Domino's®

DP Poland PLC

Annual Report and Accounts **2015**

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od 19,90

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DP Poland PLC

Annual Report and Accounts 2015

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Company Information

Directors	Nicholas John Donaldson - *Non-Executive Chairman* Peter John Edward Shaw - *Chief Executive* Maciej Adam Jania - *Finance Director* Robert Nicholas Lutwyche Morrish - *Non-Executive* Christopher Humphrey Robertson Moore - *Non-Executive* Gerald William Ford - *Non Executive*
Secretary	Patrick Michael Bodenham FCCA
Registered Office	42 - 50 Hersham Road Walton-on-Thames Surrey KT12 1RZ
Registered Number	7278725
Website	www.dppoland.com
Group Head Office – Poland	ul Słomińskiego 19, lok. 508 00-195 Warszawa
Nominated Adviser and Broker	Peel Hunt LLP Moor House 120 London Wall London EC2Y 5ET
Solicitors	Ashfords LLP 1 New Fetter Lane London EC4A 1AN
Auditors	Crowe Clark Whitehill LLP Aquis House 49-51 Blagrave Street Reading Berkshire RG1 1PL
Registrars	SLC Registrars 42 - 50 Hersham Road Walton-on-Thames Surrey KT12 1RZ
Principal Bankers	Raiffeisen Bank Polska S.A. ul Piekna 20 00-549 Warsaw

Company Profile

DP Poland plc owns the entire issued share capital of DP Polska SA (“DPPSA”), a Polish company. DPPSA has the exclusive master franchise in Poland for Domino’s Pizza, the world’s leading pizza delivery brand. DPPSA has the exclusive right to develop and operate and sub-franchise to others the right to develop and operate Domino’s Pizza stores in Poland.

DPPSA’s first Domino’s Pizza store was opened in Warsaw in February 2011. There are now 8 corporately managed Domino’s stores and 8 sub-franchised stores in Warsaw, 4 corporately managed stores in Krakow, 2 in Wroclaw, and 1 each in Gdansk and Szczecin.

Poland has a population of 38 million people and has the potential to become a significant pizza delivery market. DP Poland’s objective is to establish Domino’s Pizza as the leading pizza delivery brand in Poland.

Risk Management

In addition to the review of the business given in the Chairman's Statement and the Chief Executive's Review, the Directors are required under section 417 the Companies Act 2006 to describe the principal risks and uncertainties facing the Company and the Group. The following is a summary of the principal risks and uncertainties, their potential impact, and the steps which have been taken by the Directors to mitigate them.

Master Franchise Agreement

The success of the Group and the Company is dependent on the continuation of the Master Franchise Agreement ("MFA") with Domino's Pizza. If the MFA were to be terminated it would prevent the Group from continuing to operate using the Domino's Pizza brand. To mitigate this risk the MFA has been secured for an initial 15 year period from June 2010, which may be renewed for an additional ten year term provided certain conditions are satisfied. The Group works closely with its franchisor partner to ensure that all conditions of the MFA, and amendments thereof, are adhered to.

Limited trading history

The Group has relatively limited trading history, especially in cities outside Warsaw, and it is impossible to predict fully the ongoing demand for the Group's products in its chosen markets and the profits and cash flows which will result from sales of those products. If sales revenues are significantly lower than anticipated, or costs are significantly higher than anticipated, this will negatively affect the Group's profitability and cash flows. To mitigate this risk the Company has chosen a proven, market-leading franchise system, which has already been successful in many markets.

Maintaining and expanding a suitable store portfolio

In order for the Group to implement its strategy (and to ensure compliance with the Domino's Pizza master franchise agreement) it will need to maintain and increase the number of its stores throughout Poland. There can be no guarantee that it will be able to identify sufficient suitable locations for new stores. To mitigate this risk, management use a site acquisition strategy utilising a number of separate sources and identifying potential sites well in advance of scheduled openings.

Changes in consumer tastes

Food service businesses are affected by changes in consumer tastes, local and national competition and factors such as demographic trends. Any material change in the market perception of the pizza home delivery and convenience food industry in general, or the Domino's brand in particular, could adversely affect the Group. To mitigate this risk the Group aims to reflect consumer tastes in its product offering and to offer value, quality and service to its customers.

Regulatory and compliance risks

The Group's operations are subject to a broad range of regulatory requirements, particularly in relation to planning, health and safety, employment, advertising and licensing. Failure to comply with these requirements could result in imposition of fines, damage to the brand and other negative consequences. To mitigate this risk, the Group has implemented a strong training and compliance regime and closely monitors changes in relevant legislation and regulations.

Economic risks
A deterioration in the general economic climate in Poland could lead to customers having less disposable income available which might in turn adversely affect the Group's revenues. The Group deliberately operates exclusively in Poland, whose economy has to date been resilient following the global economic slowdown and is now showing strong GDP growth coupled with low inflation.

Sub-Franchisees
Good relationships with our sub-franchisees are essential to the success of our sub-franchising business. Should these relationships deteriorate, there is a risk that we might lose franchisees or that loans made to them might become wholly or partly unrecoverable. To mitigate this risk it is our policy to work closely with sub-franchisees and to provide great service and support to them. Loans provided to sub-franchisees have where possible, appropriate guarantees to minimize any risk of financial loss.

IT systems and infrastructure
Significant failure in, or successful attacks on, the IT processes of our retail operations could impact online sales and each store's ability to trade. In the event of this happening, website sales could stop, which could have a serious detrimental effect on the financial performance of the Group. To mitigate this risk, it is our policy to regularly monitor, control and maintain the integrity and efficiency of IT infrastructure. Processes are in place to deal with any significant IT security incidents. Contingency plans are in place should any serious IT failures arise.

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
18 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[6] (+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 System Sales 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 milestone year for Domino's Pizza in Poland.

Peter Shaw
Chief Executive
18 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

Maciej Jania
Finance Director
18 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
[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

Strategic Report approval

The Strategic Report on pages 2 to 12, incorporates the sections: Company Information, Company Profile, Risk Management, Chairman's Statement , Chief Executive's Review and the Finance Director's Review.

By order of the Board

Patrick Bodenham
Company Secretary
18 March 2016

The Board

The Board of DP Poland plc comprises 2 Executive and 4 Non-Executive Directors.

Nicholas Donaldson (aged 62), ***Non-Executive Chairman***
Nick, who is a barrister by profession, has worked in investment banking for over 30 years. He is a partner of London Bridge Capital, a corporate finance advisory firm. Until 2003 Nick was head of corporate finance at Arbuthnot Securities. Prior to this he was head of investment banking in Europe for Robert W Baird and previously head of corporate finance and M&A at Credit Lyonnais. Nick was until 2007 a member of the FSA's Listing Authority Advisory Committee, which he joined on its inception. Nick has spent the majority of his career providing strategic advice to companies on mergers & acquisitions, IPOs and secondary fund raisings. Nick is an independent director of fully listed Games Workshop Group PLC. He is also a director of The Fulham Shore plc, the AIM listed restaurant group.

Peter Shaw (aged 55), ***Chief Executive***
Peter is a founder of DP Poland and has been Chief Executive since October 2010. Peter started working in Poland in 2006 when he was appointed International Marketing Director for AIM listed coffeeheaven international plc, Poland's leading coffee bar chain. coffeeheaven was acquired by Costa Coffee in February 2010. With over 30 years' experience of working with consumer brands, Peter started his career in 1984 as a graduate trainee with Unilever's consumer research arm Research International. In 1987 Peter joined Saatchi and Saatchi Advertising and in 1992 joined leading innovation consultancy CLK where he helped major consumer brand owners develop their consumer offers. Peter is Executive Chairman of DP Poland's operating company DP Polska S.A.

Maciej Jania (aged 43), ***Finance Director***
Maciej is a highly experienced commercial manager with significant expertise in running both start-up and established multi-site businesses. Maciej was co-founder and the Finance Director of coffeeheaven international plc, Poland's largest coffee bar chain. In 2007 he moved to Samsung Electronics (Poland) where he held a senior financial position. In November 2010 Maciej was appointed Managing Director of DP Polska SA, DP Poland's operating business. Maciej was appointed to the board of DP Poland plc in September 2012 in the role of plc Finance Director which he fulfils alongside his role as Managing Director of DP Polska S.A.

