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# **DP Peterborough Limited**

## **Report and Financial Statements**

For the period from 1 April 2006 to the 31 December 2006

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COMPANIES HOUSE

## DP Peterborough Limited

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Registered No 05401511

### **Directors**

S G Hemsley  
L D Ginsberg  
S Ray

### **Secretary**

L D Ginsberg

### **Auditors**

Ernst & Young LLP  
400 Capability Green  
Luton  
LU1 3LU

### **Registered office**

Domino's House  
Lasborough Road  
Kingston  
Milton Keynes  
MK10 0AB

## Directors' report

The directors present their report and financial statements for the period from 1 April 2006 to 31 December 2006

### Results and dividends

The loss for the period amounted to £27,839 (2005 £6,187) The directors do not recommend the payment of any dividends

### Principal activities and review of the business

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

### Change of accounting reference date

On the 6 June 2006 the company changed its accounting reference date to 31 December Although the statutory period ending 31 March 2006 was approximately 11 months long, the company did not commence trade until 26 August 2005

### Directors and their interests

The directors at 31 December 2006 are listed on page 1

With the exception of S Ray none of the directors had a direct interest in the issued share capital of the company

S Ray owns 30,000 allotted, called up and fully paid ordinary B shares of £1 each in the Company as at the 31 December 2006 (31 March 2006 30,000)

S Hemsley and L Ginsberg are also directors of Domino's Pizza UK & IRL plc, the ultimate parent company and details of their interests therein are shown in the directors' report of that company for the year ended 31 December 2006

### Disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, each director has taken all steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

### Special provisions

'The directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities

### Auditors

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

By order of the board



L D Ginsberg  
Secretary

2 August 2007

## **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

## **Independent auditors' report**

### **to the members of DP Peterborough Limited**

We have audited the company's financial statements for the period ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

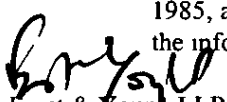
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss for the period then ended,
  - the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

  
Ernst & Young LLP  
Registered auditor

Luton

4/12/07

# **Profit and loss account** for the period ended 31 December 2006

		<i>9 months ended 31 December 2006</i>	<i>11 months ended 31 March 2006</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
<b>Turnover</b>	2	1,154,056	763,313
Cost of sales		459,239	287,882
<b>Gross profit</b>		694,817	475,431
Distribution costs		379,934	251,763
Administrative expenses		306,822	214,609
<b>Operating profit</b>	3	8,061	9,059
Bank interest receivable	6	927	1,237
Interest payable	7	(26,149)	(15,400)
<b>Loss on ordinary activities before taxation</b>		(17,161)	(5,104)
Tax on loss on ordinary activities	8	(10,678)	(1,083)
<b>Loss for the financial year transferred to reserves</b>		(27,839)	(6,187)

The company has no recognised gains or losses other than the results for the period as set out above

All activities relate to continuing operations

## Balance sheet

at 31 December 2006

		<i>At 31 December 2006</i>	<i>At 31 March 2006</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
<b>Fixed assets</b>			
Intangible assets	9	13,911	6,822
Tangible assets	10	593,607	477,399
		<u>607,518</u>	<u>484,221</u>
<b>Current assets</b>			
Stocks	11	8,419	4,081
Debtors	12	28,058	160,864
Cash at bank		270,831	30,834
		<u>307,308</u>	<u>195,779</u>
<b>Creditors</b> amounts falling due within one year	13	274,759	169,104
		<u>32,549</u>	<u>26,675</u>
<b>Net current assets</b>			
<b>Total assets less current liabilities</b>		<u>640,067</u>	<u>510,896</u>
<b>Creditors</b> amounts falling due after more than one year	14	512,332	366,000
<b>Provisions for liabilities and charges</b>	8	11,761	1,083
		<u>115,974</u>	<u>143,813</u>
<b>Capital and reserves</b>			
Called up share capital	16	150,000	150,000
Profit and loss account	17	(34,026)	(6,187)
<b>Equity shareholders' funds</b>		<u>115,974</u>	<u>143,813</u>

The financial statements were approved by the Board on *2 August* 2007 and were signed on its behalf by



L D Ginsberg  
Director

## Notes to the financial statements

at 31 December 2006

### 1. Accounting policies

#### **Basis of preparation**

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards

The financial statements of DP Peterborough Limited were approved for issue by the Board of Directors on 2007

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company qualifies as a small company

