Domino's®

DP Poland PLC 2016

Annual Report and Accounts

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Domino's

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DP Poland PLC

Annual Report and Accounts 2016

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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 currently 39 Domino's Pizza stores in 14 Polish towns and cities, 16 corporately managed and 23 sub-franchised.

Poland has a population of 38.5 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

2016 was a year of robust System Sales[1] growth, driven by strong like-for-likes[2] and the roll-out of new stores to more towns and cities. This growth in System Sales enhanced both store EBITDA and commissary gross profit[5], albeit in the context of a marginally reduced Group EBITDA[6] loss. The growth in commissary gross profit is particularly driven by the addition of new sub-franchised stores and the growth in sub-franchised store sales, through the provision of dough balls, ingredients, boxes and other items to sub-franchisees, plus sales royalties.

Today we have 8 sub-franchise partners, 6 more than we had this time last year and we expect to welcome more in the coming year. The addition of more sub-franchisees is further confirmation of the potential of the Polish market, as more individuals commit to building their own Domino's businesses in a country of 38.5 million people. Today over half of our estate is sub-franchised, compared to less than one third this time last year. The mix of corporately managed and sub-franchised stores will vary as we build out over the coming years, but we expect sub-franchised stores to be a key growth engine in the medium to longer term.

We work closely with our sub-franchisees to create strong sales and marketing programmes, to run in tandem with those of our corporate stores. Local store marketing (LSM) lies at the heart of Domino's marketing, communicating to our customers and potential customers through menus, leaflets and other activities. LSM is supported by various media, including digital, out-of-home poster campaigns and radio. As our store estate grows and our ability to deliver to more customers increases we can foresee the introduction of national television advertising; we believe this will mark a further step change to the performance of the Domino's business in Poland.

Our most mature corporate stores continue to deliver robust growth, alongside our newer stores, with both sales and Store EBITDA significantly ahead in 2016 over 2015. The growing traction of the Domino's brand in Poland is founded on the satisfaction of a loyal and growing customer base at each store, through our offer of great service, great product and great value.

While expansion requires resource, with strengthened real estate and store opening teams and extended commissary capacity, the growing store contribution to marketing and the economies of scale in procurement will further strengthen the positive feedback cycle inherent to revenue growth. As we progress through this growth phase, to establish a national presence, we expect the reduction in Group EBITDA losses, compared to the growth in revenues, to rebalance as we approach critical mass in stores numbers and System Sales. With that rebalancing there will come an inflection point when the relative costs of running a high growth business steadily reduce in proportion to the growth in revenues and improvements in Group EBITDA.

Our fund raising of £3.2m gross in October 2016 was strongly supported by our investors and enables us to maintain the pace in the opening of corporate stores and in certain cases to support our own managers, through loans, to acquire their own stores. Supporting in-house talent in this way is a success model that is tried and tested across the Domino's system worldwide, in tandem with encouraging and supporting third parties to sub-franchise the Domino's brand.

The opportunity for Domino's in Poland is founded on the size of the population – the eighth largest in Europe – and the evident appetite for the Domino's offer of high quality pizza, delivered fast and hot to the door. Delivering against that opportunity requires a mix of careful management, energy and determination which I believe is ably demonstrated by our team; I would like to take this opportunity to thank both them and our sub-franchisees for delivering a strong performance in 2016.

In 2017 we remain focused on building out the store estate to achieve critical mass and to establish Domino's Pizza as a national brand in Poland.

Nicholas Donaldson
Non-Executive Chairman
24 March 2017

Chief Executive's Review

Group performance

Group EBITDA[6] losses marginally improved 2016 (£1.58m[3]) on 2015 (£1.63m[4]) at average exchange rates for 2016 and 2015.

At constant exchange rates (£1: 5.34PLN, the 2016 average) Group EBITDA[6] losses, improved by 8%, 2016 on 2015.

As described in the Finance Director's Report below, the Group loss for the period of (£2,493,401[3]) 2016, at actual exchange rates increased by 14%, mainly due to the increases in depreciation, amortisation and impairment and share based payments.

Investment in the real estate and store opening teams reduced the positive impact of the growth in store EBITDA and commissary gross profit on Group EBITDA. As revenues continue to grow we expect them to outstrip growth in Direct Costs (including the new commissary) and S,G&A and for the benefits to show in improvement in Group EBITDA for YE 2017 and beyond.

Store performance

2016 delivered a strong store performance in both like-for-like[2] sales and sales from stores that were opened during the year.

Like-for-like System Sales[1] were up +27% 2016 on 2015.

2016 closed with our 17th consecutive quarter of double digit like-for-like System Sales growth.

Like-for-like store performance was driven by a combination of successful sales and marketing activity and, we believe, increasing traction of the Domino's brand with existing and prospective customers, overlaid on a bouyant consumer economy.

Total System Sales were up +62% (PLN) 2016 on 2015.

Total Corporate Store EBITDA 2016 was +1.76m PLN (+£329k[3]) vs +1.0m PLN (+£173k[4]) in 2015, growth of +76%.

Total Corporate Store EBITDA performance benefited from improvement in the cost of goods, in part due to commodity deflation in the first part of the year and in part due to growing volumes benefiting commissary procurement. In contrast, higher store labour costs had some impact on store EBITDA in the second part of the year. The upward pressure on store labour was impacted both by the introduction of a minimum wage and its subsequent increase and by a drop in unemployment, impacting wage levels. On the plus side, in the macroeconomic context, lower unemployment and increased wages feed through to increased disposable income and a higher propensity to purchase.

We are very encouraged that our top 3 corporate stores averaged +468kPLN (+£88k[3]) EBITDA each in 2016 vs +332kPLN (+£58k[4]) each in 2015. Our top store delivered +536kPLN (+£100k[3]) EBITDA.

New store sales growth was driven by the opening of 12 stores in 2016.

Store roll-out

12 stores were opened in 2016, 8 sub-franchised and 4 corporate, ending the year with 35 stores.
The table below shows store openings and sales of stores to sub-franchisees in 2016

Stores	1 Jan 2016	Opened	Sold to franchisees	Closed	31 Dec 2016
Corporate	15	4	-6	0	13
Franchised	8	8	+6	0	22
Total	23	12	0	0	35

In 2017 to-date we have opened 4 stores, of which 3 are corporate stores and 1 sub-franchised. We currently have 39 stores in operation.

We started 2016 with Domino's stores in 4 cities; we ended the year with stores in 10 towns/cities and today there are stores in 14 towns/cities. The overall performance of our new stores is encouraging, with inevitable variations in performance between individual stores.

