DP Poland PLC ("DP Poland" "the Group" or the "Company")

Final results for the full year to 31 December 2015.

System Sales up 22%. Total corporate stores deliver PLN+1m EBITDA for full year. Commissary makes strong contribution. Group EBITDA losses reduced by 31%.

DP Poland, through its wholly owned subsidiary DP Polska S.A., has the exclusive right to develop, operate and sub-franchise Domino's Pizza stores in Poland. There are currently 24 Domino's Pizza stores in 5 Polish cities, Warsaw, Krakow, Wroclaw, Gdansk and Szczecin, 16 corporately managed and 8 sub-franchised.

Highlights

- System Sales[1] grow +22% 2015 on 2014, excluding 3 stores closed in 2014
- System Sales[1] grow +15% 2015 on 2014, including 3 stores closed in 2014
- 13 consecutive quarters of double digit like-for-like System Sales[1] growth, Q4 2012 – Q4 2015
- Maintaining strong like-for-likes[2]
  - Like-for-like System Sales[1] (PLN) up +16%
  - Like-for-like gross profit[3] (PLN) up +27%
  - Like-for-like order count[4] up +14%
- 67% of total delivery sales were made online
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- Total stores[5] EBITDA positive every month in 2015
- Total corporate store EBITDA +£173k[6] (+PLN1m) compared to -£254k[7] in 2014
- Top 3 corporate stores averaged +£58k[6] EBITDA each in 2015 vs +£24k[7] each in 2014
- Stores 25 and 26 to open imminently
- Group EBITDA[8] losses reduced by 31% 2015 (-£1,645,432) on 2014 (-2,379,511), at average exchange rates[6, 7].
- Substantial store opening pipeline for 2016
- Double digit like-for-like System Sales growth continued January-February 2016 at 27%

Peter Shaw, Chief Executive of DP Poland said:

"The improvement in Group EBITDA in 2015 is a result of a strong combined performance from our corporate stores and our commissary. Corporate store EBITDA went strongly positive in 2015 and commissary sales to our sub-franchisees, plus sales royalties, grew significantly thanks to the strong sales performance of sub-franchised stores.

With a presence in 5 cities we will be opening a significant number of new stores in the coming year, both in those cities and in new locations. I am delighted with the performance of our latest store openings in new cities."

21 March 2016

[1] System Sales – total retail sales including sales from corporate and sub-franchised stores
[2] Like-for-like growth in PLN, matching trading periods for the same stores between 1 January and 31 December, 2014 and 1 January and 31 December, 2015
[3] Sales minus food costs. This figure excludes sub-franchised stores
[4] Order count for corporate and sub-franchised stores
[5] Total stores include corporate and sub-franchised stores
[6] Exchange rate average for 2015 - £1:PLN 5.77
[7] Exchange rate average for 2014 - £1:PLN 5.19
[8] Excluding non-cash and non-recurring items

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Chairman's Statement

2015 was marked by a step change in performance at both the store and commissary levels. This was our first year when Total Stores were EBITDA positive for the year as a whole and for every month. Our best performing stores delivered a level of EBITDA more than double that of the best performing stores in 2014. This was also our first full year of the commissary being treated as a separate revenue stream, with its own profit and loss account, supplying stores with ingredients, non-food items and services, plus the gathering of sub-franchised store sales royalties. The contribution from the commissary through sales to sub-franchised stores, plus royalties, increased through the year and, with the opening of our new commissary in September we saw that contribution enhanced further through more cost efficient dough production and warehouse product handling.

Both Store EBITDA performance and the contribution from the commissary have been delivered through a combination of strong sales growth and reduced food costs, the gross margin having been further enhanced by deflation in food commodity prices. We have seen same store sales continue to grow strongly with double digit like-for-likes and I am encouraged by the performance of stores opened in 2015, although with the weight of openings towards the end of the year these new stores had a limited impact on overall System Sales. I believe that we will see sales from these new stores and from the pipeline of planned openings through the current year grow System Sales materially for 2016.