Robert Morrish FCA (aged 66), ***Non-Executive Director***
Rob is a Chartered Accountant and has considerable experience at board level in small and medium sized businesses. He was previously a Non-Executive Director of coffeeheaven international plc and Group Finance Director of Supreme Petfoods Limited and until December 2010 was Chief Financial Officer of Lookfantastic.com, an online beauty product retailer and hair salon business. Rob has introduced and developed financial, costing and reporting systems for a diverse range of businesses and has considerable practical experience in treasury, taxation and company secretarial matters. He is currently also the Finance Director of RAK Ceramics UK Ltd.

Chris Moore (aged 56), ***Non-Executive Director***
Chris was Chief Executive Officer at Domino's Pizza UK & IRL, from December 2007 to December 2011, having joined that company in 1990 as European Marketing Manager. Chris is a recipient of the Domino's Pizza Chairman's Circle Award presented in July 2010 making him one of the few individuals in the 50 year history of the company to receive this award. He has more than 22 years of experience working with Domino's Pizza UK and Ireland and was responsible for growing the number of stores from 37 to 720. Chris advises and invests in a number of other businesses in the catering and online industries.

Gerry Ford (aged 57), ***Non-Executive Director***
Gerry Ford is Chairman and Chief Executive of Caffe Nero Group Limited, Europe's largest independent coffee house group. Gerry founded Caffe Nero in 1997, listed the company on the London Stock Exchange (LSE) in 2001-2007 before taking it private again. In 2005 he was named the UK's Entrepreneur of the Year by the Financial Times and LSE. Today, Caffe Nero has more than 5,000 employees in 700 stores across 7 countries. Gerry is Chairman of the Polish subsidiary which

operates approximately 30 stores. Gerry has more than 20 years' experience of sitting on boards and nurturing small-medium sized businesses.

DP Polska S.A. Management Board

Peter Shaw, *Chairman*

Maciej Jania, *Managing Director*

Tomasz Lachowski (aged 36) *Finance Director*
Tomasz joined DP Polska from coffeeheaven (CHI Polska S.A.), Poland's leading coffee bar brand, where he was Head of Finance in the Warsaw headquarters. Tomasz joined coffeeheaven in 2002 and saw the business grow from a handful of stores to Central Europe's leading coffee bar brand. Tomasz attended the School of Economics and Law, Kielce.

Directors' Report

The Directors are pleased to present their report and the audited financial statements for the year ended 31 December 2015.

Results and Dividends

The loss for the period, after taxation, amounted to £2,193,263 (2014: £3,656,880). The Directors do not recommend payment of a dividend to ordinary shareholders.

Fixed Assets

Details of the Group's intangible assets and property, plant and equipment are shown in notes 12 and 13 to the financial statements on pages 41 and 42.

Corporate Governance

The Company follows, so far as is practicable and given the Company's size, the recommendations of best practice in the corporate governance of public companies as set out in the UK Corporate Governance Code. In particular, the Board has a majority of Non-Executive Directors.

Board Meetings
The Company holds regular Board meetings throughout the year.

Remuneration Committee
The Remuneration Committee comprises three Non-Executive Directors: Robert Morrish, Nicholas Donaldson and Gerald Ford. The overall policy of the committee is to consider and propose remuneration and benefit packages to the Chief Executive and other senior managers in the Group which are appropriate to retain and motivate them to meet the objectives set by the Board. Full details of the Company's remuneration policy and the remuneration paid to all Directors is set out in the Remuneration Report on pages 19 and 20.

Audit Committee
An audit committee has been established which consists of two Non-Executive Directors, Nicholas Donaldson and Robert Morrish. The committee is responsible for ensuring that the financial performance of the Group is properly reported upon and monitored, for meeting the auditors and reviewing the reports from the auditors relating to accounts and internal control systems.

Health and Safety
High standards of health and safety management are promoted at all levels within the Group. As required under the Polish Labour Code, DP Polska S.A. ("DPSA") has appointed an external health and safety consultancy to advise DPSA on all aspects of employee health and safety. Regular audits for compliance are carried out by this organisation at DPSA stores and offices and DPSA periodically receives written confirmation that there are no outstanding matters within its operations that pose a danger to the health or safety of its employees.

In addition, the Group's approach to the health, safety and welfare of its employees in all markets is supported by training programmes and written rules relating to health and safety, all of which promote a high level of awareness and commitment within the Group.

Going Concern

In forming their views, the Directors have prepared cash flow forecasts for a 12 month period following the date of signing the balance sheet. As part of the preparation of these forecasts, the Directors have estimated the likely outcome for the number of new stores opened. Before entering into a contract to acquire a new site, the Directors ensure that the Group has sufficient working capital available to allow the completion of the outlet. Based on these forecasts, the Directors have confirmed that there are

sufficient cash reserves to fund the on-going store build programme and to operate business for the period under review.

After reviewing these forecasts, consideration of the Group's cash resources and other appropriate enquiries, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Directors and Directors' Interests

The Directors who held office during the period were as follows:

Nicholas John Donaldson
Peter John Edward Shaw
Maciej Adam Jania
Robert Nicholas Lutwyche Morrish
Christopher Humphrey Robertson Moore
Gerald William Ford

In accordance with the Company's Articles of Association Maciej Jania and Gerald Ford offer themselves for re-election at the Annual General Meeting.

The following Directors at 31 December 2015 had interests in the ordinary shares of 0.5p each as follows:

	Number of Ordinary Shares	*Percentage of Ordinary Shares*
Peter Shaw [1, 2, 5]	1,340,879	1.03%
Gerald Ford [2]	306,333	0.71%
Christopher Moore [2]	1,655,333	1.27%
Robert Morrish [2]	249,666	0.19%
Nicholas Donaldson [2, 3]	306,333	0.24%
Maciej Jania [2, 4, 5]	24,333	0.02%

1. Peter Shaw also controls the voting rights of 283,936 ordinary shares pursuant to the terms of the Company's Joint Ownership Share Scheme.
2. The Directors are interested in an additional 1,406,259 ordinary shares in total, pursuant to the terms of the Company's Share Incentive Plan as follows: Peter Shaw - 51,948 shares; Nicholas Donaldson - 246,503 shares; Robert Morrish - 246,503 shares; Maciej Jania - 184,977 shares; Gerald Ford - 225,443; Christopher Moore - 450,885 shares.
3. Held through Nicholas Donaldson's personal pension
4. Under the Company's Share Option Scheme, Maciej Jania has been awarded options over a maximum of 399,028 of the company's ordinary shares exercisable at 0.5 pence per share. These options are subject to personal and Company performance conditions.
5. Under the Company's Long Term Incentive Share Option Plan, Peter Shaw and Maciej Jania have been awarded options over a maximum of 3,750,000 and 2,437,175 respectively of the Company's ordinary shares. These options are subject to Company performance conditions over the period to December 2016.

Interests in the Joint Ownership Share Scheme take the form of a restricted interest in the Company's ordinary shares which permits the participant, subject to certain performance criteria, to benefit from a proportion of the increase (if any) in the value of a number of ordinary shares over which the interest is acquired. The DP Poland plc Share Incentive Plan provides for awards of restricted shares to employees (and under an addendum by way of sub-plan, non-executive directors of Group companies). The ordinary shares in the Company are held in an Employee Benefit Trust during a vesting period of two years but the participant enjoys certain beneficial ownership rights during that time, and becomes entitled to full rights of ownership once the ordinary shares have vested.

Awards under the Long Term Incentive Share Option Plan take the form of options over the ordinary shares of the company, exercisable at 0.5 pence each. These awards are based on a percentage of the participant's base annual salary. The initial awards are subject to performance conditions as follows: (a) Store trading performance in the year to 31st December 2016 and number of stores sub-franchised by that date – 40% of the total award; (b) The Company's share price during the three months to 31st December 2016 (the target share prices being 20p and 25p) – 40% of the total award;

(c) Control of central costs over the three years to 31st December 2016 – 20% of the total award. These awards vest, subject to achievement of performance conditions, on the day following the announcement of the 2016 full year results.

Substantial Interests

At 18 March 2016, the Company had been notified under the Disclosure and Transparency Rules of the following major shareholdings and the percentages of voting rights represented by such holdings, excluding the shareholdings and associated voting rights of the Directors noted above.

	Number of Ordinary Shares	*Percentage of Ordinary Shares*
Hargreave Hale Ltd	24,719,130	18.98%
Blackrock International Ltd	9,324,291	7.16%
Pageant Holdings Ltd	9,000,000	6.91%
FMR LLC	6,888,000	5.29%
Threadneedle Asset Management	5,965,364	4.58%
Stancroft Trust Ltd	5,044,666	3.87%
Hermes Investment Management Ltd	4,550,000	3.49%

Financial Instruments

The Group's principal financial instruments comprise cash at bank or in hand and various items such as trade receivables and payables, which arise directly from its operations. It is Group policy that no trading in financial instruments shall be undertaken.