In Warsaw we have started to split the delivery areas of some of our more mature stores, as the sales of those stores are healthy enough to share part of their delivery areas. The reason for splitting delivery areas with the opening of a second store is to serve our customers even better with even faster delivery times. The better we serve our customers with fast delivery the more likely they are to repeat their purchase with us and the combined sales and EBITDA of 2 stores will exceed the sales of the original store.

Sub-franchisees

We finished the year with 8 sub-franchise partners, who are operating 23 stores out of a total of 39 stores open to-date. We have witnessed a swing from a predominantly corporately managed estate in 2015 to a predominantly sub-franchised estate today. While we expect this mix to vary as new stores are opened, we believe that sub-franchise store openings will be a very important engine of our store-rollout.

Our sub-franchisees are a mix of former Domino's Pizza area managers and third parties who have come from outside the Domino's system.

Commissary

The performance of our commissary in 2016 was marked by a step change increase in sales to stores as System Sales grew by 62% (PLN). Commissary gross profit[5] increased by 155% to +1.71m PLN (+£321k[3]) in 2016, from +673k PLN (+£117k[4]) in 2015.

The high proportion of sub-franchised stores positively impacted commissary gross profit as we retain a proportion of sales royalties and are able to add margin to the sales of goods to sub-franchised stores, while still offering sub-franchisees highly competitive prices compared to those achievable in the open market. These goods include dough balls, ingredients, boxes and services.

Our ability to procure high quality goods cost effectively improves as our sales volumes grow. 2016 was marked by commodity deflation for much of the year, although by the fourth quarter we saw prices of certain commodities, such as cheese and meat, start to increase.

In the summer of 2017 we will have finished the construction of our second commissary which will give us the production and warehousing capacity to open an additional c.100 stores. Together with our current commissary will take our commissary capacity to up to c.150 stores, dependent on store sales volumes.

The opening of our second commissary will have an impact on Direct Costs, nevertheless, this capacity is required and the new commissary's more central location, on the outskirts of the city of Łódź, will benefit distribution costs to many of our stores that are not in the vicinity of Warsaw or to the east of Warsaw.

Marketing

We continue to invest in marketing at both the store and town/city level. Digital marketing is an important component for us as are the more traditional media of direct marketing, out-of-home posters and radio. Return on investment is a critical metric in our choice of marketing spend; as our experience of marketing Domino's in Poland grows so does our efficiency of spend on media.

The growth in our store estate will lead to more opportunities to market to our existing and prospective customers. As we expand our national coverage of stores the prospect of national television advertising becomes more realistic, both in terms of the efficiency of media spend and the availability of Domino's Pizza to potential customers.

With the growth in our online sales – we saw 71% of delivery orders made online in 2016, compared to 67% in 2015 – we see the benefits of a closer relationship with our customers. Our online interface is tailored to the way our consumers wish to use it, be that through our app or our responsive website which adapts to the format of the device that our consumers decide to use. By the same token we are able to tailor our offers and their timing to suit our customers.

Innovation
We regularly introduce new pizza recipes to delight our customers. In 2016 we launched two stuffed crust options: Cheesy Crust and Hot Dog Crust, following in the footsteps of other Domino's Pizza markets. These crust types can be ordered to supplement any of our pizza recipes.

New pizza recipes introduced last year included Italian Meatballs, Tuna Light and Big Meat.
Product innovation will continue to play an important part in attracting new customers and delighting our existing customers.

October fundraising
In October, 2016 we raised £3.2m before expenses, c.£3m net, in order to support our continued roll-out of store openings, with an additional 20 stores, increasing our target to 100 stores open by YE 2020. This fund raising was well supported by our existing investors and new investors, resulting in a placing price discount to the prior-day closing price of only 1.3%.

Outlook and current trading
Our like-for-like System Sales were 16% Jan-Feb 2017; while lower than the exceptional like-for-likes in 2016, due to strong comparables, we anticipate our like-for-like performance for the full year 2017 to be stronger. March 2017 like-for-likes are on track to be 20%+.

We had 35 stores open at the beginning of 2017 and we expect to push through the 50 store mark this year. 4 stores were opened by early February 2017 and we have 6 further stores under construction. While we expect the majority of these store openings to be corporate stores, a number of our existing sub-franchisees have committed to open stores in 2017 and we anticipate new sub-franchisees opening stores during the year.

The Polish economy continues to deliver healthy consumer spending and we expect this consumer behaviour to continue through 2017, supported by falling unemployment and growing wage levels, which in turn boost disposable incomes. On the cost front the reduction in unemployment has impacted labour rates, but we continue to respond with competitive rates and a supportive working environment, retaining and attracting the talent that we need. We saw some inflation in food prices in the fourth quarter of 2016, following the deflation that we experienced in the first half of the year, but so far the increases have not been dramatic. Our management of pricing is designed to minimise the impact of such commodity price increases.

2017 will be the year when we expect to push through the 50 store mark, a key milestone. The growth in store numbers and positive like-for-likes will deliver growing economies of scale and growing store EBITDA and commissary gross profit, positively impacting Group EBITDA losses for YE 2017.

Peter Shaw
Chief Executive
24 March 2017

Finance Director's Review

Overview
In 2016 we achieved our 17th consecutive quarter of double digit like-for-like[2] System Sales[1] growth; through improved corporate store EBITDA and commissary gross profit[5]. Total corporate store EBITDA grew +75% (PLN) and commissary gross profit grew +155% (PLN). Growth of System Sales in 2016 was supported by Local Store Marketing and digital media, radio and billboards, carefully planned against specific Return on Marketing Investment criteria. The loss for the year was in line with expectations at (£2,493,401[3]).

While the Polish economy in 2016 experienced deflation, we experienced some inflation in food and wages in Q4 2016, following deflation in those goods earlier in the year. From the broader macro-economic viewpoint wage inflation translates to an increase in internal consumption, which should in-turn stimulate demand and growth in our System Sales. We have been managing those inflationary pressures through pricing management and enhanced procurement through volume growth.

In 2016 we decided to invest in store expansion and to accelerate store openings. We opened 12 new stores and added 6 more towns/ cities. In the period January-March 2017 we added 4 new stores in 4 new towns/cities; today there are 39 Domino's Pizza stores in 14 towns/cities. We expect to reach the 50 store mark during this year.

Selling, General and Administrative expenses (S,G&A)
In 2016 Selling, General and Administrative expenses (S,G&A) were 29% of System Sales, a 15 percentage points improvement against 2015 (44% in 2015), both measured using the actual average exchange rates for 2016 and 2015.