The performance of this business is dependent on strong sales and marketing activity. As we continue to fine tune and optimise the marketing mix we see the positive effect on sales and gross margin. Digital marketing is a key component, particularly with online becoming such a major sales channel for us with 67% of all delivery sales ordered online in 2015. I anticipate that the relaunch of our online ordering website at the end of 2015, with particular attention to the mobile channel through the new responsive version of the website and our app, will further strengthen our relationship with our customers.

The move beyond Warsaw and Krakow has continued, with openings in 3 further cities: Wroclaw, Gdansk and Szczecin, the last of which opened in February 2016. Every new city is in effect a new market with its own particular dynamics and challenges and in that context I am delighted that we have had such a strong customer uptake in all 3 of our new cities. The performance of these new stores gives me confidence that the success model proven in our most mature stores will be replicated in other cities and towns in Poland.

Our sub-franchisees continue to report growing store EBITDA and they have some of the strongest stores in terms of like-for-like store sales growth. Sub-franchising is still in its early days for Domino's Pizza in Poland and I look forward to welcoming new sub-franchisees to the system in the near future. As well as attracting well-funded third parties we look to encourage our own managers who have proven themselves in running corporately managed stores and have the desire to run their own businesses, a popular approach to growing sub-franchising adopted by the Domino's system worldwide.

2016 will see the Company opening a large number of stores in existing and new cities, while the January-February 2016 like-for-likes indicate that our existing stores will continue to perform strongly. Your board believes that the strong performance of our stores, existing and new, plus the contribution of the commissary will continue to build over the coming year and that 2016 will be another important year for this business.

I would like to thank the team for delivering such a strong performance across all parts of the business in 2015.

Nicholas Donaldson

Non-Executive Chairman

21 March 2016

Chief Executive's Review

Store performance

Q4 2015 saw our 13th consecutive quarter of double digit like-for-like[2] System Sales[1] growth. In 2015 like-for-like System Sales were up +16%, like-for-like gross profit[3] up +27% and like-for-like system order count[4] up +14%.

System Sales increased +22% 2015 on 2014, excluding 3 stores closed in 2014. System Sales increased +15% on 2014, including 3 stores closed in 2014.

Total Corporate Store EBITDA 2015 was +£173k[x6] (+PLN1m) compared to -£254k[7] in 2014. Total Store[5] EBITDA in 2015, including sub-franchised stores, was reported positive for every month.

Our top 3 corporate stores delivered an average of +£58k[6] EBITDA each for the full year, compared to an average of +£24k[7] each for the top 3 performing stores in 2014.

This improvement in store EBITDA performance is driven by a combination of growing order count, growing average transaction value and markedly better gross profit margins.

Store roll-out

5 stores were opened in 2015, 4 corporate and 1 sub-franchised, resulting in our finishing the year with 23 stores. New store openings were concentrated towards the end of the year.

The opening of our first store in Szczecin in February 2016 took our total to 24 stores in 5 cities: Warsaw, Krakow, Wroclaw, Gdansk and Szczecin. As of the date of this report we have 2 new stores about to open and a pipeline of significant further openings in 2016.

The sales performance of the stores opened in new cities in 2015 is promising and strengthens our belief in the potential for Domino's Pizza in Poland.

In Warsaw the weekly order counts at our most mature stores are now exceeding our original expectations. In December we split the delivery areas of 2 stores to open a third and we are considering the further splitting of delivery areas in the capital city with additional store openings.

The table below sets out our current store estate.

Stores	1 Jan 2014	Opened	Sold to franchisees	Closed	31 Dec 2015	21 Mar 2016
Corporate	12	4	-1	0	15	16
Franchised	6	1	1	0	8	8
Total	18	5	0	0	23	24

16 stores in Warsaw, 4 in Krakow, 2 in Wroclaw, 1 in Gdansk and 1 in Szczecin.

Sub-franchised stores

We currently have 2 sub-franchise companies operating 8 stores between them, in Warsaw. The eighth sub-franchised store was opened by our sub-franchise partner HLM in December 2015. Our other franchisee RHPP, has the option to acquire a further specific store in the first half of 2016, as part of our original agreement with them. We anticipate a third Polish franchisee joining the Domino's system in the near future.

As well as attracting well-funded third parties we will continue to encourage our corporate store managers to consider sub-franchising stores of their own.