The Group's overseas operations expose it to a variety of financial risks and the Directors have identified that the main risks to the Group in this area are from interest rate and foreign currency movements.

The Group is exposed to cash flow interest risk on its floating rate deposits and bank loans. The Group is able to manage this by free movement of funds between currencies to maintain the best return for the Group. Cash and borrowing requirements are managed centrally to maximise interest income and minimise interest exposure, whilst ensuring that the Group has sufficient liquid resources to meet the operating needs of its activities.

As the Group's operations are all in Poland, it is exposed to foreign exchange risks primarily with respect to Polish Zlotys, US Dollars and Euros. In each case, where revenues of the Group are in a foreign currency, there is a material match between the currency of the operating company's revenue stream, primary assets, debt and debt servicing (if applicable).

Investments of cash surpluses, borrowings and other financial instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board. Customers are not traded with on credit terms.

All sub-franchisees who are provided with loans from the Group have been through the franchisee selection process, which is considered to be sufficiently robust to ensure an appropriate credit verification procedure.

Annual General Meeting

The Annual General Meeting of the Company will take place at the offices of Peel Hunt LLP, Moor House, 120 London Wall, London EC2Y 5ET, on 03 May 2016 at 11.00 a.m.

The notice of Annual General Meeting contains an ordinary resolution at resolution 5, which seeks to give the Directors authority to allot shares up to a maximum aggregate nominal amount of £217,080 and which, if passed, would allow the Directors to allot and issue up to 43,415,946 new ordinary shares of 0.5p each, representing approximately one third of issued ordinary share capital of the Company at the date of the notice of Annual General Meeting. This resolution also authorises the Directors to allot shares up to a further aggregate nominal amount of £217,080 where the shares are to be offered by way of a fully pre-emptive rights issue. The Directors do not have any present

intention to exercise such authority. However, if the Directors were to exercise such authority and allot more than one third of the issued share capital, the Directors intend to follow best practice as regards the Directors standing for re-election, as recommended by the ABI. The notice of Annual General Meeting also contains a special resolution at resolution 6 which will authorise the Directors to allot shares for cash as if the statutory pre-emption provisions under the Companies Act 2006 did not apply to any allotments made by way of rights issue, open offer or other pre-emptive offer to existing shareholders in the exercise of the authority conferred by resolution 5 in the notice of Annual General

Meeting referred to above. This resolution will additionally confer power on the Directors to allot for cash shares up to an aggregate nominal value of £65,124 representing 13,024,811 ordinary shares of 0.5p each, otherwise than pro rata to existing shareholders. The Directors have no present intention of issuing any further new ordinary shares in the exercise of such power.

Statement of Disclosure of Information to Auditors

The Directors of the Company who held office at the date of approval of this Annual Report as set out above each confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Crowe Clark Whitehill LLP has indicated its willingness to continue as auditor. Accordingly a resolution proposing its re-appointment as auditor will be put to the members at the next Annual General Meeting.

On Behalf of the Board

Peter Shaw
Director
18 March 2016

Remuneration Report

Overview and Policy

The Remuneration Committee comprises Robert Morrish, Nicholas Donaldson and Gerald Ford, Non-Executive Directors of the Company. The terms of reference of the committee are that it makes recommendations to the Board on the framework and quantum of executive remuneration.

The overall policy of the committee is to provide remuneration and benefit packages to the Chief Executive and other senior managers in the Group which are appropriate to retain and motivate them to meet the objectives set by the Board.

In determining the mix of short-term reward (salary, bonus and other benefits) and longer-term reward (share incentives), the committee is mindful of the continuing 'development' nature of the business.

Recent survey data indicate that the base pay and total earnings of the Company's Directors are at the lower end of total pay for similar size quoted UK businesses. The current framework of executive remuneration is weighted heavily in favour of longer-term incentives in the form of share incentives, the value of which is dependent upon the share price of the Company and thus 'shareholder value'. The number and pricing of such incentives also reflect the risk to the management of a significant portion of their remuneration being provided in this way.

Directors' Contracts and Remuneration

Chief Executive

Peter Shaw is responsible for the strategic management and development of the Company's business. Under the terms of his director's service contract he is entitled to a salary of £125,000 per annum for a minimum time commitment of 26 hours per week. At the discretion of the Remuneration Committee, he may additionally be paid an annual bonus which is also subject to achieving detailed performance conditions. The amounts payable under his contract in 2015 were: salary £125,000; discretionary bonus £54,234. His employment may be terminated by 12 months notice by either party. In the event that his employment is terminated by the Company before 31 Stores have been opened, a termination payment is payable which is the higher of (i) £200,000 or (ii) the amount of the annual salary and bonus payable at the date of termination.

Finance Director

Maciej Jania is responsible for all matters relating to Group finance. He is also Managing Director of DP Polska S.A. He receives a UK director's fee of £6,000 per annum and additionally receives a consultancy fee of 276,000 Polish Zloty (approximately equivalent to £47,869) per annum from DP Poland plc. For his directorship of DP Polska S.A. he receives additional fees and salary totalling 114,000 Polish Zloty (approximately equivalent to £19,722) per annum. In 2015 he received a performance based bonus of £31,413.

Non-Executive Directors

Nicholas Donaldson is Non-Executive Chairman of the Company. During the year ended 31 December 2015, the fee payable to him was £15,000 per annum and he received shares in the Company, through the Company's Non-Executive Director Share Incentive Plan, to the value of £15,000. This appointment is terminable on 3 months' notice by either party, and earlier in certain circumstances.

Robert Morrish is a Non-Executive Director of the Company. During the year ended 31 December 2015, the fee payable to him was £15,000 per annum and he received shares in the Company, through the Company's Non-Executive Director Share Incentive Plan, to the value of £15,000. This appointment is terminable on 3 months' notice by either party, and earlier in certain circumstances.

Gerald Ford is a Non-Executive Director of the Company. During the year ended 31 December 2015, the fee payable to him was £15,000 per annum. He is also entitled to receive shares in the Company, through the Company's Non-Executive Director Share Incentive Plan, to the value of £15,000 per annum. The total fee paid during the year was £30,000 This appointment is terminable on 3 months' notice by either party, and earlier in certain circumstances.

Christopher Moore is a Non-Executive Director of the Company. During the year ended 31 December 2015 he received no cash remuneration. He is entitled to receive shares in the Company, through the Company's Non-Executive Director Share Incentive Plan, to the value of £30,000 per annum. This appointment is terminable on 3 months' notice by either party, and earlier in certain circumstances.

Remuneration and Share Incentives in the year to 31 December 2015

Total remuneration, fees and benefits paid or payable to the Directors by the Group for the year ended 31 December 2015 are set out below and amounts in aggregate to £351,959 (2014: £328,430).

Details of share incentives held by, and granted to, Directors are set out in the Directors' Report on page 16.

Details of individual Directors' emoluments for the year are as follows: [1]

Name of Director	Year ended 31 December 2015 *salary or fees*	Year ended 31 December 2015 *performance based bonus*	Year ended 31 December 2015 *total emoluments*	Year ended 31 December 2014 *total emoluments*
	£	£	£	£
Nicholas Donaldson	15,000	-	15,000	15,000
Peter Shaw	125,000	54,234	179,234	171,824
Maciej Jania	73,641	31,413	105,054	111,606
Robert Morrish	15,000	-	15,000	15,000
Christopher Moore	-	-	-	-
Gerald Ford	15,000	-	15,000	15,000
Total	243,641	85,647	329,288	328,430

[1] This schedule is part of the audited information

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report 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 International Financial Reporting Standards as adopted by the EU. 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 the Group and of the profit or loss of the Group 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 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 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.

Financial information is published on the Company's website. The maintenance and integrity of this website is the responsibility of the Directors; the work carried out by the Company's auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may occur to the financial statements after they are initially presented on the website.

It should be noted that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors' Report

to the Members of DP Poland plc

We have audited the financial statements of DP Poland Plc for the year ended 31 December 2015 which comprise the Group Income Statement, the Group and Parent Company Statements of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group and Parent Company Statements of Cash Flow, the Group and Parent Company Statements of Changes in Equity, and the related notes numbered 1 to 29.The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 an auditor's 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

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report and any other surround information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2015 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Richard Baker
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
Reading
RG1 1PL

18 March 2016

Group Income Statement

for the year ended 31 December 2015

		Notes	**2015** £	2014 £
Revenue		2	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		5	(9,616)	(3,207)
Other non-recurring items - non-cash		5	(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		4	(2,193,263)	(3,578,167)
Taxation		9	-	(78,713)
Loss for the period			(2,193,263)	(3,656,880)
Loss per share	Basic	11	(2.01 p)	(3.96 p)
	Diluted	11	(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.