The opening of new stores in new towns and cities requires investment in the store expansion team and additional area managers to oversee both corporate and sub-franchised store performance. As we open more stores these additional costs will become proportionately less significant and the overall impact of S,G&A on Group EBITDA will continue to reduce.

As our national coverage of stores grows the prospect of national television advertising becomes more realistic, both in terms of the efficiency of media spend and the availability of Domino's Pizza to potential consumers.

Direct costs
In preparation for further store openings and continuing growth in System Sales we will be extending our commissary capacity in 2017 with the construction of a new facility on the outskirts of Łódź, a large city in the centre of Poland with excellent access to the motorway network. We have approached this investment with the same capital light model that we applied to our Warsaw facility. This additional commissary capacity will impact our Direct Costs through additional rent and operating costs, production labour and warehousing labour. As System Sales grow the impact of this additional commissary capacity on Direct Costs will be proportionately less marked and the benefits of lower production costs and warehouse product handling costs will be seen in further improved corporate store EBITDA and commissary gross profit.

The opening of new stores in new towns and cities results in higher distribution costs, which in turn will become proportionally less significant as those costs are spread across towns and cities with growing store penetrations. The opening of our second commissary in the centre of Poland will reduce distribution expenses with stores located in the west, north and south of Poland. The current commissary in Warsaw will service Warsaw and stores located to the east.

Store count

Stores	1 Jan 2016	Opened	Sold to franchisees	Closed	31 Dec 2016
Corporate	15	4	-6	0	13
Franchised	8	8	+6	0	22
Total	23	12	0	0	35

4 stores have been opened in 4 new towns and cities since 1 January 2017, totalling 39 stores to-date.

Sales Key Performance Indicators
62% growth in System Sales (PLN) was supported by 27% growth in like-for-like System Sales (PLN) and the opening of 12 new stores in 2016. 27% like-for-like System Sales growth comprises a mix of 24% like-for-like System order count growth and a 3% growth in average net check. Delivery System Sales ordered online are growing, however newly opened stores need time to build online customers and that will dilute the System average.

	2016	**2015**	**Change %**
System Sales PLN	38,531,225	23,714,687	+62%
System Sales* £	7,216,802	4,441,701	+62%
L-F-L System Sales (PLN)	+27%	+16%	
L-F-L System order count	+24%	+14%	
Delivery System Sales ordered online	+71%	+67%	

*Constant exchange rate of £1: 5.3391 PLN

Group performance
97% growth of Group Revenue at a constant exchange rate of £1: 5.3391 PLN is derivative of 62% growth of System Sales, opening 8 sub-franchised stores and selling 6 corporate stores to sub-franchisees.

Group Revenue & EBITDA	**2016**	**2015**	**Change %**
Revenue PLN	40,346,077	20,515,866	+97%
Revenue* £	7,556,719	3,842,570	+97%
Group EBITDA[6] * £	(1,579,565)	(1,713,241)	+8%

*Constant exchange rate of £1: 5.3391 PLN

The Group Income statement at actual average exchange rate for 2016 and 2015 was impacted by GBP weakening against the PLN by 7% in 2016.

Group Revenue & EBITDA	**2016**	**2015**	**Change %**
Revenue PLN	40,346,077	20,515,866	+97%
Revenue[†] £	7,556,719	3,558,261	+112%
Group EBITDA[6] [†]£	(1,579,565)	(1,625,267)	+3%

†Actual average exchange rates for 2016 and 2015

Group Loss for the period
Group EBITDA[6] at actual average exchange rates for 2016 and 2015, improved by £45,702 (£133,676 improvement at constant exchange rate of £1: 5.3391 PLN) against the prior year. The Group loss for the year at actual average exchange rates for 2016 and 2015 increased by £300,138 against 2015, mainly due to the effect of non-cash expenses as follows: the depreciation, amortisation and

impairment charge increased by £118,560 and the share based payments charge increased by £137,931.

Group Loss for the period	2016	2015	Change %
Loss for the period £	(2,493,401)	(2,193,263)	-14%

Actual average exchange rates for 2016 and 2015

Exchange rates

PLN : £1	2016	2015	Change %
Income Statement	5.3391	5.7657	-7%
Balance Sheet	5.1437	5.8011	-11%

Financial Statements for our Polish subsidiary DP Polska S.A. are denominated in PLN and translated to GBP. 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 GBP. The balance sheet has been converted from PLN to GBP at the 31 December 2016 exchange rate applicable to PLN against GBP. In 2016 the PLN strengthened against GBP and impacted numbers presented at 2016 and 2015 rates accordingly.

Cash position

Cash reduced by 10% from 1 January 2016, with the net cash at 31st December 2016 being £6.3m. The Company raised approximately £3 million after expenses in October through the placing of 6,667,000 new Ordinary Shares at 48 pence per share. The net proceeds of the Placing are expected to provide the Company with the funds required to open an additional 20 stores, with the target of 100 stores open by 2020.

The Company has spent £3.7 million covering Group losses and store CAPEX and to finance sub-franchisee store openings. The store opening costs are repaid by sub-franchisees over a period of 3 to 10 years.

	1 January 2016	Cash movement	31 December 2016
Cash in bank	6,987,503	(679,243)	6,308,260

Actual exchange rates for 2016 and 2015

Macro situation in Poland

In 2016 we saw GDP growth combined with continued deflation. However, in Q4 2016 we experienced inflation of food and wages. GDP growth was supported by growth in Internal Consumption. The 3 Month Warsaw Interbank Offered Rate is virtually unchanged.

Macro KPI	2016	2015
Real GDP growth (% growth)[7]	2.5	3.5
Inflation (% growth)[8]	-0.7	-0.9
	31 Dec 2016	**31 Dec 2015**
Interest rate (%)[9]	1.7300	1.7200

Maciej Jania
Finance Director
24 March 2017

[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, 2016 and 1 January and 31 December, 2015
[3] Exchange rate average for 2016 £1: 5.3391 PLN
[4] Exchange rate average for 2015 £1: 5.7657 PLN
[5] Sales minus variable costs
[6] Excluding non-cash items, non-recurring items and store pre-opening expenses
[7] source: http://www.euromonitor.com/poland/country-factfile#
[8] source: http://www.euromonitor.com/poland/country-factfile#
[9] 3M WIBOR at 30th of 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
24 March 2017

The Board

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

Nicholas Donaldson (aged 63), *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 56), *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 44), *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 67), *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 57), *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 58), *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 37) ***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 2016.

Results and Dividends

The loss for the period, after taxation, amounted to £2,493,401 (2015: £2,193,263). 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 42 and 43.