New commissary and procurement

Our new Warsaw based commissary opened in September and is already delivering improvements in dough production and warehouse product handling costs. Our commissary team has met the challenge of handling the significant growth in sales since opening.

Sales of ingredients, non-consumables (including boxes and other materials), services and sales royalties now constitute a significant revenue stream, with the commissary making a meaningful contribution to the Polish profit and loss account.

The significant improvements in store gross profit are as a result of improved food costs, driven by a combination of the lower cost of dough balls, higher volumes strengthening our purchasing power, plus deflation in commodity prices. We expect these benign conditions, in relation to commodity prices, to continue through 2016.

Group performance

Group EBITDA[8] losses, at actual exchange rates[6, 7], improved +31% 2015 (£1.65m) on 2014 (£2.38m). At constant exchange rate (PLN5.77:£1) Group EBITDA[8] losses, improved by +25%, 2015 on 2014.

As described in the Finance Director's report below the Group loss for the period, at actual exchange rates,[6, 7] was reduced by 40% 2015 (£2.19m) on 2014 (£3.66m)

The sale of 5 corporate stores to sub-franchised stores in 2014 removed those stores' sales from the Group's Revenue line. Sales of food, non-consumables and services to sub-franchisees, plus sales royalties, are included in Group Revenue. With a combination of corporate and sub-franchised sales a key measure of store performance is System Sales, which are the total sales made by all stores, corporate and sub-franchised.

Online sales

Online orders continued to grow in 2015 accounting for 67% of total delivery sales, compared to 59% in 2014.

Online ordering makes life simpler for our customers and the process more efficient for us, reducing the number of staff required to handle telephone orders and the potential for order errors.

We relaunched our website in December 2015, to further improve usability and the conversion of browsing to sales. We also introduced a responsive version of the website, optimised for use on tablet and mobile phone. We expect these improvements, supported by digital marketing, to continue to grow the proportion of delivery sales made on line.

Marketing

Against the backdrop of a buoyant consumer economy we focused on building our presence through a combination of digital, direct and above-the-line marketing. The deployment of attractive call-to-action promotions produced strong consumer responses.

We continually look to improve the efficiency of our marketing spend, focusing on achieving a good return on every zloty spent. Growing efficiency has allowed us to reduce our central marketing spend, while maintaining strong like-for-likes in our existing stores and improving sales growth at our new stores.

Innovation

Our top product launches in 2015 included the Hypnotica pizza, inspired by our colleagues in The Netherlands, 12 Toppings Pizza inspired by our Russian colleagues, our own Sweet and Hot pizza using our popular Mango Habanero sauce, plus Tortilla Wraps which come in three delicious recipes.

New products feature in our bi-monthly marketing campaigns and give our customers further reason to order from Domino's Pizza in Poland.

June fundraising

In July 2015 we successfully completed our fourth fundraising, raising £5.5m gross, allowing the Group to continue to implement its plans, including the opening of up to 20 further corporately managed stores 2016-18. We believe that the presence of corporate stores in new cities will encourage others to sub-franchise and operate their own Domino's Pizza stores. The level of sales and EBITDA delivered by our most mature stores in 2015 reassures us that our original assumptions on the market opportunity in Poland were well founded.

Outlook and current trading

Our like-for-like[2] System Sales[1] were up 27% January – February 2015 on 2014, driven by a combination of strong marketing and seasonably cold weather. As well as strong like-for-likes in our established stores, the performance of our most recently opened stores in Wroclaw, Gdansk and Szczecin is encouraging. These latest openings have exceeded our expectations and given us further confidence in the opportunities in new cities and towns. As of the date of this report we have Store 25 and Store 26 about to open and a pipeline of further openings in 2016. We are also in negotiations for a number of new development sites for 2017 and 2018

While we will continue to roll out a significant number of corporate stores, sub-franchised stores will make up an increasingly important part of the store mix. Our current sub-franchisees' stores continue to perform well and I look forward to them opening more stores and new sub-franchisees coming on board in the future.