Company Statement of comprehensive income

for the year ended 31 December 2015

	2015	2014
	£	£
Loss for the period	(893,087)	(1,057,184)
Total comprehensive income for the period	(893,087)	(1,057,184)

All of the loss for the year for both the Company and the Group, is attributable to the owners of the Parent Company.

Group Balance Sheet

at 31 December 2015

	Notes	**2015** £	2014 £
Non-current assets			
Intangible assets	12	251,697	309,100
Property, plant and equipment	13	2,053,207	1,709,393
Deferred tax asset	16	-	-
Trade and other receivables	17	287,351	338,498
		2,592,255	2,356,991
Current assets			
Inventories	18	116,668	99,947
Trade and other receivables	17	1,040,702	542,129
Cash and cash equivalents	19	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	20	(853,209)	(628,847)
Borrowings	21	(34,416)	-
Provisions	26	(35,274)	(168,672)
		(922,899)	(797,519)
Non-current liabilities			
Provisions	26	(39,899)	-
Borrowings	21	(97,801)	-
		(137,700)	-
Total liabilities		(1,060,599)	(797,519)
Net assets		9,676,529	6,667,975
Equity			
Called up share capital	23	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

Company Balance Sheet

at 31 December 2015

	Notes	**2015** £	2014 £
Non-current assets			
Investments	14	16,025,048	13,284,827
		16,025,048	13,284,827
Current assets			
Trade and other receivables	17	117,253	61,145
Cash and cash equivalents	19	5,644,996	3,849,124
		5,762,249	3,910,269
Total assets		21,787,297	17,195,096
Current liabilities			
Trade and other payables	20	(163,807)	(98,453)
Net assets		21,623,490	17,096,643
Equity			
Called up share capital	23	651,241	477,190
Share premium account		23,856,796	18,825,667
Retained earnings		(2,884,547)	(2,206,214)
Shareholders' Equity		21,623,490	17,096,643

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

	Note	**2015**	2014
		£	£
Cash flows from operating activities			
Loss before taxation for the period		(2,193,263)	(3,578,167)
Adjustments for:			
Finance income	7	(46,464)	(43,219)
Finance costs	8	4,519	1,151
Depreciation, amortisation and impairment		340,162	890,269
Share based payments expense	24	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	17	(532,689)	89,530
Increase in trade and other payables		314,941	130,545
Share options settled in cash	24	-	(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	17	28,091	(345,744)
Interest received	7	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	8	(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	19	6,987,503	4,466,427

The principal non-cash transaction was the acquisition of property, plant and equipment under finance lease agreements as disclosed in note 21.

Company Statement of Cash Flows

for the year ended 31 December 2015

	Note	**2015**	2014
		£	£
Cash flows from operating activities			
Loss before taxation		(893,087)	(1,057,184)
Adjustments for:			
Finance income		(34,140)	(36,915)
Share based payments expense		126,776	30,959
Operating cash flows before movement in working capital		(800,451)	(1,063,140)
Increase in trade and other receivables	17	(56,108)	(1,194)
Increase in trade and other payables		65,354	11,758
Cash used in operating activities		(791,205)	(1,052,576)
Cash flows from investing activities			
Loans to subsidiary company	15	-	(1,486,497)
Share options settled in cash		-	(50,762)
Interest received		34,140	36,915
Net cash used in investing activities		(2,618,103)	(1,500,344)
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital		5,205,180	-
Net cash from financing activities		5,205,180	-
Net increase/(decrease) in cash and cash equivalents		1,795,872	(2,552,920)
Cash and cash equivalents at beginning of period		3,849,124	6,402,044
Cash and cash equivalents at end of period	19	5,644,996	3,849,124

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**

Company Statement of Changes in Equity

for the year ended 31 December 2015

	Share capital £	Share premium account £	Retained earnings £		Total £
At 31 December 2013	477,190	18,825,667	(1,172,109)		18,130,748
Share options settled in cash	-	-	(50,762)		(50,762)
Share based payments	-	-	73,841		73,841
Loss for the year	-	-	(1,057,184)		(1,057,184)
At 31 December 2014	477,190	18,825,667	(2,206,214)	-	17,096,643
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
Loss for the year	-	-	(893,087)		(893,087)
At 31 December 2015	**651,241**	**23,856,796**	**(2,884,547)**		**21,623,490**

Notes to the Financial Statements

for the year ended 31 December 2015

1. ACCOUNTING POLICIES

Authorisation of financial statements and statement of compliance with IFRSs
The DP Poland plc Group and Company financial statements for the period ended 31 December 2015 were authorised for issue by the Board of the Directors on 18 March 2016 and the balance sheets were signed on the Board's behalf by Peter Shaw and Maciej Jania. DP Poland plc is a public limited company incorporated and domiciled in England & Wales. The Company's ordinary shares are traded on the Alternative Investment Market of the London Stock Exchange.

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.

The presentation and classification of items in the Group Income Statement have been amended for the year ended 31 December 2015. The Directors believe that the new format provides a more useful and relevant presentation of the performance of the Group. The comparative information has been reclassified to provide comparability with the current period as follows: Cost of sales of £2,120,413 has been reclassified to Direct Costs; Distribution costs of £545,975 have been reclassified to Direct Costs; Administrative Expenses of £3,824,174 have been reclassified to a) Direct Costs of £1,462,274 b) Selling, General and Administrative expenses of £2,099,945; c) Non-recurring Items - Cash of £3,207; d) Non-recurring Items - non-Cash of £258,748. Items presented as Exceptional Items in the prior year have been reclassified as Non-recurring items (cash and non-cash) in the comparative information.
The Company has taken advantage of the exemption provided under section 408 of the Companies Act 2006 not to publish its individual income statement and related notes.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2015.

The Group and Company financial statements are presented in Sterling. The assets and liabilities of the foreign subsidiary, whose functional currency is Polish Zloty, are translated into sterling at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average rate for the year. Differences arising from the translation of the opening net investment in the subsidiary are taken to reserves and reported in the consolidated statement of comprehensive income.

Basis of consolidation
The Group financial statements comprise the financial statements of DP Poland plc, its subsidiary undertaking and the Employee Benefit Trust ("EBT") drawn up to 31 December of each year, using consistent accounting policies. Subsidiary undertakings have been included in the Group financial statements using the purchase method of accounting. Accordingly the Group Income Statement and Group Statement of Cash Flows include the results and cash flows of subsidiaries from the date of acquisition.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities and is achieved through direct or indirect ownership of voting rights; currently exercisable or convertible potential voting rights; or by way of contractual agreement. The financial statements of subsidiaries are prepared for the same reporting year as the parent Company, using consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from them, are eliminated on consolidation.

New standards and interpretations not applied
All relevant IFRS applicable to this accounting period, issued by IASB and endorsed by the EU, have been adopted by the Group in preparation of these financial statements. The Directors consider that there are no standards issued but not yet endorsed or yet to be endorsed by the EU that would have a material impact on the financial statements other than IFRS 16 on leases for which the Group is still determining the exact impact after its recent publication on 13 January 2016.

Intangible assets
Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired separately from a business are carried initially at cost. An intangible asset acquired as part of a business combination is recognised outside goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably. Intangible assets with a finite life are amortised and charged to administrative expenses on a straight line basis over their expected useful lives, as follows:

Licences – over the duration of the legal agreement;

Computer software – 2 years from the date when the software is brought into use

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

Fixtures, fittings and equipment
Fixtures, fittings and equipment are stated at cost less accumulated depreciation and any impairment in value. Leasehold property comprises leasehold improvements including shopfitting and associated costs.

Depreciation
Depreciation is provided on all tangible non-current assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the balance sheet date, of each asset on a straight line basis over its expected useful life, as follows:

Leasehold property	– over the expected lease term (generally taken to be 5 years)
Fixtures, fittings and equipment	– 3 to 10 years

The carrying values of tangible non-current assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The asset's residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

Assets Under Construction
Assets under construction comprise the cost of tangible fixed assets in respect of stores that have not yet opened and therefore no depreciation has yet been charged. Depreciation will be charged on the assets from the date that they are brought into use.

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

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

Financial instruments
Financial instruments are measured initially at cost, which is the fair value of whatever was paid or received to acquire or incur them.