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 20 and 21.

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 Nicholas Donaldson and Robert Morrish offer themselves for re-election at the Annual General Meeting.

The following Directors at 31 December 2016 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	0.98%
Gerald Ford [2]	1,001,138	0.73%
Christopher Moore [2]	3,842,833	2.81%
Robert Morrish [2]	249,666	0.18%
Nicholas Donaldson [2, 3]	306,333	0.22%
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 1,752,412 ordinary shares in total, pursuant to the terms of the Company's Share Incentive Plan as follows: Peter Shaw - 51,948 shares; Nicholas Donaldson - 304,195 shares; Robert Morrish - 304,195 shares; Maciej Jania - 242,669 shares; Gerald Ford - 283,135; Christopher Moore - 566,270 shares.
3. Held through Nicholas Donaldson's personal pension.
4. Under the Company's Share Option Scheme, Maciej Jania holds vested options over 232,485 of the company's ordinary shares exercisable at 0.5 pence per share.
5. Under the Company's Long Term Incentive Share Option Plan, Peter Shaw and Maciej Jania have been awarded options over a maximum of 4,711,538 and 3,002,983 respectively of the Company's ordinary shares. These options are subject to Company performance conditions over the periods to December 2016 and December 2018.

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 22 March 2017, 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	24,694,728	18.00%
Octopus Investments	7,209,666	5.27%
FMR LLC	6,888,000	5.03%
Pageant Holdings Ltd	6,184,299	4.52%

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 05 May 2017 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 £228,192 and which, if passed, would allow the Directors to allot and issue up to 45,638,275 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 £228,192 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 £68,458 representing 13,691,511 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
24 March 2017

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 2016 were: salary £125,000; discretionary bonus £61,201. 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 £51,694) 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 2016 he received a performance based bonus of £40,311 Additionally he received shares in the Company, through the Company's Share Incentive Plan, to the value of £15,000.

Non-Executive Directors

Nicholas Donaldson is Non-Executive Chairman of the Company. During the year ended 31 December 2016, 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 2016, 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 2016, 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 fees paid and share awards during the year amounted to £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 2016

Total remuneration, fees and benefits paid or payable to the Directors by the Group for the year ended 31 December 2016 are set out below and amounts in aggregate to £352,974 (2015: £329,288).

Details of share incentives held by, and granted to, Directors are set out in the Directors' Report on page 17.

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

Name of Director	Year ended 31 December 2016 *salary or fees*	Year ended 31 December 2016 *performance based bonus*	Year ended 31 December 2016 *total emoluments*	Year ended 31 December 2015 *total emoluments*
	£	£	£	£
Nicholas Donaldson	15,000	-	15,000	15,000
Peter Shaw	125,000	63,617	188,617	179,234
Maciej Jania	79,046	40,311	119,357	105,054
Robert Morrish	15,000	-	15,000	15,000
Christopher Moore	-	-	-	-
Gerald Ford	15,000	-	15,000	15,000
Total	249,046	103,928	352,974	329,288

[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 2016 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.

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 and of the group the parent company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 based on the work undertaken in the course of our audit

- 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; and
- the Directors' Report and Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

24 March 2017

Group Income Statement

for the year ended 31 December 2016

		Notes	**2016** £	2015 £
Revenue		2	7,556,718	3,558,261
Direct Costs			(7,022,673)	(3,367,684)
Selling, general and administrative expenses - *excluding: store pre-opening expenses, depreciation, amortisation and share based payments*			(2,113,610)	(1,815,844)
GROUP EBITDA - *excluding non-cash items, non-recurring items and store pre-opening expenses*			(1,579,565)	(1,625,267)
Store pre-opening expenses			(47,850)	(20,165)
Other non-cash and non-recurring items		5	(99,302)	(73,944)
Finance income			65,116	46,464
Finance costs			(12,478)	(4,519)
Foreign exchange (losses) / gains			(7,915)	39,084
Depreciation, amortisation and impairment			(458,722)	(340,162)
Share based payments			(352,685)	(214,754)
Loss before taxation		4	(2,493,401)	(2,193,263)
Taxation		9	-	-
Loss for the period			(2,493,401)	(2,193,263)
Loss per share	Basic	11	(1.93 p)	(2.01 p)
	Diluted	11	(1.93 p)	(2.01 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 2016

	2016	2015
	£	£
Loss for the period	(2,493,401)	(2,193,263)
Currency translation differences	618,614	(218,117)
Other comprehensive expense for the period, net of tax to be reclassified to profit or loss in subsequent periods	618,614	(218,117)
Total comprehensive income for the period	(1,874,787)	(2,411,380)

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 2016

	2016	2015
	£	£
Loss for the period	(655,727)	(893,087)
Total comprehensive income for the period	(655,727)	(893,087)

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 2016

	Notes	**2016** £	2015 £
Non-current assets			
Intangible assets	12	442,764	251,697
Property, plant and equipment	13	2,765,748	2,053,207
Trade and other receivables	16	1,217,231	287,351
		4,425,743	2,592,255
Current assets			
Inventories	17	271,525	116,668
Trade and other receivables	16	1,818,425	1,040,702
Cash and cash equivalents	18	6,308,260	6,987,503
		8,398,210	8,144,873
Total assets		12,823,953	10,737,128
Current liabilities			
Trade and other payables	19	(1,218,991)	(853,209)
Borrowings	20	(73,007)	(34,416)
Provisions	25	(37,294)	(35,274)
		(1,329,292)	(922,899)
Non-current liabilities			
Provisions	25	(50,532)	(39,899)
Borrowings	20	(234,276)	(97,801)
		(284,808)	(137,700)
Total liabilities		(1,614,100)	(1,060,599)
Net assets		11,209,853	9,676,529
Equity			
Called up share capital	22	684,576	651,241
Share premium account		26,878,887	23,856,796
Capital reserve - own shares		(50,463)	(56,361)
Retained earnings		(16,116,724)	(13,970,110)
Currency translation reserve		(186,423)	(805,037)
Total equity		11,209,853	9,676,529

The financial statements were approved by the Board of Directors and authorised for issue on 24 March 2017 and were signed on its behalf by:

Peter Shaw
Director

Maciej Jania
Director

Company Balance Sheet

at 31 December 2016

	Notes	**2016** £	2015 £
Non-current assets			
Investments	14	18,310,823	16,025,048
		18,310,823	16,025,048
Current assets			
Trade and other receivables	16	174,682	117,253
Cash and cash equivalents	18	6,087,150	5,644,996
		6,261,832	5,762,249
Total assets		24,572,655	21,787,297
Current liabilities			
Trade and other payables	19	(196,781)	(163,807)
Net assets		24,375,874	21,623,490
Equity			
Called up share capital	22	684,576	651,241
Share premium account		26,878,887	23,856,796
Retained earnings		(3,187,589)	(2,884,547)
Shareholders' Equity		24,375,874	21,623,490