Whilst we are benefiting from a buoyant consumer economy in Poland, it does bring associated challenges inherent in falling unemployment. Recruiting team members, particularly drivers, has been more challenging in 2015, with an associated upward pressure on rates of pay. Happily we are more than able to match this inflation in labour rates with the falling costs of both food ingredients and vehicle fuel.

2016 looks set to continue the strong story of 2015, with robust consumer demand, strong like-for-likes and the encouraging performance of new store openings in and beyond Warsaw. We anticipate finishing the year with a significantly larger store estate, led by corporate store openings piloting the launch of Domino's Pizza in new towns and cities. Expansion is not without its challenges, but I believe that the combination of a proven team, a well-funded roll-out plan and the evident popularity of the Domino's proposition will see 2016 become a significant milestone year for Domino's Pizza in Poland.

Peter Shaw

Chief Executive

21 March 2016

Finance Director's review

Overview

Q4 2015 saw our 13th consecutive quarter of double digit like-for-like[2] System Sales[1] growth. Like-for-like System Sales[1] were up +16%, like-for-like gross profit[3] up +27% and like-for-like system order count[4] up +14%.

Our top 3 corporate stores delivered an average of +£58k[6] EBITDA. To put this sum in context, it is approximately half the cost of opening one of our stores, including all equipment, scooters and uniforms.

Our new Warsaw based commissary opened in September 2015. Treated as a separate revenue stream, with its own profit and loss account, the commissary is already delivering improvements in dough production costs and warehouse product handling costs.

Growing efficiency in marketing spend, the return on marketing investment, allowed us to reduce the amount invested in central marketing in 2015.

Group EBITDA improved through this combination of growing corporate store EBITDA, growing commissary contribution, efficiencies in central marketing and the control of Selling, General and Administrative Expenses

Store count

In 2015 we opened 5 stores, 4 corporate and 1 sub-franchised. As a part of the original deal with our sub-franchisee Rush Hour Pizza Polska ("RHPP") we sold them 1 additional pre-specified corporate store in Warsaw, as reported in Other non-recurring items. RHPP has the option to acquire 1 further specific store in Warsaw.

Stores	1 Jan 2015	Opened	Sold	Closed	31 Dec 2015	21 Mar 2016
Corporate	12	4	-1	0	15	16
Franchised	6	1	1	0	8	8
Total	18	5	0	0	23	24

In February 2016 we opened our 24th store, in Szczecin, and stores 25 and 26 will be opened imminently.

Sales Key Performance Indicators

Growth in like-for-like system sales was supported by growth in order count and growth in average transaction value. Sales made online are growing and becoming the major sales channel for delivery sales.

	2015	**2014**	**Change %**
System Sales[1] excluding 3 stores closed in 2014*	4,111,965	3,380,176	+22%
System Sales including 3 stores closed in 2014*	4,111,965	3,563,423	+15%
L-F-L[2] System Sales	+16%	+19%	
L-F-L system order count[4]	+14%	+19%	
Delivery System Sales ordered online	+67%	+59%	

*Constant exchange rate of PLN 5.7657:£1

Group performance

System Sales[1] excluding 3 stores closed in 2014 (at constant exchange rate of PLN 5.77:£1) increased +22%. System Sales[1] including 3 stores closed in 2014 (at constant exchange rate of PLN 5.77:£1) increased +15%. At a constant exchange rate of PLN5.77:£1 Revenue increased +3%. At the actual average exchange rates[6, 7] for 2014 and 2015 Revenue decreased by -8%. The higher proportion of sub-franchised stores in 2015 against 2014, due to the sale of corporate stores to sub-franchisees, directly impacted the Revenue line.

Group EBITDA[8] losses, at actual exchange rates[6,7], improved +31% 2015 (£1.65m) on 2014 (£2.38m). Group EBITDA[8] losses improved +25% at constant exchange rate of PLN 5.77:£1. Improvement in Group EBITDA was due to growing corporate store EBITDA, growing commissary contribution, efficiencies in central marketing expenditure and carefully managed Selling, General and Administrative Expenses.

Revenues, Group EBITDA[8] and the Loss for the period (and other Income Statement items) disclosed at actual exchange rates were impacted by the weakening of the zloty versus sterling by 11%.

