current assets			<u>4,244,713</u>		<u>3,916,592</u>
Total assets less current liabilities			<u>7,483,442</u>		<u>7,588,090</u>
Provisions for liabilities	15		<u>158,725</u>		<u>197,264</u>
Net assets			<u>7,324,717</u>		<u>7,390,826</u>
Capital and reserves					
Called up share capital	16		4		4
Share premium	17		5,048,798		5,048,798
Retained earnings	17		<u>2,275,915</u>		<u>2,342,024</u>
Shareholders' funds			<u>7,324,717</u>		<u>7,390,826</u>

The financial statements were approved by the Board of Directors and authorised for issue on 6 October 2023 and were signed on its behalf by:

Mr G Rose - Director

Statement of Changes in Equity
for the period 27 December 2021 to 25 December 2022

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 28 December 2020	4	705,284	5,048,798	5,754,086
Changes in equity				
Dividends	-	(550,000)	-	(550,000)
Total comprehensive income	-	2,186,740	-	2,186,740
Balance at 26 December 2021	<u>4</u>	<u>2,342,024</u>	<u>5,048,798</u>	<u>7,390,826</u>
Changes in equity				
Dividends	-	(544,000)	-	(544,000)
Total comprehensive income	-	477,891	-	477,891
Balance at 25 December 2022	<u>4</u>	<u>2,275,915</u>	<u>5,048,798</u>	<u>7,324,717</u>

The notes form part of these financial statements

Cash Flow Statement
for the period 27 December 2021 to 25 December 2022

		Period 27/12/21 to 25/12/22 £	Period 28/12/20 to 26/12/21 £
Cash flows from operating activities	Notes		
Cash generated from operations	1	1,229,936	3,840,176
Tax paid		<u>(351,776)</u>	<u>(815,208)</u>
Net cash from operating activities		<u>878,160</u>	<u>3,024,968</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(105,619)	(80,801)
Sale of tangible fixed assets		-	2,907
Interest received		<u>3,123</u>	<u>-</u>
Net cash from investing activities		<u>(102,496)</u>	<u>(77,894)</u>
Cash flows from financing activities			
Amount withdrawn by directors		(762)	833
Equity dividends paid		<u>(544,000)</u>	<u>(550,000)</u>
Net cash from financing activities		<u>(544,762)</u>	<u>(549,167)</u>
Increase in cash and cash equivalents		<u>230,902</u>	<u>2,397,907</u>
Cash and cash equivalents at beginning of period	2	5,833,640	3,435,733
Cash and cash equivalents at end of period	2	<u>6,064,542</u>	<u>5,833,640</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the period 27 December 2021 to 25 December 2022

1. **Reconciliation of profit before taxation to cash generated from operations**

	Period 27/12/21 to 25/12/22 £	Period 28/12/20 to 26/12/21 £
Profit before taxation	633,052	2,831,244
Depreciation charges	538,388	535,701
Profit on disposal of fixed assets	-	(2,907)
Finance income	<u>(3,123)</u>	<u>-</u>
	1,168,317	3,364,038
Increase in stocks	<u>(22,778)</u>	<u>(4,544)</u>
(Increase)/decrease in trade and other debtors	<u>(422,575)</u>	<u>227,863</u>
Increase in trade and other creditors	<u>506,972</u>	<u>252,819</u>
Cash generated from operations	<u>1,229,936</u>	<u>3,840,176</u>

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 25 December 2022

	25/12/22 £	27/12/21 £
Cash and cash equivalents	<u>6,064,542</u>	<u>5,833,640</u>

Period ended 26 December 2021

	26/12/21 £	28/12/20 £
Cash and cash equivalents	<u>5,833,640</u>	<u>3,435,733</u>

3. **Analysis of changes in net funds**

	At 27/12/21 £	Cash flow £	At 25/12/22 £
Net cash			
Cash at bank and in hand	<u>5,833,640</u>	<u>230,902</u>	<u>6,064,542</u>
	<u>5,833,640</u>	<u>230,902</u>	<u>6,064,542</u>
Total	<u>5,833,640</u>	<u>230,902</u>	<u>6,064,542</u>

Notes to the Financial Statements
for the period 27 December 2021 to 25 December 2022

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.