The financial statements were approved by the Board of Directors and authorised for issue on 24 March 2017 and were signed on its behalf by:

Peter Shaw
Director

Maciej Jania
Director

Group Statement of Cash Flows

for the year ended 31 December 2016

	Note	**2016**	2015
		£	£
Cash flows from operating activities			
Loss before taxation for the period		(2,493,401)	(2,193,263)
Adjustments for:			
Finance income	7	(65,116)	(46,464)
Finance costs	8	12,478	4,519
Depreciation, amortisation and impairment		458,722	340,162
Share based payments expense	23	352,685	214,754
Operating cash flows before movement in working capital		(1,734,632)	(1,680,292)
(Increase)/decrease in inventories		(134,825)	(22,103)
(Increase)/decrease in trade and other receivables	16	(254,038)	(532,689)
Increase in trade and other payables		461,664	314,941
Increase in provisions		50,532	-
Cash generated from operations		(1,611,299)	(1,920,143)
Taxation paid		-	-
Net cash from operating activities		(1,611,299)	(1,920,143)
Cash flows from investing activities			
Payments to acquire software		(25,114)	(6,433)
Payments to acquire property, plant and equipment		(1,714,215)	(814,485)
Payments to acquire intangible fixed assets		(23,699)	(15,895)
Lease deposits net amount repaid / (advanced)		(62,052)	(45,203)
Proceeds from disposal of property plant and equipment		698,882	140,864
Decrease/(increase) in loans to sub-franchisees	16	(1,214,743)	28,091
Interest received	7	36,745	46,464
Net cash used in investing activities		(2,304,196)	(666,597)
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital		3,055,426	5,205,180
Interest paid	8	(12,478)	(4,519)
Net cash from financing activities		3,042,948	5,200,661
Net increase/(decrease) in cash and cash equivalents		(872,547)	2,613,921
Exchange differences on cash balances		193,304	(92,845)
Cash and cash equivalents at beginning of period		6,987,503	4,466,427
Cash and cash equivalents at end of period	18	6,308,260	6,987,503

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 2016

	Note	**2016**	2015
		£	£
Cash flows from operating activities			
Loss before taxation		(655,727)	(893,087)
Adjustments for:			
Finance income		(30,088)	(34,140)
Share based payments expense		167,544	126,776
Operating cash flows before movement in working capital		(518,271)	(800,451)
Increase in trade and other receivables	16	(57,429)	(56,108)
Increase in trade and other payables		32,974	65,354
Cash used in operating activities		(542,726)	(791,205)
Cash flows from investing activities			
Equity investment in subsidiary company		(2,100,634)	(2,652,243)
Share options settled in cash		-	-
Interest received		30,088	34,140
Net cash used in investing activities		(2,070,546)	(2,618,103)
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital		3,055,426	5,205,180
Net cash from financing activities		3,055,426	5,205,180
Net increase/(decrease) in cash and cash equivalents		442,154	1,795,872
Cash and cash equivalents at beginning of period		5,644,996	3,849,124
Cash and cash equivalents at end of period	19	6,087,150	5,644,996

Group Statement of Changes in Equity

for the year ended 31 December 2016

	Share capital £	Share premium account £	Retained earnings £	Currency translation reserve £	Capital reserve - own shares £	Total £
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
Shares acquired by EBT	-	-	-	-	-	-
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
Shares issued	33,335	3,166,825	-	-	-	3,200,160
Expenses of share issue	-	(144,734)	-	-	-	(144,734)
Share based payments	-	-	352,685	-	-	352,685
Shares transferred out of EBT	-	-	(5,898)	-	5,898	-
Translation difference	-	-	-	618,614	-	618,614
Loss for the period	-	-	(2,493,401)	-	-	(2,493,401)
At 31 December 2016	**684,576**	**26,878,887**	**(16,116,724)**	**(186,423)**	**(50,463)**	**11,209,853**

Company Statement of Changes in Equity

for the year ended 31 December 2016

	Share capital £	Share premium account £	Retained earnings £	Total £
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
Shares issued	33,335	3,166,825	-	3,200,160
Expenses of share issue	-	(144,734)	-	(144,734)
Share based payments	-	-	352,685	352,685
Loss for the year	-	-	(655,727)	(655,727)
At 31 December 2016	**684,576**	**26,878,887**	**(3,187,589)**	**24,375,874**

Notes to the Financial Statements

for the year ended 31 December 2016

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 2016 were authorised for issue by the Board of the Directors on 24 March 2017 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 DP 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 2017). 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.

An additional line item for 'Group EBITDA - excluding non-cash items, non-recurring items and store pre-opening expenses' has been presented on the face of the income statement as the Board believes this presentation is relevant to the understanding of the Group's financial performance and is a useful indicator for the underlying cash generated from operations.The presentation of store pre-opening expenses in the Group Income Statement has been amended for the year ended 31 December 2016. The Directors believe that presenting store pre-opening expenses separately on the face of the Group Income Statement, below the Group EBITDA line, better reflects the underlying trading performance.

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 2016.

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 which will have the significant effect of bringing most operating leases onto the Group Balance Sheet and IFRS 9 which will require the Group to asses impairment losses on loan receivables and other financial instruments on a lifetime expected credit loss basis.

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
- Capitalised loan discounts: over the remaining term of the sub-franchise agreement

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. Loans to sub-franchisees are provided at below market interest rates. The difference between the present value of loans recognised and the cash advanced has been capitalised as an intangible asset in recognition of the future value that will be generated via the royalty income and Commissary sales that will be generated. These assets are amortised over the life of a new franchise agreement of 10 years.

Available for sale assets are non-derivative financial assets with fixed or determinable payments and

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 pre-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 and disclosed separately on the face of the income statement.

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 and value-added taxes. 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 and investments in subsidiary undertaking are impaired requires an estimation of the value in use of the cash generating units to which the relevant asset or investment 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 Group's determination of the amortised cost of sub-franchisee loan receivables also requires an estimation of future cash flows and the selection of a appropriate market rate of interest.