Group Revenue & EBITDA[8]	2015	2014	Change %
Revenue	3,558,261	3,466,371	+3%
Group EBITDA [8]	(1,645,432)	(2,192,588)	+25%

Constant exchange rate of PLN 5.7657:£1

Group Revenue & EBITDA[8]	2015	2014	Change %
Revenue	3,558,261	3,849,098	-8%
Group EBITDA[8]	(1,645,432)	(2,379,511)	+31%

Actual average exchange rates for 2015 and 2014

Group Loss for the period

Group Loss for the period has reduced mainly due to the following factors (i) improvement in Group EBITDA[8] (ii) reduction in one-off items resulting from store closures and store sales at below Net Book Value, (iii) no Taxation charge in the current year (iv) PLN weakened against £. There was however an increase in the Share Based Payments charge for the current year.

Group Loss for the period	2015	2014	Change %
Loss for the period pre-exc**	(2,193,263)	(2,978,608)	+26%
Loss for the period	(2,193,263)	(3,656,880)	+40%

Actual average exchange rates for 2015 and 2014

** Pre-exceptional items in 2014

Exchange rates

PLN : £1	2015	2014	Change %
Income Statement	5.7657	5.1924	+11%
Balance Sheet	5.8011	5.4965	+6%

Financial Statements for our Polish subsidiary DP Polska S.A. are denominated in PLN and translated to £. Under IFRS accounting standards the Income Statement for the Group has been converted from PLN at the average annual exchange rate applicable to PLN against £. The balance sheet has been converted from PLN to £ at the 31 December 2015 exchange rate applicable to PLN against £. In 2015 the PLN weakened against £ and impacted numbers presented at 2015 and 2014 rates accordingly.

Cash position

Cash has improved by 56% from 1 January 2015, with net cash at 31st December 2015 being £ 7.0m. In July 2015, the Group completed a placing of 34,810,126 new ordinary shares, raising £5.5m before expenses. We have committed to the opening of more stores, which will require cash to fit out and equip as well as to fund stores during their initial loss-making period. We have seen the most recently opened stores making lower initial losses than we expected.

	1 January 2015	Cash movement	31 December 2015
Cash in bank	4,466,427	+2,521,076	6,987,503

Actual exchange rates for 2015 and 2014

Macro situation in Poland

In 2015 we saw stronger GDP growth compared to 2014, plus deflation. GDP growth was significantly impacted by growth in Internal Consumption, consumer spending. Deflation was triggered mainly by deflation in crude oil prices and in food prices. Deflation lowered the 3 Month Warsaw Interbank Offered Rate to c.1.7%.

Macro KPI	**2015**	**2014**
Real GDP growth (% growth)[9]	3.5	3.3
Inflation (% growth)[10]	-0.9	0.1
	31 Dec 2015	**31 Dec 2014**
Interest rate[11] (%)	1.7200	2.0600

[9] source: http://www.euromonitor.com/poland/country-factfile#
[10] source: http://www.euromonitor.com/poland/country-factfile#
[11] 3M WIBOR at 30 December; source: www.money.pl

Group Income Statement

for the year ended 31 December 2015

	Notes	**2015** £	2014 £
Revenue		3,558,261	3,849,098
Direct Costs		(3,367,684)	(4,128,662)
Selling, general and administrative expenses - *excluding depreciation, amortisation and share based payments*		(1,836,009)	(2,099,947)
GROUP EBITDA - *excluding non-cash and non-recurring items*		(1,645,432)	(2,379,511)
Other non-recurring items - cash	3	(9,616)	(3,207)
Other non-recurring items - non-cash	3	(64,328)	(258,746)
Finance income		46,464	43,219
Finance costs		(4,519)	(1,151)
Foreign exchange gains / (losses)		39,084	(14,661)
Depreciation, amortisation and impairment		(340,162)	(890,269)
Share based payments		(214,754)	(73,841)
Loss before taxation	2	(2,193,263)	(3,578,167)
Taxation	4	-	(78,713)
Loss for the period		(2,193,263)	(3,656,880)
Loss per share Basic	5	(2.01 p)	(3.96 p)
Diluted	5	(2.01 p)	(3.96 p)

All of the loss for the year is attributable to the owners of the Parent Company.