Financial assets
Financial assets are classified into the following categories: at fair value through profit or loss, loans and receivables, held to maturity investments and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The Group holds financial assets classified as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables, loans to sub-franchisees, prepayments and cash and cash equivalents in the balance sheet.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired.

Financial liabilities
Financial liabilities are classified as either financial liabilities at fair value through profit or loss or as financial liabilities measured at amortised cost.

The Group only holds financial liabilities classified as other financial liabilities. Financial liabilities at amortised cost comprise trade and other payables, loans and accruals.

Trade and other receivables
Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for estimated irrecoverable amounts.

Cash and cash equivalents
Cash and short-term deposits in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Trade and other payables
Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Store opening costs
Operating costs incurred by stores prior to opening are written off to the income statement in the period in which they are incurred.

Inventories
Inventories are stated at the lower of cost and net realisable value. Inventories comprise food and packaging goods for resale. The Group applies a first in first out basis of inventory valuation.

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Foreign Currency Translation
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

c) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Employee share incentive plans
The Group issues equity-settled share-based payments to certain employees (including Directors). These payments are measured at fair value at the date of grant by use of a Black-Scholes model. Vesting is dependent on performance conditions other than conditions linked to the price of the shares of DP Poland plc (market conditions). In valuing equity-settled transactions, no account is taken of these performance conditions. This fair value cost of equity-settled awards is recognised on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. No cost is recognised for awards that do not ultimately vest.

Leases
Leases taken by the Group are assessed individually as to whether they are finance leases or operating leases. Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease rental payments, other than contingent rentals, are recognised as an expense in the income statement on a straight-line basis over the lease term. The benefit of lease incentives is spread on a straight line basis over the term of the lease. Where lease premiums are paid, these are depreciated over the lease terms.

Assets held under finance leases are recorded in the balance sheet at the lower of fair value and the present value of the minimum lease payments at the inception of the lease. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Current tax
Current tax is the amount of income tax payable on the taxable profit for the period. Current tax assets and liabilities for the current and prior periods are measured at the amounts expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts with the exception of:

- Where the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- For taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures.

- Where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Capital instruments
Ordinary shares are classified as equity instruments. Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if not they are included in equity. The finance costs recognised in the Income Statement in respect of capital instruments other than equity shares are allocated to periods over the term of the instrument at a constant rate on the carrying amount applying the effective interest method.

Capital reserve - own shares
DP Poland plc shares which are held within the Company's employee benefit trust, for the purpose of providing share based incentives to Group employees are classified as shareholders' equity as 'Capital reserve - own shares' and are recognised at cost. No gain or loss is recognised in the income statement on the purchase or sale of such shares.

Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration net of returns, rebates and value-added taxes. Franchisee rebates are recognised as an expense within revenue on an accruals basis on the expected entitlement which has been earned up to the balance sheet date. The criteria for recognising revenues are set out in note 2.

Direct Costs
Direct costs comprises foods costs and direct store expenses.

Interest income
Revenue is recognised as interest accrues applying the effective interest method.

Accounting estimates and judgements
The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors must make an assessment as to whether the Group is a going concern. In forming their views, the Directors have prepared cash flow forecasts for a 12 month period following the date of signing the balance sheet. As part of the preparation of these forecasts, the Directors have estimated the likely outcome for the number of new stores opened. Before entering into a contract to acquire a new site, the Directors ensure that the Group has sufficient working capital available to allow the completion of the outlet. Based on these forecasts, the Directors have confirmed that there are sufficient cash reserves to fund the on-going build, own and operate business for the period under review.

After reviewing these forecasts, consideration of the Group's cash resources and other appropriate enquiries, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

The Group's determination of whether intangibles are impaired requires an estimation of the value in use of the cash generating units to which the intangible asset is allocated. This requires estimation of future cash flows and the selection of a suitable discount rate. The recoverable amount of the cash generating unit has been determined based on fair value calculated using discounted future cash flows, which are subject to significant estimates due to the growth phase of the business. Future cash flows are based on the Group's business plan. The calculation of the fair value is most sensitive to the following assumptions: store performance; discount rates; store openings in Poland; foreign exchange rates.

The discount rate reflects management's estimate of the return on capital employed for the investment in Poland. The store openings are based on the current business model being used by management, which is progressing in line with expectations.

The calculation of the Group's total tax charge involves a degree of estimation and judgement in respect of the recoverability of tax losses. Further details of the treatment of deferred tax can be found in note 15.

2. REVENUE

Revenue represents amounts received from the sale of goods from the Group's principal continuing activity, being the operation and sub-franchising of Domino's Pizza stores. All of the revenue is derived in Poland. Revenue is measured at fair value of consideration net of returns, rebates and value added taxes. Revenue from pizza delivery, commissary and equipment sales is recognised on delivery to customers and sub-franchisees. Royalties are based on Domino's Pizza store sales to customers and are recognised as the income is earned by our sub-franchisees.

3. SEGMENTAL REPORTING

In accordance with the Group's risks and returns, the definition of segments for primary and secondary segment reporting reflects the internal management reporting structure. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. Segment expenses consist of directly attributable costs and other costs, which are allocated based on relevant criteria.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of components operating in other economic environments. The board considers that the Polish subsidiary represents the only operating segment.

4. LOSS BEFORE TAXATION

This is stated after charging

		2015	2014
		£	£
Auditors' remuneration	– audit of company and group financial	22,500	22,500
	– tax compliance services	1,400	1,900
Directors' emoluments	– remuneration and fees	329,288	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	-

5. 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.

6. STAFF COSTS

Details of directors' remuneration, which is included in the amounts below, are given in the remuneration report on pages 19 to 20.

	2015	2014
Wages and salaries and directors' fees	1,384,268	978,483
Social security costs	176,959	230,839
Share based payments	214,754	73,841
	1,775,981	1,283,163

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

	2015 **Number**	2014 Number
Operational	25	28
Administration	22	19
Total	47	47

7. FINANCE INCOME

	2015	2014
	£	£
Interest on short-term deposits	46,464	43,219
	46,464	43,219

8. FINANCE COSTS

	2015	2014
	£	£
Other interest	4,519	1,151
	4,519	1,151

9. 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.

10. LOSS ATTRIBUTABLE TO MEMBERS OF PARENT COMPANY

The loss relating to transactions in the financial statements of the parent company was £893,087 (2014: £1,057,184).

11. 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.

12. 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

Franchise fees consisting of the cost of purchasing the Master Franchise Agreement (MFA) from Domino's Pizza Overseas Franchising B.V. have been capitalised and are written off over the term of the MFA. The amortisation of intangible fixed assets is included within administrative expenses in the Income Statement. The Group has performed an annual impairment test for the Franchise Fees and the recoverable amount of the cash generating unit has been determined based on fair value calculated using discounted future cash flows based on the Group's business plan, and incorporating the Directors' estimated 13% discount rate, future store openings and the average Polish Zloty exchange rate for the year ended 31 December 2015. Further details of the assumptions made can be found on page 37. The fair value calculation indicates that no impairment is required. As at 31 December 2015, no reasonably expected change in the assumptions would give rise to an impairment charge.

13. 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

14. NON CURRENT ASSET INVESTMENTS

	Group £	Company £
Investments in Group undertakings		
At 31 December 2013	-	3,841,523
Investment in subsidiary company - capital contribution	-	42,882
Transfer from non-current loan receivables	-	9,400,422
At 31 December 2014	-	13,284,827
Investment in subsidiary company - shares subscribed	-	2,494,322
Loan advanced treated as investment	-	500,000
Exchange differences on loans capitalised		(254,101)
Investment in subsidiary company - capital contribution		
At 31 December 2015	-	16,025,048

Investments in Group undertakings are recorded at cost, which is the fair value of the consideration paid. The Company holds 20% or more of the share capital of the following company, which is included in the consolidation:

Company	*Nature of business*	*Location*	*Class*	*% holding*
DP Polska S.A.	Operation of Pizza delivery restaurants	Poland	Ordinary	100

15. NON-CURRENT RECEIVABLES FROM SUBSIDIARY UNDERTAKINGS

	Group £	Company £
At 31 December 2013	-	7,913,925
Loans advanced	-	1,486,497
Transfer to investment in subsidiary undertakings		(9,400,422)
At 31 December 2014	-	-
At 31 December 2015	-	-

Loans to subsidiary undertakings in the prior year were non- interest bearing they had no set term or repayment date. The directors considered that these loans were effectively investments in the Company's subsidiary undertaking and therefore the during the prior year total loan balance at 31st December 2014 was transferred to Investments. During the year the loans were capitalised by the issue of new shares in DP Polska S.A.