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 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 sub-franchised store sales to customers and are recognised as the income is earned by our sub-franchisees. Revenue recognised in the income statement is analysed as follows:

	2016 **£**	2015 £
Corporate store sales	4,078,847	2,670,905
Fixtures and equipment sales to sub-franchisees	1,621,371	198,033
Royalties and other sales to sub-franchisees	1,593,309	523,304
Rental income on leasehold property	263,191	166,019
	7,556,718	3,558,261

3. SEGMENTAL REPORTING

The Board monitors the performance of the corporate stores and the commissary operations separately and therefore those are considered to be the Group's two operating segments. Corporate store sales comprise sales to the public. Commissary operations comprise sales to sub-franchisees of food, services and fixtures and equipment. Commissary operations also include the receipt of royalty income from sub-franchisees. The Board monitors the performance of the two segments based on their contribution towards Group EBITDA - excluding non-cash items, non-recurring items and store pre-opening expenses. In accordance with IFRS 8, the segmental analysis presented reflects the information used by the Board. No separate balance sheets are prepared for the two operating segments and therefore no analysis of segment assets and liabilities is presented.

Operating Segment EBITDA contribution

	2016 **£**	2015 £
Corporate stores	328,906	173,490
Commissary gross profit	321,171	116,762
Unallocated expenses	(2,229,642)	(1,915,519)
GROUP EBITDA - excluding non-cash items, non-recurring items and store pre-opening expenses	(1,579,565)	(1,625,267)

4. LOSS BEFORE TAXATION

This is stated after charging

		2016 **£**	2015 £
Auditors and their	– audit of company and group financial	30,400	22,500
associates' remuneration	– tax compliance services	1,400	1,400
Directors' emoluments	– remuneration and fees	352,974	329,288
Amortisation of intangible fixed assets		64,173	63,523
Depreciation of property, plant and equipment		394,549	256,708
Impairment of property, plant and equipment		-	19,931
Operating lease rentals	– land and buildings	476,928	624,272
and after crediting			
Operating lease income from sub-franchisees		263,191	166,019
Foreign exchange gains /(losses)		(7,915)	39,084

5. OTHER NON-CASH AND NON-RECURRING ITEMS

	2016	2015
	£	£
Provision for additional VAT payable	(50,532)	-
Other non-cash and non-recurring items	(48,770)	(73,944)
	(99,302)	(73,944)

Non-recurring Items

Non recurring items include items which are not sufficiently large to be classified as exceptional, but in the opinion of the Directors, are not part of the underlying trading performance of the Group. The provision for additional VAT payable has been recognised following the reversal of a previous ruling by the Polish VAT authorities.

6. STAFF COSTS

Details of directors' remuneration, which is included in the amounts below, are given in the remuneration report on pages 20 to 21.

	2016	2015
Wages and salaries and directors' fees	1,972,816	1,384,268
Social security costs	245,277	176,959
Share based payments	352,685	214,754
	2,570,778	1,775,981

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

	2016	2015
	Number	Number
Operational	43	25
Administration	28	22
Total	71	47

7. FINANCE INCOME

	2016	2015
	£	£
Interest on short-term deposits	36,745	46,464
Unwinding of discount on loans to sub-franchisees	28,371	-
	65,116	46,464

8. FINANCE COSTS

	2016	2015
	£	£
Other interest	12,478	4,519
	12,478	4,519

9. TAXATION

	2016	2015
	£	£
Current tax	-	-
Total tax charge in income statement	-	-

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:

	2016	2015
	£	£
Loss before tax	(2,493,401)	(2,193,263)
Tax credit calculated at applicable rate of 19%	(473,746)	(416,720)
Income taxable but not recognised in financial statements	20,536	19,017
Income not subject to tax	(2,487)	(2,303)
Expenses not deductible for tax purposes	74,338	63,447
Tax losses for which no deferred income tax asset was recognised	381,359	336,559
Total tax charge in income statement	-	-

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 £655,727 (2015: £893,087).

11. LOSS PER SHARE

The loss per ordinary share has been calculated as follows:

	2016 Weighted average number of shares	**2016** **£** Profit / (loss) after tax	2015 Weighted average number of shares	2015 £ Profit / (loss) after tax
Basic	128,931,485	(2,493,401)	109,369,484	(2,193,263)
Diluted	128,931,485	(2,493,401)	109,369,484	(2,193,263)

The weighted average number of shares for the year excludes those shares in the Company held by the employee benefit trust. At 31st December 2016 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 £**	**Capitalised loan discount £**	**Total £**
Cost:				
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
Foreign currency difference	43,480	24,255	-	67,735
Additions	23,699	25,114	178,269	227,082
Disposals	-	(4,668)	-	(4,668)
At 31 December 2016	400,345	228,407	178,269	807,021
Amortisation				
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
Foreign currency difference	19,850	16,236	-	36,086
Amortisation charged for the year	32,192	26,756	5,225	64,173
Disposals	-	(1,177)		(1,177)
At 31 December 2016	197,788	161,244	5,225	364,257
Net book value:				
At 31 December 2016	202,557	67,163	173,044	442,764
At 31 December 2015	187,420	64,277	-	251,697

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 difference between the present value of loans to sub-franchisees recognised and the cash advanced has been capitalised as an intangible asset and are amortised over the life of a new franchise agreement of 10 years. 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 loan discounts 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 14% discount rate, future store openings and the average Polish Zloty exchange rate for the year ended 31 December 2016. Further details of the assumptions made can be found on page 38. The fair value calculation indicates that no impairment is required. As at 31 December 2016, no reasonably anticipated change in the assumptions would give rise to a material impairment charge.

13. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold property £	Fixtures fittings and equipment £	Assets under construction £	Total £
Cost:				
At 31 December 2014	1,517,251	1,212,582	76,581	2,806,414
Foreign currency difference	(80,511)	(65,027)	(4,717)	(150,255)
Additions	353,225	103,316	396,961	853,502
Transfers	(257,197)	(107,339)	(14,273)	(378,809)
Disposals	42,220	226,564	(268,784)	-
Transfer to assets held for sale				
At 31 December 2015	1,574,988	1,370,096	185,768	3,130,852
Foreign currency difference	226,639	349,204	(158,605)	417,238
Additions	581,957	336,619	605,016	1,523,592
Disposals	(679,424)	(394,242)	-	(1,073,666)
Transfers	78,037	496,304	(574,341)	-
At 31 December 2016	1,782,197	2,157,981	57,838	3,998,016
Depreciation:				
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
Foreign currency difference	(26,465)	164,815	-	138,350
Depreciation charged for the year	178,035	216,514	-	394,549
Disposals	(248,843)	(129,433)	-	(378,276)
At 31 December 2016	424,352	807,916	-	1,232,268
Net book value:				
At 31 December 2016	1,357,845	1,350,065	57,838	2,765,748
At 31 December 2015	1,053,363	814,076	185,768	2,053,207

14. NON CURRENT ASSET INVESTMENTS

	Group £	Company £
Investments in Group undertakings		
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)
At 31 December 2015	-	16,025,048
Investment in subsidiary company - shares subscribed	-	2,100,634
Investment in subsidiary company - capital contribution		185,141
At 31 December 2016	-	18,310,823

Investments in Group undertakings are recorded at cost, which is the fair value of the consideration paid.