Group Statement
of comprehensive income

for the year ended 31 December 2015

	2015	2014
	£	£
Loss for the period	(2,193,263)	(3,656,880)
Currency translation differences	(218,117)	(368,824)
Other comprehensive expense for the period, net of tax to be reclassified to profit or loss in subsequent periods	(218,117)	(368,824)
Total comprehensive income for the period	(2,629,497)	(4,025,704)

All of the comprehensive expense for the year is attributable to the owners of the Parent Company.

Group Balance Sheet

at 31 December 2015

	Notes	**2015** £	2014 £
Non-current assets			
Intangible assets	6	251,697	309,100
Property, plant and equipment	7	2,053,207	1,709,393
Trade and other receivables		287,351	338,498
		2,592,255	2,356,991
Current assets			
Inventories		116,668	99,947
Trade and other receivables		1,040,702	542,129
Cash and cash equivalents		6,987,503	4,466,427
		8,144,873	5,108,503
Total assets		10,737,128	7,465,494
Current liabilities			
Trade and other payables		(853,209)	(628,847)
Borrowings		(34,416)	-
Provisions		(35,274)	(168,672)
		(922,899)	(797,519)
Non-current liabilities			
Provisions		(39,899)	-
Borrowings		(97,801)	-
		(137,700)	-
Total liabilities		(1,060,599)	(797,519)
Net assets		9,676,529	6,667,975
Equity			
Called up share capital	8	651,241	477,190
Share premium account		23,856,796	18,825,667

Capital reserve - own shares	(56,361)	(56,361)
Retained earnings	(13,970,110)	(11,991,601)
Currency translation reserve	(805,037)	(586,920)
Total equity	9,676,529	6,667,975

The financial statements were approved by the Board of Directors and authorised for issue on 18 March 2016 and were signed on its behalf by:

Peter Shaw

Director

Maciej Jania

Director

Group Statement of Cash Flows

for the year ended 31 December 2015

	2015	2014
	£	£
Cash flows from operating activities		
Loss before taxation for the period	(2,193,263)	(3,578,167)
Adjustments for:		
Finance income	(46,464)	(43,219)
Finance costs	4,519	1,151
Depreciation, amortisation and impairment	340,162	890,269
Share based payments expense	214,754	73,841
Operating cash flows before movement in working capital	(1,680,292)	(2,656,125)
(Increase)/decrease in inventories	(22,103)	24,551
(Increase)/decrease in trade and other receivables	(532,689)	89,530
Increase in trade and other payables	314,941	130,545
Share options settled in cash	-	(50,762)
Cash generated from operations	(1,920,143)	(2,462,261)
Taxation paid	-	-
Net cash from operating activities	(1,920,143)	(2,462,261)
Cash flows from investing activities		
Payments to acquire software	(6,433)	(3,433)
Payments to acquire property, plant and equipment	(814,485)	(465,874)
Payments to acquire intangible fixed assets	(15,895)	(11,562)
Lease deposits net amount repaid / (advanced)	(45,203)	55,233
Proceeds from disposal of property plant and equipment	140,864	449,796
Decrease/(increase) in loans to sub-franchisees	28,091	(345,744)
Interest received	46,464	43,219
Net cash used in investing activities	(666,597)	(278,365)
Cash flows from financing activities		

Net proceeds from issue of ordinary share capital	5,205,180	-
Interest paid	(4,519)	(1,151)
Net cash from financing activities	5,200,661	(1,151)
Net increase/(decrease) in cash and cash equivalents	2,613,921	(2,741,777)
Exchange differences on cash balances	(92,845)	(88,944)
Cash and cash equivalents at beginning of period	4,466,427	7,297,148
Cash and cash equivalents at end of period	6,987,503	4,466,427