#### **Intangible fixed assets**

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

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

#### **Fixed assets**

All fixed assets are initially recorded at cost

#### **Depreciation**

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows

Leasehold improvements	- over the life of the lease term
Fixtures, fittings and equipment	- over 1 - 10 years
Motor vehicles	- over 18 months to 3 years

#### **Stocks**

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

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

#### **Leasing**

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

#### **Pensions**

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



## Notes to the financial statements

at 31 December 2006

### 2. Turnover

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

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

### 3. Operating profit

This is stated after charging

	<i>9 months ended 31 December 2006 £</i>	<i>11 months ended 31 March 2006 £</i>
Auditors' remuneration - audit of the financial statements	4,025	4,000
Depreciation of owned fixed assets	58,870	38,286
Amortisation	411	224
Operating lease rentals	42,053	37,800
	<u>101,334</u>	<u>76,310</u>

### 4. Staff costs

	<i>9 months ended 31 December 2006 £</i>	<i>11 months ended 31 March 2006 £</i>
Wages and salaries	302,121	189,401
Social security costs	21,489	10,845
	<u>323,610</u>	<u>200,246</u>

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

	<i>9 months ended 31 December 2006 No</i>	<i>11 months ended 31 March 2006 No</i>
Store operations	60	48
	<u>60</u>	<u>48</u>

## Notes to the financial statements

at 31 December 2006

### 5. Directors' emoluments

	<i>9 months ended 31 December 2006 £</i>	<i>11 months ended 31 March 2006 £</i>
Emoluments	<u>32,944</u>	<u>25,509</u>

### 6. Interest receivable

	<i>9 months ended 31 December 2006 £</i>	<i>11 months ended 31 March 2006 £</i>
Interest receivable from group undertakings	<u>927</u>	<u>1,237</u>

### 7. Interest payable

	<i>9 months ended 31 December 2006 £</i>	<i>11 months ended 31 March 2006 £</i>
Interest payable to group undertakings	<u>26,149</u>	<u>15,400</u>

### 8. Tax on loss on ordinary activities

(a) Tax on loss on ordinary activities

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

	<i>9 months ended 31 December 2006 £</i>	<i>11 months ended 31 March 2006 £</i>
<i>Current tax</i>		
Total current tax (note 8(b))	<u>-</u>	<u>-</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	<u>10,678</u>	<u>1,083</u>
Tax on loss on ordinary activities	<u>10,678</u>	<u>1,083</u>

## Notes to the financial statements

at 31 December 2006

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

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

The differences are reconciled below

	<i>9 months ended 31 December 2006 £</i>	<i>11 months ended 31 March 2006 £</i>
Loss on ordinary activities before tax	(17,161)	(5,104)
Loss on ordinary activities at standard rate of tax – 30%	(5,148)	(1,531)
Non-qualifying depreciation	5,130	3,512
(Accelerated)/decelerated capital allowances	(6,017)	(1,083)
Expenses not deductible for tax purposes	2,186	164
Group claim	3,849	(1,062)
Total current tax (note 8(a))	-	-

(c) Deferred tax

	<i>At 31 December 2006 £</i>	<i>At 31 March 2006 £</i>
Capital allowances in advance of depreciation	(11,761)	(1,083)
Provision for deferred taxation	(11,761)	(1,083)
		£
At 31 March 2006		(1,083)
Profit and loss account movement arising during the year		(10,678)
At 31 December 2006		(11,761)

## Notes to the financial statements

at 31 December 2006

### 9. Intangible fixed assets

	<i>Franchise Fee £</i>
Cost	
At 31 March 2006	7,046
Additions	7,500
At 31 December 2006	<u>14,546</u>
Amortisation	
At 31 March 2006	224
Charge for the period	411
At 31 December 2006	<u>635</u>
Net book value	
At 31 December 2006	<u>13,911</u>
At 31 March 2006	<u>6,822</u>