The Group has performed an impairment review based on the Group's business pan and applying a 14% discount rate and concluded the the investment in Group undertakings is not impaired.

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. DEFERRED TAX

The Group has unused tax losses of £14,637,235 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: £3,442,070 in 2017; £2,350,779 in 2018; £2,664,973 in 2019; £1,212,735 in 2020 and £1,306,058 in 2021. UK tax losses carried forward at the balance sheet date were £3,680,620.

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

16. TRADE AND OTHER RECEIVABLES

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Current				
Trade receivables	920,723	426,646	99,500	46,000
Other receivables	420,666	334,003	13,004	9,508
Prepayments and accrued income	186,077	79,176	62,178	61,745
Rent and supplier deposits	290,959	200,877	-	-
	1,818,425	1,040,702	174,682	117,253
Non-current				
Other receivables	1,217,231	287,351	-	-
At 31 December	3,035,656	1,328,053	174,682	117,253

Other receivables includes loans to sub-franchisees which 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. Other receivables also ncludes 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 2016 no bad debts were written off (2015: nil).

17. INVENTORIES

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Raw materials and consumables	261,394	116,668	-	-
Work in progress - sub-franchise stores	10,131	-	-	-
At 31 December	271,525	116,668	-	-

The cost of inventories recognised as an expense and included in cost of sales amounted to £2,240,880 (2015: £1,270,617)

18. CASH AND CASH EQUIVALENTS

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Cash at bank and in hand	6,308,260	6,987,503	6,087,150	5,644,996
At 31 December	6,308,260	6,987,503	6,087,150	5,644,996

19. TRADE AND OTHER PAYABLES

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Current				
Trade payables	728,009	429,449	18,479	13,673
Other payables	84,659	58,368	20,123	6,313
Accrued expenses	406,323	365,392	158,179	143,821
At 31 December	1,218,991	853,209	196,781	163,807

20. BORROWINGS

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Current interest bearing borrowings				
Finance lease liabilities	73,007	34,416	-	-
At 31 December	73,007	34,416	-	-

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Non current interest bearing loans and borrowings				
Finance lease liabilities	234,276	97,801	-	-
At 31 December	234,276	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 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
No later than 1 year	85,356	42,309	-	-
Later than 1 year and no later than 5 years	269,418	109,390	-	-
Later than 5 years	-	-	-	-
Future finance charges on finance leases	47,491	19,482		
Present value of finance lease liabilities	307,283	132,217	-	-

21. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2016	2016	2015	2015
	Loans and receivables £	Financial liabilities at amortised cost £	Loans and receivables £	Financial liabilities at amortised cost £
GROUP				
Financial Assets				
Cash at bank	6,308,260		6,987,503	
Trade receivables	920,723		426,646	
Other receivables - current	420,666		334,003	
Other receivables - non current	1,217,231		287,351	
Total	8,866,880		8,035,503	
Financial Liabilities				
Trade payables		(728,009)		(429,449)
Finance leases - current		(73,007)		(34,416)
Finance leases - non current		(234,276)		(97,801)
Other liabilities - current		(84,659)		(58,368)
Accruals - current		(406,323)		(365,392)
Total		(1,526,274)		(985,426)
Net	7,340,606		7,050,077	

	2016	2016	2015	2015
	Loans and receivables £	Financial liabilities at amortised cost £	Loans and receivables £	Financial liabilities at amortised cost £
COMPANY				
Financial Assets				
Cash at bank	6,087,150		5,644,996	
Other receivables	13,004		9,508	
Total	6,100,154		5,654,504	
Financial Liabilities				
Trade payables		(18,479)		(13,673)
Other liabilities - current		(6,623)		(6,313)
Accruals		(158,179)		(143,821)
Total		(183,281)		(163,807)
Net	5,916,873		5,490,697	

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. No financial assets are past due or impaired.

Maturity of the Group's financial liabilities

	2016	**2016**	**2016**	2015	2015	2015
	Finance leases	**Trade and other payables**	**Total**	Finance leases	Trade and other payables	Total
	£	**£**	**£**	£	£	£
Due within one year	73,007	1,218,991	1,291,998	34,416	853,209	887,625
Due within two to five years	234,276	-	234,276	97,801	-	97,801
Due after five years	-	-	-	-	-	-
	307,283	1,218,991	1,526,274	132,217	853,209	985,426

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:

	2016	2015
Assets	**£**	£
Polish Zlotys	1,241,131	2,059,176
Liabilities		
Polish Zlotys	1,329,492	917,619

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 £17,672. 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 £63,083.

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.

22. SHARE CAPITAL

		2016	2015
		£	£
Called up, allotted and fully paid:			
136,915,112 (2015: 130,248,112)	Ordinary shares of 0.5 pence each	684,576	651,241

Movement in share capital during the period

	Number	Nominal value £	Consideration £
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
Placing 05 October 2016	6,667,000	33,335	3,200,160
At 31 December 2016	136,915,112	684,576	29,608,034

The Company does not have an authorised share capital.

DP Poland Employee Benefit Trust ("EBT")
The trustee of the EBT holds 2,903,373 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 £1,640,406 at 31 December 2016.

23. SHARE BASED PAYMENTS

	Group 2016 £	Group 2015 £
Share based payments expense	352,685	214,754

During the period ended 31 December 2016 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
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
03 May 2016	0.5 pence	50%	0.90%	-	3 Years	£0.2504

* 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:

	2016	2015
Share Incentive Plan	86,760	67,007
Employee Share Option Scheme	71,843	30,314
Other Share Options	31,083	
Long Term Incentive Share Option Plan	162,999	117,433
	352,685	214,754

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 31.12.15 No.	Awarded in period No.	Exercised in period No.	Lapsed in period No.	Outstanding 31.12.16 No.
JOSS 25 June 2010	23.08 pence + 3% per annum	654,560	-	136,011	134,613	383,936
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
SIP 03 May 2016	n/a	-	346,154	-	-	346,154
Share options 20 May 2011 *	0.5 pence	143,860	-	81,313	62,547	-
Share options 27 May 2011 *	0.5 pence	223,423	-	-	11,815	211,608
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
Share options 03 May 2016	0.5 pence	-	2,571,307			2,571,307

* These share options vested when the Group opened its 30th store in Poland.