Group Statement of Changes in Equity

for the year ended 31 December 2015

	Share capital	Share premium account	Retained earnings	Currency translation reserve	Capital reserve - own shares	Total
	£	£	£	£	£	£
At 31 December 2013	477,190	18,825,667	(8,357,800)	(218,096)	(56,361)	10,670,600
Share options settled in cash	-	-	(50,762)	-	-	(50,762)
Share based payments	-	-	73,841	-	-	73,841
Translation difference	-	-	-	(368,824)	-	(368,824)
Loss for the period	-	-	(3,656,880)	-	-	(3,656,880)
At 31 December 2014	477,190	18,825,667	(11,991,601)	(586,920)	(56,361)	6,667,975
Shares issued	174,051	5,325,949	-	-	-	5,500,000
Expenses of share issue	-	(294,820)	-	-	-	(294,820)
Share based payments	-	-	214,754	-	-	214,754
Translation difference	-	-	-	(218,117)	-	(218,117)
Loss for the period	-	-	(2,193,263)	-	-	(2,193,263)
At 31 December 2015	**651,241**	**23,856,796**	**(13,970,110)**	**(805,037)**	**(56,361)**	**9,676,529**

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, with the exception of certain financial instruments and share based payments. The consolidated and Company financial statements of D P Poland plc have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, IFRIC Interpretations and the Companies Act 2006 applicable to Companies reporting under IFRS. The financial statements have been prepared in accordance with IFRS and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements (March 2016). The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies.

2. LOSS BEFORE TAXATION

This is stated after charging

		2015	2014
		£	£
Auditors' remuneration	– audit of company and group financial statements	22,500	22,500
	– tax compliance services	1,400	1,900
Directors' emoluments	– remuneration and fees	351,960	328,430
Amortisation of intangible fixed assets		63,523	73,401
Depreciation of property, plant and equipment		256,708	373,327
Impairment of property, plant and equipment		19,931	443,541
Operating lease rentals	– land and buildings	624,272	652,530
Foreign exchange losses		-	14,661
and after crediting			
Operating lease income from sub-franchisees		166,019	39,747
Foreign exchange gains		39,084	-

3. EXCEPTIONAL ITEMS AND NON-RECURRING ITEMS

Exceptional Items	**2015**	2014
	£	£

Impairment costs - included within *Depreciation, amortisation and impairment*	-	443,541
Onerous lease provision- included within *Other non-recurring items - non-cash*	-	234,731
	-	678,272

(a) Impairment costs

During the year ended 31 December 2014 three poorly performing company-owned stores were closed. Management carried out a review of the carrying value of the property, plant and equipment at those stores and determined that assets which could not be deployed elsewhere in the business are fully impaired and has therefore recorded an impairment charge of £337,722. Five stores were sold to sub-franchisees and where the carrying value was greater than the agreed sale price, an impairment charge was recognised prior to the sale. This resulted in an additional impairment charge of £105,819.

(b) Onerous lease provision

A provision of £234,731 relating to onerous leases has been recognised for the three closed stores referred to in (a) above. Management is not confident that sub-tenants will be identified who are willing to take on these properties at full rent. The provision represents management's current estimate of the shortfall of rent if the stores are sub-let, taking into account the current rental market for the relevant stores.

Non-recurring Items

Non recurring items include items which are not sufficiently large to be classified as exceptional, but are not part of the underlying trading performance of the Group. Exceptional items are also included under this heading.

4. TAXATION

	2015	2014
	£	£
Current tax	-	-
Write down in deferred tax assets	-	78,713
Total tax charge in income statement	-	78,713

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the tax rate applicable to profits of the consolidated entities as follows:

	2015	2014
	£	£
Loss before tax	(2,193,263)	(3,578,167)

Tax credit calculated at applicable rate of 19%	(416,720)	(679,852)
Income taxable but not recognised in financial statements	19,017	-
Income not subject to tax	(2,303)	-
Expenses not deductible for tax purposes	63,447	7,630
Tax losses for which no deferred income tax asset was recognised	336,559	750,935
Total tax charge in income statement	-	78,713

The Directors have reviewed the tax rates applicable in the different tax jurisdictions in which the Group operates. They have concluded that a tax rate of 19% represents the overall tax rate applicable to the Group.

5. LOSS PER SHARE

The loss per ordinary share has been calculated as follows:

	2015	2015	2014	2014
		£		£
	Weighted average number of shares	Profit / (loss) after tax	Weighted average number of shares	Profit / (loss) after tax
Basic	109,369,484	(2,193,263)	92,382,142	(3,656,880)
Diluted	109,369,484	(2,193,263)	92,382,142	(3,656,880)

The weighted average number of shares for the year excludes those shares in the Company held by the employee benefit trust. At 31st December 2015 the basic and diluted loss per share is the same, as the vesting of JOSS, SIP or share option awards would reduce the loss per share and is, therefore, anti-dilutive.