### 10. Tangible fixed assets

	<i>Leasehold improvements £</i>	<i>Fixtures, fittings and equipment £</i>	<i>Motor Vehicles £</i>	<i>Total £</i>
Cost				
At 31 March 2006	342,671	168,396	4,618	515,685
Additions	78,407	98,103	-	176,510
Disposals	-	(819)	(2,783)	(3,602)
At 31 December 2006	<u>421,078</u>	<u>265,680</u>	<u>1,835</u>	<u>688,593</u>
Depreciation				
At 31 March 2006	15,116	21,333	1,837	38,286
Provided during the period	22,432	34,560	1,878	58,870
Disposals	-	(102)	(2,068)	(2,170)
At 31 December 2006	<u>37,548</u>	<u>55,791</u>	<u>1,647</u>	<u>94,986</u>
Net book value				
At 31 December 2006	<u>383,530</u>	<u>209,889</u>	<u>188</u>	<u>593,607</u>
At 31 March 2006	<u>327,555</u>	<u>147,063</u>	<u>2,781</u>	<u>477,399</u>

## Notes to the financial statements

at 31 December 2006

### 11. Stocks

	<i>At 31 December 2006</i>	<i>At 31 March 2006</i>
	<i>£</i>	<i>£</i>
Raw materials and consumables	8,419	4,081

### 12. Debtors

	<i>At 31 December 2006</i>	<i>At 31 March 2006</i>
	<i>£</i>	<i>£</i>
Amounts owed by group undertakings	-	122,998
Other debtors	6,723	7,476
Prepayments and accrued income	21,335	30,390
	28,058	160,864

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

	<i>At 31 December 2006</i>	<i>At 31 March 2006</i>
	<i>£</i>	<i>£</i>
Trade creditors	10,187	18,442
Amounts owed to group undertakings	218,939	57,370
Other taxation and social security	-	54,653
Other creditors	-	8,468
Accruals and deferred income	45,633	30,171
	274,759	169,104

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

	<i>At 31 December 2006</i>	<i>At 31 March 2006</i>
	<i>£</i>	<i>£</i>
Amounts owed to group undertakings	512,332	366,000

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

## Notes to the financial statements

at 31 December 2006

### 15. Related party transactions

Related party	Royalty payments	National advertising contribution	Food, equipment & supply purchases	Operating lease rentals	Interest payments on loan notes	Acquisition of business	Total related party transactions
	£	£	£	£	£	£	£
Dominos Pizza Group Limited	63,473	56,063	351,008		25,222	168,188	663,954
DP Realty Limited				42,053			42,053
<b>Total</b>	<b>63,473</b>	<b>56,063</b>	<b>351,008</b>	<b>42,053</b>	<b>25,222</b>	<b>168,188</b>	<b>706,007</b>

Dominos Pizza Group Limited and DP Realty Limited are wholly owned subsidiaries of Domino's Pizza UK & IRL plc. These transactions were all at normal market prices. As at 31 December 2006 there were outstanding balances owing to group companies as referred to in notes 13 and 14. There was an outstanding balance owed by group companies as referred to in note 12.

### 16. Share capital

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

	<i>Allotted, called up and fully paid</i>			
	<i>At 31 December 2006</i>		<i>At 31 March 2006</i>	
	<i>No</i>	<i>£</i>	<i>No</i>	<i>£</i>
Ordinary A shares of £1 each	120,000	120,000	120,000	120,000
Ordinary B shares of £1 each	30,000	30,000	30,000	30,000
	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>

## Notes to the financial statements

at 31 December 2006

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

	<i>Share capital</i>	<i>Profit and loss</i>	<i>Total share-</i>
	<i>£</i>	<i>account</i>	<i>holders' funds</i>
		<i>£</i>	<i>£</i>
Share capital on incorporation	-	-	-
Ordinary A shares of £1 each	120,000	-	120,000
Ordinary B shares of £1 each	30,000	-	30,000
Loss for the period	-	(6,187)	(6,187)
At 31 March 2006	150,000	(6,187)	143,813
Loss for the period	-	(27,839)	(27,839)
At 31 December 2006	150,000	(34,026)	115,974

### 18. Commitments under operating leases

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

	<i>At 31</i>	<i>At 31</i>
	<i>December</i>	<i>March</i>
	<i>2006</i>	<i>2006</i>
	<i>£</i>	<i>£</i>
Operating leases which expire		
In two to five years	19,110	16,100
In over five years	45,570	31,900
	<u>64,680</u>	<u>48,000</u>

### 19. Ultimate parent company and controlling party

In the opinion of the directors, the immediate parent company is Domino's Pizza Group Limited, a company incorporated in the United Kingdom, which is a wholly owned subsidiary of Domino's Pizza UK & IRL plc. Copies of the financial statements of Domino's Pizza UK & IRL plc may be obtained from its registered office Domino's House, Lasborough Road, Kingston, Milton Keynes, MK10 0AB

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