The weighted average remaining contractual life of outstanding share options is 3.35 years (2015: 4.25 years).

24. 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:

	Land and buildings 2016 £	Land and buildings 2015 £
Within one year	991,146	695,004
Within two to five years	3,284,119	2,038,364
In more than five years	266,315	480,724
At 31 December	4,541,580	3,214,092

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 2016 £	Land and buildings 2015 £
Within one year	314,260	190,112
Within two to five years	921,134	600,954
In more than five years	67,432	136,260
At 31 December	1,302,826	927,326

25. PROVISIONS

	Onerous lease provisions **£**	**Other** **£**	**Total** **£**
At 31 December 2014	168,672	-	168,672
Arising during the period	4,822	-	4,822
Utilised during the period	(89,984)	-	(89,984)
Released during the period		-	
Foreign exchange on translation	(8,337)	-	(8,337)
At 31 December 2015	75,173	-	75,173
Arising during the period	-	50,532	50,532
Utilised during the period	(45,749)	-	(45,749)
Foreign exchange on translation	7,870	-	7,870
At 31 December 2016	37,294	50,532	87,826

Presented as

	2016 **£**	2015 £
Current	37,294	35,274
Non-current	50,532	39,899
	87,826	75,173

The onerous lease provision relates to outstanding rent obligations for three closed stores in Poland. Other provisions comprises the provision for additional VAT payable as shown in note 5.

26. CAPITAL COMMITMENTS

At 31 December 2016, amounts contracted for but not provided in the financial statements for the acquisition of property, plant and equipment amounted to £2,389,154 (2015: £587,504) for the Group.

27. 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 2016 £	Group 2015 £
Short-term employee benefits	405,699	375,677
Share-based payments	283,963	203,265
At 31 December	689,662	578,942

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 2016 (2015: £50,000).

28. 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 05 May 2017 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, Nicholas Donaldson, 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, Robert Morrish, 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 £228,192 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 £228,192 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 £68,458, 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: 24 March 2017

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 and 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 3 May 2017.

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 6.30 p.m. on 3 May 2017 or, in the event that this meeting is adjourned, in the register of members as at 6.30 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 3 May 2017 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 3 May 2017. 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 2016, the Directors were given general authority, which will expire on conclusion of the meeting, to allot a maximum of £217,080 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 £228,192, 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 2016, 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 £228,192, 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 2018 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 otherwise than to existing shareholders in proportion to their existing holdings. Resolution 6, therefore empowers the Directors to allot equity securities up to an aggregate nominal value of £68,458, 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 2018 AGM, whichever is the earlier.

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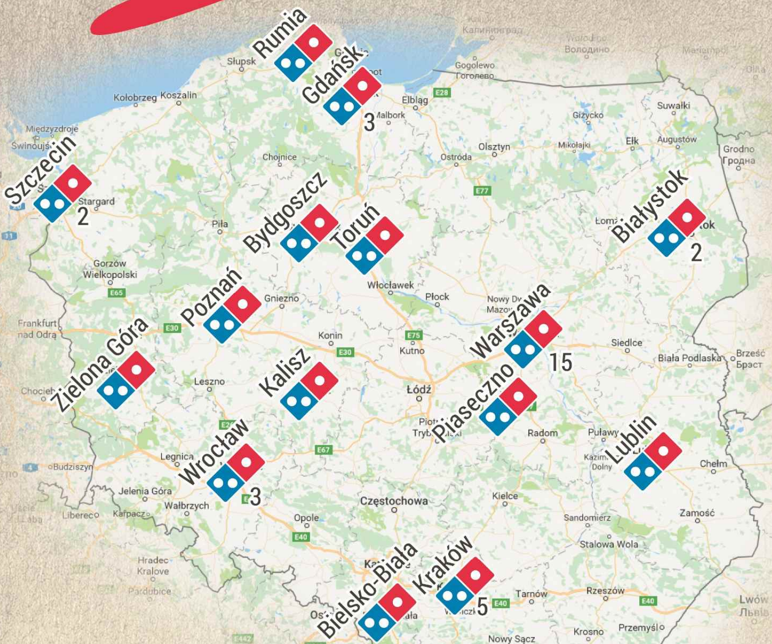
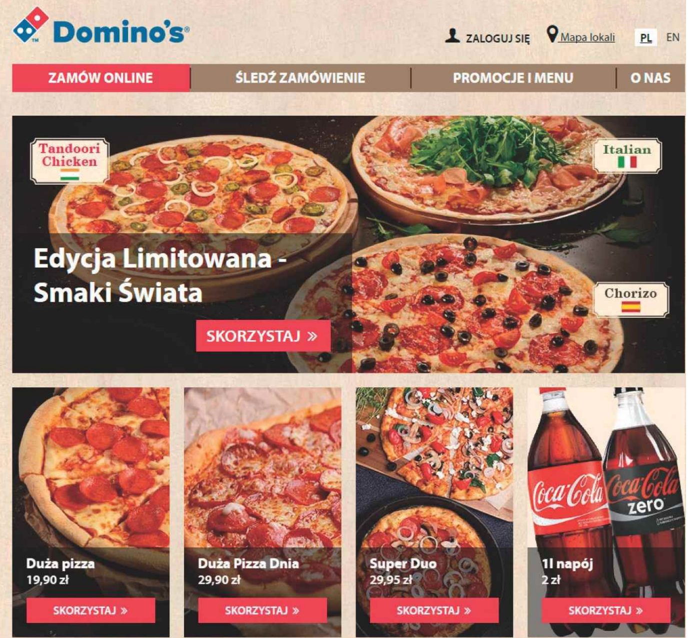


NEW CONSUMER WEBSITE



12 NEW STORES IN 2016

KRAKÓW

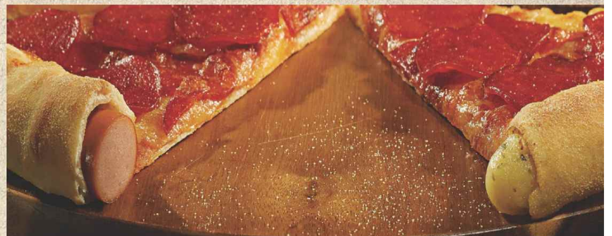
TORUŃ

ZIELONA GÓRA

BIELSKO-BIAŁA

NEW PRODUCTS

HOT DOG/CHEESE STUFFED CRUST



ITALIAN MEATBALLS

TUNA LIGHT

BIG MEAT