16. DEFERRED TAX ASSET

2015
Deferred tax asset

	At Start	Charged to Income	Charged to Equity	Exchange Differences	At End
Tax losses	-	-	-	-	-
	-	-	-	-	-

The Group has unused tax losses of £12,058,089 available for offset against future profits. Polish tax losses are only recognised for deferred tax purposes to the extent that they are expected to be used to reduce tax payable of future profits. Under Polish law, losses can only be carried forward for five years and only 50% of the losses brought forward can be set off in any one year. Polish tax losses expire as follows: £308,728 in 2016; £3,052,003 in 2017; £2,084,381 in 2018; £2,345,236 in 2019 and £1,075,304 in 2020. UK tax losses carried forward at the balance sheet date were £3,192,437.

No deferred tax asset has been recognised in respect of the current year losses as there is insufficient evidence to determine that these losses will be recovered.

A deferred tax asset of £86,843 has previously been recognised in respect of Polish losses of £453,681 on the basis that it was expected to reduce the tax liability of DP Polska S.A. in future accounting periods. This deferred tax asset has been written off during the prior year as there is insufficient evidence to determine when, or whether, these losses will be utilised.

17. TRADE AND OTHER RECEIVABLES

	Group 2015 £	Group 2014 £	**Company 2015 £**	Company 2014 £
Current				
Trade receivables	426,646	174,684	46,000	34,000
Other receivables	334,003	160,660	9,508	6,641
Prepayments and accrued income	79,176	42,193	61,745	20,504
Rent and supplier deposits	200,877	164,592	-	-
	1,040,702	542,129	117,253	61,145
Non-current				
Other receivables	287,351	338,498	-	-
At 31 December	1,328,053	880,627	117,253	61,145

Other receivables mainly comprise Polish value added tax recoverable in future periods. No receivables are past due date. Other than amounts held by the Company, all trade and other receivables are in Polish Zloty. Trade receivables are non - interest bearing and are generally on 30 - 60 days terms. During the year ended 31 December 2015 no bad debts were written off (2014: nil)

Included in other receivables are loans to sub-franchisees are repayable over between three and seven years. Repayments may be made earlier in the event that sub-franchised stores achieve certain turnover targets earlier than expected. The loans are secured by a charge over certain assets of the sub-franchisees.

18. INVENTORIES

	Group 2015 £	Group 2014 £	**Company 2015 £**	Company 2014 £
Raw materials and consumables	116,668	99,947	-	-
At 31 December	116,668	99,947	-	-

The cost of inventories recognised as an expense and included in cost of sales amounted to £1,270,617 (2014: £1,350,625)

19. CASH AND CASH EQUIVALENTS

	Group 2015 £	Group 2014 £	**Company 2015 £**	Company 2014 £
Cash at bank and in hand	6,987,503	1,974,165	5,644,996	1,356,862
Short term bank deposits	-	2,492,262	-	2,492,262
At 31 December	6,987,503	4,466,427	5,644,996	3,849,124

20. TRADE AND OTHER PAYABLES

	Group 2015 £	Group 2014 £	**Company 2015 £**	Company 2014 £
Current				
Trade payables	429,449	320,095	13,673	25,109
Other payables	58,368	54,518	6,313	6,518
Accruals and deferred income	365,392	254,234	143,821	66,826
At 31 December	853,209	628,847	163,807	98,453

21. BORROWINGS

	Group 2015 £	Group 2014 £	**Company 2015 £**	Company 2014 £
Current interest bearing borrowings				
Finance lease liabilities	34,416	-	-	-
At 31 December	34,416	-	-	-

	Group 2015 £	Group 2014 £	**Company 2015 £**	Company 2014 £
Non current interest bearing loans and borrowings				
Finance lease liabilities	97,801	-	-	-
At 31 December	97,801	-	-	-

Finance lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Gross finance lease liabilities – minimum lease payments:

	Group 2015 £	Group 2014 £	**Company 2015 £**	Company 2014 £
No later than 1 year	42,309	-	-	-
Later than 1 year and no later than 5 years	109,390	-	-	-
Later than 5 years	-	-	-	-
Future finance charges on finance leases	19,482			
Present value of finance lease liabilities	132,217	-	-	-

22. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2015	**2015**	2014	2014
	Loans and receivables	**Financial liabilities at amortised cost**	Loans and receivables	Financial liabilities at amortised cost
	£	**£**	£	£
GROUP				
Financial Assets				
Cash at bank	6,987,503		4,466,427	
Trade receivables	426,646		174,684	
Other receivables - current	334,003		160,660	
Other receivables - non current	287,351		338,498	
Total	8,035,503		5,140,269	
Financial Liabilities				
Trade payables		(429,449)		(320,095)
Finance leases - current		(34,416)		-
Finance leases - non current		(97,801)		-
Other liabilities - current		(58,368)		(54,518)
Accruals - current		(365,392)		(254,234)
Total		(985,426)		(628,847)
Net	7,050,077		4,511,422	

	2015	**2015**	2014	2014
	Loans and receivables	**Financial liabilities at amortised cost**	Loans and receivables	Financial liabilities at amortised cost
	£	**£**	£	£
COMPANY				
Financial Assets				
Cash at bank	5,644,996		3,849,124	
Other receivables	9,508		6,641	
Total	5,654,504		3,855,765	
Financial Liabilities				
Trade payables		(13,673)		(25,109)
Other liabilities - current		(6,313)		(6,518)
Accruals		(143,821)		(66,826)
Total		(163,807)		(98,453)
Net	5,490,697		3,757,312	

The fair value of the Group's financial assets and liabilities is not considered to be materially different from the carrying amount as set out above.

Maturity of the Group's financial liabilities

	2015	**2015**	**2015**	2014	2014
	Finance leases	**Trade and other payables**	**Total**	Trade and other payables	Total
	£	**£**	**£**	£	£
Due within one year	34,416	(853,209)	(853,209)	(628,847)	(628,847)
Due within two to five years	97,801	-	-	-	-
Due after five years	-	-	-	-	-
	132,217	(853,209)	(853,209)	(628,847)	(628,847)

Capital Risk Management

The Group aims to manage its overall capital so as to ensure that companies within the Group continue to operate as going concerns, whilst maintaining an optimal capital structure to reduce the cost of capital.

The Group's capital structure represents the equity attributable to shareholders of the company together with borrowings and cash and cash equivalents.

Currency Risk

The foreign currency risk stems from the Group's foreign subsidiary which trades in Poland and whose revenues and expenses are mainly denominated in local currencies. Additionally, some Group transactions are also denominated in US Dollar and Euro currencies. The Group is therefore subject to foreign currency risk due to exchange rate movements that will affect the Group's operating activities and the Group's net investment in its foreign subsidiary. In each case where revenues of the Group are in a foreign currency, there is a material match between the currency of each operating company's revenue stream, primary assets, debt and debt servicing (if applicable).

The carrying amount in Sterling, of the Group's foreign currency denominated monetary assets and liabilities at the reporting dates is as follows:

	2015	2014
Assets	**£**	£
Polish Zlotys	2,059,176	877,901
Liabilities		
Polish Zlotys	917,619	745,066

Sensitivity analysis

The potential impact on Group net loss and equity reserves from a 20% weakening of the Polish Zloty against sterling affecting the reported value of financial assets and liabilities would be an increased net loss and reduction in Group reserves of £228,311. A depreciation of 20% has been selected for the analysis as an illustration on the basis that it is a reasonable estimate of a likely market fluctuation.

An appreciation of 20% against Sterling would produce an equal and opposite effect.

Interest Rate Risk
Interest rate risk arises on the Group's cash and cash equivalents. All of the Group's cash and cash equivalents earn interest at variable rates.

Sensitivity analysis
The sensitivity analysis below has been determined based on the exposure to interest on the financial instrument balances at the reporting date and the stipulated change taking place at the beginning of the financial period and held constant throughout the reporting period.

At the reporting date, if interest rates had been 1% higher and all other variables were held constant, the effect on the Group's net result and equity reserves would have been an increase of £69,875.

Credit Risk
Exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date, namely cash and cash equivalents, trade and other receivables and loans to subfranchisees.

The Group manages its exposure to this risk by applying Board-approved limits to the amount of credit exposure to any one counterparty and employs minimum credit worthiness criteria as to the choice of counterparty, thereby ensuring that there are no significant concentrations of credit risk.