Going Concern

The directors have considered the application of the going concern basis of accounting in doing so they have considered the period from the date of this report until 31 December 2024. The directors have assessed the expected future financial performance of the entity and believe that the ability of the Company to continue to operate its sales through delivery and take away channels, will enable the Company to continue its operations and settle its obligations for this period in the normal course of business.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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 over the useful life of 20 years.

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.

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.

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.

Notes to the Financial Statements - continued
for the period 27 December 2021 to 25 December 2022

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.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

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.

3. Employees and directors

	Period 27/12/21 to 25/12/22 £	Period 28/12/20 to 26/12/21 £
Wages and salaries	4,605,775	3,992,768
Social security costs	212,524	193,386
Other pension costs	35,420	36,046
	<u>4,853,719</u>	<u>4,222,200</u>

Notes to the Financial Statements - continued
for the period 27 December 2021 to 25 December 2022

3. Employees and directors - continued

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

	Period 27/12/21 to 25/12/22	Period 28/12/20 to 26/12/21
Hourly staff	453	442
Salaried staff	<u>17</u>	<u>17</u>
	<u>470</u>	<u>459</u>
	Period 27/12/21 to 25/12/22 £	Period 28/12/20 to 26/12/21 £
Directors' remuneration	<u>158,232</u>	<u>137,067</u>

4. Operating profit

The operating profit is stated after charging/(crediting):

	Period 27/12/21 to 25/12/22 £	Period 28/12/20 to 26/12/21 £
Hire of plant and machinery	42,363	29,044
Other operating leases	313,027	302,767
Depreciation - owned assets	285,708	283,022
Profit on disposal of fixed assets	-	(2,907)
Goodwill amortisation	252,680	252,681
Auditors' remuneration	10,000	10,000
Other non- audit services	<u>3,383</u>	<u>3,847</u>

5. Taxation

Analysis of the tax charge

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

	Period 27/12/21 to 25/12/22 £	Period 28/12/20 to 26/12/21 £
Current tax:		
UK corporation tax	193,699	616,960
Deferred tax	<u>(38,538)</u>	<u>27,544</u>
Tax on profit	<u>155,161</u>	<u>644,504</u>

Notes to the Financial Statements - continued
for the period 27 December 2021 to 25 December 2022

5. **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 27/12/21 to 25/12/22 £	Period 28/12/20 to 26/12/21 £
Profit before tax	<u>633,052</u>	<u>2,831,244</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	120,280	537,936
Effects of:		
Expenses not deductible for tax purposes	1,140	1,332
Income not taxable for tax purposes	-	(551)
Depreciation in excess of capital allowances	72,279	78,243
Deferred tax charge	<u>(38,538)</u>	<u>27,544</u>
Total tax charge	<u>155,161</u>	<u>644,504</u>

6. **Dividends**

	Period 27/12/21 to 25/12/22 £	Period 28/12/20 to 26/12/21 £
Ordinary A shares of 1p each Interim	272,000	275,000
Ordinary B shares of 1p each Interim	<u>272,000</u>	<u>275,000</u>
	<u>544,000</u>	<u>550,000</u>

7. **Intangible fixed assets**

	Goodwill £
Cost	
At 27 December 2021 and 25 December 2022	<u>5,053,600</u>
Amortisation	
At 27 December 2021	2,445,193
Amortisation for period	<u>252,680</u>
At 25 December 2022	<u>2,697,873</u>
Net book value	
At 25 December 2022	<u>2,355,727</u>
At 26 December 2021	<u>2,608,407</u>

Notes to the Financial Statements - continued
for the period 27 December 2021 to 25 December 2022

8. Tangible fixed assets

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Cost					
At 27 December 2021	39,024	1,378,858	1,492,435	177,983	3,088,300
Additions	-	28,068	13,146	64,405	105,619
At 25 December 2022	39,024	1,406,926	1,505,581	242,388	3,193,919
Depreciation					
At 27 December 2021	30,202	1,106,749	781,908	106,350	2,025,209
Charge for period	3,912	100,304	154,712	26,780	285,708
At 25 December 2022	34,114	1,207,053	936,620	133,130	2,310,917
Net book value					
At 25 December 2022	4,910	199,873	568,961	109,258	883,002
At 26 December 2021	8,822	272,109	710,527	71,633	1,063,091