6. INTANGIBLE ASSETS

Group	Franchise fees and intellectual property rights £	Software £	Total £
Cost:			
At 31 December 2013	407,538	119,870	527,408
Foreign currency difference	(36,140)	(15,845)	(51,985)
Additions	11,562	3,433	14,995
Disposals	-	(886)	(886)
Transfers	(48,005)	80,985	32,980
At 31 December 2014	334,955	187,557	522,512
Foreign currency difference	(17,684)	(9,885)	(27,569)
Additions	15,895	6,433	22,328
Disposals	-	(399)	(399)
At 31 December 2015	333,166	183,706	516,872
Amortisation			
At 31 December 2013	76,049	83,150	159,199
Foreign currency difference	(9,806)	(9,146)	(18,952)

Amortisation charged for the year	41,196	32,205	73,401
Disposals	-	(236)	(236)
Transfers	7,376	(7,376)	-
At 31 December 2014	114,815	98,597	213,412
Foreign currency difference	(6,256)	(5,338)	(11,594)
Amortisation charged for the year	37,187	26,336	63,523
Disposals	-	(166)	(166)
At 31 December 2015	145,746	119,429	265,175
Net book value:			
At 31 December 2015	187,420	64,277	251,697
At 31 December 2014	220,140	88,960	309,100

7. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold property £	Fixtures fittings and equipment £	Assets under construction £	Total £
Cost:				
At 31 December 2013	1,902,513	1,569,263	174,778	3,646,554
Foreign currency difference	(189,356)	(176,651)	48,707	(317,300)
Additions	24,333	9,261	328,682	362,276
Transfers	(442,510)	(409,621)	(5)	(852,136)
Disposals	222,271	220,330	(475,581)	(32,980)
Transfer to assets held for sale				
At 31 December 2014	1,517,251	1,212,582	76,581	2,806,414
Foreign currency difference	(80,510)	(65,027)	(4,717)	(150,254)
Additions	353,225	103,316	396,961	853,502
Disposals	(257,197)	(107,339)	(14,273)	(378,809)
Transfers	42,220	226,564	(268,784)	-
At 31 December 2015	1,574,989	1,370,096	185,768	3,130,853
Depreciation:				
At 31 December 2013	330,461	448,510	-	778,971
Foreign currency difference	(5,896)	(89,933)	-	(95,829)
Depreciation charged for the year	142,006	231,321	-	373,327
Impairment	398,668	44,873	-	443,541
Disposals	(228,126)	(174,863)	-	(402,989)
Transfers	948	(948)	-	-
At 31 December 2014	638,061	458,960	-	1,097,021
Foreign currency difference	(32,994)	(24,843)	-	(57,837)
Depreciation charged for the year	76,769	179,939	-	256,708
Impairment	19,931	-	-	19,931
Disposals	(180,142)	(58,036)	-	(238,178)
At 31 December 2015	521,625	556,020	-	1,077,645

Net book value:

At 31 December 2015	1,053,363	814,076	185,768	2,053,207
At 31 December 2014	879,190	753,622	76,581	1,709,393

8. SHARE CAPITAL

		2015	2014
		£	£
Called up, allotted and fully paid:			
130,248,112 (2014: 95,437,986)	Ordinary shares of 0.5 pence each	651,241	477,190

Movement in share capital during the period

	Number	Nominal value	Consideration
		£	£
At 31 December 2013	95,437,986	477,190	20,907,874
At 31 December 2014	95,437,986	477,190	20,907,874
Placing 07 July 2015	34,810,126	174,051	5,500,000
At 31 December 2015	130,248,112	651,241	26,407,874

9. ANNUAL GENERAL MEETING

The Annual General Meeting of DP Poland plc will be held at the Offices of Peel Hunt, 120 London Wall, London EC2Y 5ET on 3 May 2016 at 11.00 a,m,