All sub-franchisees who are provided with loans from the Group have been through the franchisee selection process, which is considered to be sufficiently robust to ensure an appropriate credit verification procedure.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Liquidity Risk
The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Surplus funds are invested on a short term basis at money market rates and therefore such funds are available at short notice.

23. 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

The Company does not have an authorised share capital.

DP Poland Employee Benefit Trust ("EBT")

The trustee of the EBT holds 3,055,844 ordinary shares in the Company for the purposes of satisfying outstanding and potential awards under the Company's Joint Ownership Share Scheme, Share Option Scheme and the Share Incentive Plans. The historic cost of these shares was £62,476 with a net contribution of £6,115 made by the JOSS award holders to acquire their joint interests. The shares held by the EBT had a market value of £687,565 at 31 December 2015.

24. SHARE BASED PAYMENTS

	Group 2015 £	Group 2014 £
Share based payments expense	214,754	73,841

During the period ended 31 December 2014 the Company provided four types of share-based incentive arrangements:

Type of arrangement	*Vesting period*	*Vesting conditions*
Joint Ownership Share Scheme	2.5 - 3.5 years	Achievement of store growth and financial targets
Employee Share Incentive Plan	2 years	Two years service
Non-Executive Directors' Share Incentive Plan	2 years	Two years service
Employee Share Option Plan	Variable*	Detailed individual performance targets
Long Term Incentive Option Plan	2.3 years	Detailed company performance targets

The Company established the Joint Ownership Share Scheme ("JOSS") and the Share Incentive Plans on 25 June 2010, the Employee Share Option Plan on 06 May 2011 and the Long Term Incentive Share Option Plan on 19th December 2014. The Group has calculated charges for the JOSS and share option awards using a Black-Scholes model. Volatility and risk free rates have been calculated for each JOSS grant based on expected volatility over the vesting period and current risk free rates at the time of each award. Volatility assumptions are based on historic volatility .

Assumptions used in the valuation of share option awards were as follows:

Award date	Exercise price	Expected volatility	Risk free rate	Expected dividends	Option life in years	IFRS2 fair value per share option
20 May 2011	0.5 pence	55%	0.70%	-	2 years	£0.9114
27 May 2011	0.5 pence	55%	0.70%	-	2 years	£0.8682
04 May 2012	0.5 pence	55%	0.70%	-	1.5 years	£0.4361
27 May 2012	0.5 pence	55%	0.70%	-	1.5 years	£0.3822
17 December 2014	0.5 pence	46%	0.98%	-	2 years	£0.0808
19 December 2014	0.5 pence	46%	0.98%	-	2.3 years	£0.0723
19 December 2014*	0.5 pence	46%	0.98%	-	2.3 years	£0.0036

* these awards include a market based performance condition based on future share price performance

The share based payments charge for the year by scheme was as follows:

	2015	2014
Share Incentive Plan	67,007	26,371
Employee Share Option Scheme	30,314	43,459
Long Term Incentive Share Option Plan	117,433	4,011
	214,754	73,841

All of the above amounts related to equity-settled share based payment transactions.

Share scheme awards outstanding

Scheme and date of award	Hurdle or exercise price	Outstanding 31.12.14 No.	Awarded in period No.	Exercised in period No.	Lapsed in period No.	Outstanding 31.12.15 No.
JOSS 25 June 2010	23.08 pence + 3% per annum	327,280	-	-	-	327,280
JOSS 25 June 2010	23.08 pence + 3% per annum	327,280	-	-	-	327,280
SIP 27 July 2010	n/a	100,000	-	-	-	100,000
SIP 30 May 2012	n/a	75,000	-	-	-	75,000
SIP 19 June 2013	n/a	331,169	-	-	-	331,169
SIP 18 June 2014	n/a	413,604				413,604
SIP 17 April 2015	n/a	-	486,486	-	-	486,486
Share options 20 May 2011 *	0.5 pence	143,860	-	-	-	143,860
Share options 27 May 2011 *	0.5 pence	223,423	-	-	-	223,423
Share options 04 May 2012 *	0.5 pence	54,703	-	-	-	54,703
Share options 04 May 2012	0.5 pence	13,499	-	-	-	13,499
Share options 27 May 2012	0.5 pence	20,877	-	-	-	20,877
Share options 04 May 2012	0.5 pence	-	-	-	-	-
Share options 27 May 2012	0.5 pence	2,956	-	-	-	2,956
Share options 17 December 2014	0.5 pence	300,000	-	-	-	300,000
Share options 19 December 2014	0.5 pence	7,367,851	-	-	-	7,367,851

* These share options will only vest when the Group has opened its 30th store in Poland.

The weighted average remaining contractual life of outstanding share options is 4.25 years.

In April 2013 additional awards of options under the Employee Share Option Scheme with a maximum fair value of £277,046 were agreed in principle by the Board. The value of these awards was based on a percentage of the award holders' salary and subject to detailed performance conditions. The options relating to these awards were expected to be granted in April 2014 and to vest immediately. These awards were settled in cash in April 2014.

25. OPERATING LEASE COMMITMENTS - MINIMUM LEASE PAYMENTS

At the period end the Group had future minimum rentals payable under non-cancellable operating leases as set out below:

	Motor vehicles 2015 £	Motor vehicles 2014 £	**Land and buildings 2015 £**	Land and buildings 2014 £
Within one year	-	5,966	695,004	691,848
Within two to five years	-	-	2,038,364	1,885,257
In more than five years	-	-	480,724	1,117,930
At 31 December	-	5,966	3,214,092	3,695,035

Operating leases for land and buildings are normally for an initial term of 5 years with an option to renew thereafter. Lease payments are subject to regular rent reviews to reflect market rates.

Operating lease commitments where the Group is lessor

For the stores in the franchisee system, the Group has entered into commercial leases, taking the head lease and then subletting the properties to the franchisees. These non-cancellable leases have remaining terms of between five and ten years. Future minimum rentals receivable under non-cancellable operating leases are as follows:

	Land and buildings 2015 £	Land and buildings 2014 £
Within one year	190,112	156,845
Within two to five years	600,954	519,572
In more than five years	136,260	229,380
At 31 December	927,326	905,797

26. PROVISIONS

	Onerous lease provisions £	**Total £**
At 31 December 2013	-	-
Arising during the period	234,731	234,731
Utilised during the period	(56,181)	(56,181)
Released during the period		
Foreign exchange on translation	(9,878)	(9,878)
At 31 December 2014	168,672	168,672
Arising during the period	4,822	4,822
Utilised during the period	(89,984)	(89,984)
Foreign exchange on translation	(8,337)	(8,337)
At 31 December 2015	75,173	75,173

Presented as

	2015 £	2014 £
Current	35,274	168,672
Non-current	39,899	-
	75,173	168,672

The onerous lease provision relates to outstanding rent obligations for three closed stores in Poland.

27. CAPITAL COMMITMENTS

At 31 December 2015, amounts contracted for but not provided in the financial statements for the acquisition of property, plant and equipment amounted to £587,504 (2014: £nil) for the Group.

28. RELATED PARTY TRANSACTIONS

During the period the group and company entered into transactions, in the ordinary course of business, with other related parties. The transactions with directors of the company are disclosed in the Directors' Remuneration Report. Transactions with key management personnel (comprising the Directors and key members of management in Poland) are disclosed below:

	Group 2015 £	Group 2014 £
Short-term employee benefits	375,677	322,295
Share-based payments	203,265	122,623
At 31 December	578,942	444,918

In the prior year, the Company provided loans to its subsidiary undertaking DP Polska S.A. as disclosed in note 14.

The Company made a charge of £50,000 to DP Polska S.A. for management services provided in 2015 (2014: £12,000).

29. EVENTS AFTER THE BALANCE SHEET DATE

There were no reportable post balance sheet events.