9. 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

%

Class of shares: holding

Ordinary 100.00

25.12.22 26.12.21

£ £

Aggregate capital and reserves 100 100

D A Hall Limited

Country of incorporation: England & Wales

Nature of business: Dormant

%

Class of shares: holding

Ordinary 100.00

25.12.22 26.12.21

£ £

Aggregate capital and reserves 100 100

MLS Limited

Country of incorporation: England & Wales

Nature of business: Dormant

%

Class of shares: holding

Ordinary 100.00

25.12.22 26.12.21

£ £

Aggregate capital and reserves 100 100

**Notes to the Financial Statements - continued
for the period 27 December 2021 to 25 December 2022**

10. Stocks		2022	2021
		£	£
Stocks		<u>71,595</u>	<u>48,817</u>
Analysis of stock		25.12.22	26.12.21
£	£		
Food		<u>71,595</u>	<u>48,817</u>
		<u>71,595</u>	<u>48,817</u>
11. Debtors: amounts falling due within one year		2022	2021
		£	£
Other debtors		13,574	1,200
Prepayments		<u>180,257</u>	<u>207,057</u>
		<u>193,831</u>	<u>208,257</u>
12. Creditors: amounts falling due within one year		2022	2021
		£	£
Trade creditors		313,237	224,775
Amounts owed to group undertakings		272,300	709,300
Amounts owed to participating interests		155,146	155,146
Corporation tax		106,659	264,736
Social security and other taxes		49,866	57,506
VAT		550,838	252,708
Other creditors		581,375	431,892
Directors' current accounts		447	1,209
Accruals and deferred income		<u>55,387</u>	<u>76,850</u>
		<u>2,085,255</u>	<u>2,174,122</u>
13. Leasing agreements			
Minimum lease payments under non-cancellable operating leases fall due as follows:		2022	2021
		£	£
Within one year		56,810	216,383
Between one and five years		164,850	180,448
In more than five years		<u>339,886</u>	<u>381,098</u>
		<u>561,546</u>	<u>777,929</u>

Lease payments recognised as an expense in the year totalled £313,027 (2021: £302,767).

Notes to the Financial Statements - continued
for the period 27 December 2021 to 25 December 2022

14. **Financial instruments**

Financial Assets	31.12.22 £	26.12.21 £
Financial assets that are debt instruments measured at amortised cost	<u>6,078,116</u> <u>6,078,116</u>	<u>5,834,840</u> <u>5,834,840</u>
Financial Liabilities	<u>1,066,282</u> <u>1,066,282</u>	<u>1,336,952</u> <u>1,336,952</u>

15. **Provisions for liabilities**

	2022 £	2021 £
Deferred tax	<u>158,725</u>	<u>197,264</u>
		Deferred tax £
Balance at 27 December 2021		197,264
Provided during period		(38,539)
Balance at 25 December 2022		<u>158,725</u>

16. **Called up share capital**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2022 £	2021 £
200	Ordinary A	1p	2	2
200	Ordinary B	1p	<u>2</u>	<u>2</u>
			<u>4</u>	<u>4</u>

17. **Reserves**

	Retained earnings £	Share premium £	Totals £
At 27 December 2021	2,342,024	5,048,798	7,390,822
Profit for the period	477,891		477,891
Dividends	(544,000)		(544,000)
At 25 December 2022	<u>2,275,915</u>	<u>5,048,798</u>	<u>7,324,713</u>

18. **Related party disclosures**

The company acquired goods and services from Domino's Pizza UK & Ireland Limited in the year totalling £4,419,541 (2021 : £3,884,285). Included in creditors is £372,963 (2021 : £326,609) owed to Domino's Pizza UK & Ireland Limited.

Also included in creditors is £272,000 (2021 : £709,000) owed to Domino's Pizza Group Plc.

In 2018 the company committed to a 20 year lease agreement on a property owned by Mr and Mrs David Rose. The annual rent charged is £24,000.

At the year end the balance included in creditors due to the directors was £447 (2021 :£1,209).

19. **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 .

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.