Notice of Annual General Meeting

NOTICE is hereby given that the Annual General Meeting of DP Poland plc (the "Company") will be held at the offices of Peel Hunt LLP, Moor House, 120 London Wall, London EC2Y 5ET on 3 May 2016 at 11.00 a.m. for the purpose of considering, and if thought fit, passing the following resolutions which in the case of resolutions 1 to 5 will be proposed as ordinary resolutions and in the case of resolution 6 will be proposed as a special resolution:

Ordinary Resolutions

1. To receive, consider and adopt the financial statements of the Company for the year ended 31 December 2015, together with the Directors' report the Auditors' report thereon.
2. To re-appoint Crowe Clark Whitehill LLP as auditor to the Company, to hold office from the conclusion of the meeting until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the Directors to determine their remuneration.
3. To re-elect as a Director, Maciej Jania, who retires in accordance with the Company's Articles of Association and who being eligible, offers himself for re-election.
4. To re-elect as a Director, Gerald Ford, who retires in accordance with the Company's Articles of Association and who being eligible, offers himself for re-election.
5. That, the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "Act") to allot:

    (a) shares in the Company or grant rights to subscribe for or to convert any securities into shares in the Company (such shares, and rights to subscribe for or to convert any security into shares in the Company being "relevant securities") up to an aggregate nominal amount of £217,080 representing approximately one third of the nominal value of the issued ordinary share capital of the Company at the date of this Notice; and

    (b) equity securities (within the meaning of Section 560 of the Act) up to a further aggregate nominal amount of £217,080 in connection with a rights issue in favour of the ordinary shareholders of the Company on the register on a record date fixed by the Directors where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, record dates or legal, regulatory or practical problems under the laws of any territory (including the requirements of any regulatory body or stock exchange) (a "Rights Issue"),

    provided that unless previously revoked, varied or renewed, this authority shall expire on the date which is fifteen months from the date of passing this resolution or at the conclusion of the next annual general meeting of the Company after the passing of this resolution, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired. Such authority shall be in substitution for any equivalent authorities and powers granted to the Directors prior to the passing of this resolution, but shall be without prejudice to the continuing authority of the Directors to allot relevant securities pursuant to an offer or agreement made by the Company before the expiry of the authority pursuant to which such offer or agreement was made.

Special Resolution

6. That, subject to the passing of resolution 5, the Directors be generally empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) of the Company wholly for cash pursuant to the authority of the Directors under section 551 of the Act conferred by resolution 5 above, as if section 561(1) of the Act did not apply to such allotment, provided that:

    (a) the power conferred by this resolution shall be limited to:

(i) the allotment of equity securities in connection with any Rights Issue or other invitation or offer to ordinary shareholders where the entitlements of ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, record dates or legal, regulatory or practical problems under the laws of any territory (including the requirements of any regulatory body or stock exchange) and in the case of the authority conferred by resolution 5(b), to any allotment by Rights Issue alone; and

(ii) the allotment, otherwise than pursuant to sub-paragraph (a)(i) of this resolution, of equity securities up to an aggregate nominal value equal to £65,124, representing approximately 10% of the nominal value of the issued ordinary share capital of the Company at the date of this Notice; and

(b) unless previously revoked, varied or renewed, this power shall expire on the date which is fifteen months from the date of passing this resolution or at the conclusion of the next annual general meeting of the Company after the passing of this resolution, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if this power had not expired.

By Order of the Board

Registered Office:
42 - 50 Hersham Road
Walton-on-Thames
Surrey
KT12 1RZ

Patrick Michael Bodenham
Company Secretary
Dated: 18 March 2016

Notes:

1. Members of the Company are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the meeting. Members of the Company should only appoint a proxy using the procedures set out in these notes and in the notes to the proxy form. In addition, a member of the Company who is a corporation may authorise a person or persons to act as its representative at the meeting. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company provided that they should not do so in relation to the same shares.

2. The appointment of a proxy does not preclude a member of the Company from attending the meeting and voting in person. In those circumstances, the proxy appointment will be terminated automatically.

3. A proxy does not need to be a member of the Company but must attend the meeting in order to represent the member by whom the proxy has been appointed. To appoint as a proxy a person other than the Chairman of the meeting, that person's full name must be inserted where indicated on the proxy form accompanying this Notice. If the proxy form is signed and returned but with no name inserted in place of that of the Chairman of the meeting, the Chairman will be deemed to be the proxy of the member completing and returning the form. Where a member appoints as a proxy someone other than the Chairman, it is the responsibility of that member to ensure that such proxy attends the meeting is aware of the member's voting intentions. A member wishing to appoint a proxy to speak on their behalf at the meeting, will need to appoint someone other than the Chairman and give them the relevant instructions directly.

4. A member may appoint more than one proxy provided that each proxy is appointed to exercise rights attached to a different share or shares held by that member. In the event of a conflict between a blank proxy form and a proxy form which states the number of shares to which it applies, the specific proxy form shall be counted first, regardless of whether it was sent or received before or after the blank proxy form, and any remaining shares in respect of which the member is the registered holder will be apportioned to the blank proxy form. To appoint more than one proxy you must complete a separate proxy form for each proxy or, if appointing multiple proxies electronically, follow the instructions given on the relevant electronic facility. Members can copy their original proxy form, or additional proxy forms can be obtained from SLC Registrars, 42 - 50 Hersham Road, Walton-on-Thames, Surrey KT12 1RZ.

5. To direct a proxy how to vote on the resolutions at the meeting the appropriate boxes on the proxy form should be marked with an 'X'. To instruct a proxy to abstain from voting on a resolution, the relevant "Vote withheld" box should be marked with an 'X' . A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, a proxy will vote or abstain from voting at his or her discretion. A proxy will also be entitled to vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

6. To appoint a proxy using the form accompanying this Notice, the proxy form must be:

   - completed and signed;
   - sent or delivered to SLC Registrars. 42 - 50 Hersham Road, Walton-on-Thames, Surrey KT12 1RZ.; and
   - received by SLC Registrars no later than 11.00 a.m. on 29 April 2016.

7. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by two duly authorised signatories or by a director of the company in the presence of a witness who attests the signature.

8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-names bring the most senior).

9. Any power of attorney or any other authority under which a proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form when returning it to SLC Registrars.

10. If a member submits more than one valid proxy appointment in respect of the same share, the appointment received by the Registrars last in time (regardless of the date of its making) shall be treated as revoking and replacing any others as regards that share.

11. No electronic address provided in the proxy form is to be used to communicate with the Company for any purposes other than those expressly stated.

12. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members entered on the register of members of the Company at 6.00 p.m. on 29 April 2016 or, in the event that this meeting is adjourned, in the register of members as at 6.00 p.m. on the day two days before the date of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their names at that time. Changes to the entries on the register of members after the close of business on 29 April 2016 or, in the event that the meeting is adjourned, the close of business on the day two days before the date of the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.

13. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

14. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company’s agent (ID 7RA01) by 11.00 a.m. on 29 April 2015. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

15. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

16. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

17. Copies of the Directors' service contracts and letters of appointment are available for inspection at the registered office of the Company during normal business hours on any business day and will be available for inspection at the place where the meeting is being held from 15 minutes prior to and during the meeting.

18. Resolution 5 – Under section 551 of the Act, the directors of a company may allot shares only if authorised to do so. At the annual general meeting held in 2015, the Directors were given general authority, which will expire on conclusion of the meeting, to allot a maximum of £159,063 in nominal amount of relevant securities. This authority is proposed to be replaced by that set out in paragraph (a) of resolution 5, which in accordance with guidance issued by the Investment Association, is to be limited to the allotment of relevant securities with an aggregate nominal value of £217,080, representing approximately one-third of the issued ordinary share capital of the Company as at the date of this Notice. The Directors were also given authority at the annual general meeting held in 2015, to allot up to a further one-third of

the existing issued share capital of the Company in connection with a fully pre-emptive rights issue. This authority is proposed to be replaced by that set out in paragraph (b) of resolution 5 which, in line with the guidance issued by the Investment Association, is to confer power on the Directors to allot equity securities up to a further aggregate nominal amount of £217,080, representing approximately one-third of the issued ordinary share capital of the Company as at the date of this Notice, but only in connection with a rights issue to existing shareholders in proportion (as nearly as practicable) to their existing holdings. The proposed new authorities (unless previously revoked, varied or renewed by the Company in general meeting), will expire fifteen months from the date of passing resolution 5 or at the conclusion of the 2017 AGM, whichever is the earlier.

19. Resolution 6 - Section 561(1) of the Act requires that equity securities proposed to be allotted for cash are first offered to existing shareholders in proportion to their existing holdings. This is known as shareholders' pre-emption rights. However, to act in the best interests of the Company, the Directors may require flexibility to allot shares for cash without regard to the provisions of Section 561(1). Resolution 6, therefore empowers the Directors to allot equity securities up to an aggregate nominal value of £65,124, being equal to approximately 10 per cent. of the Company's issued ordinary share capital as at the date of this Notice, for cash without first offering them to existing shareholders. This means that the proportionate interests of existing ordinary shareholders could not, without their agreement, be reduced by more than 10% by the issue of new shares for cash.

    This authority (unless previously revoked, varied or renewed by the Company in general meeting), will expire fifteen months from the date of passing the resolution or at the conclusion of the 2017 AGM, whichever is the earlier.

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