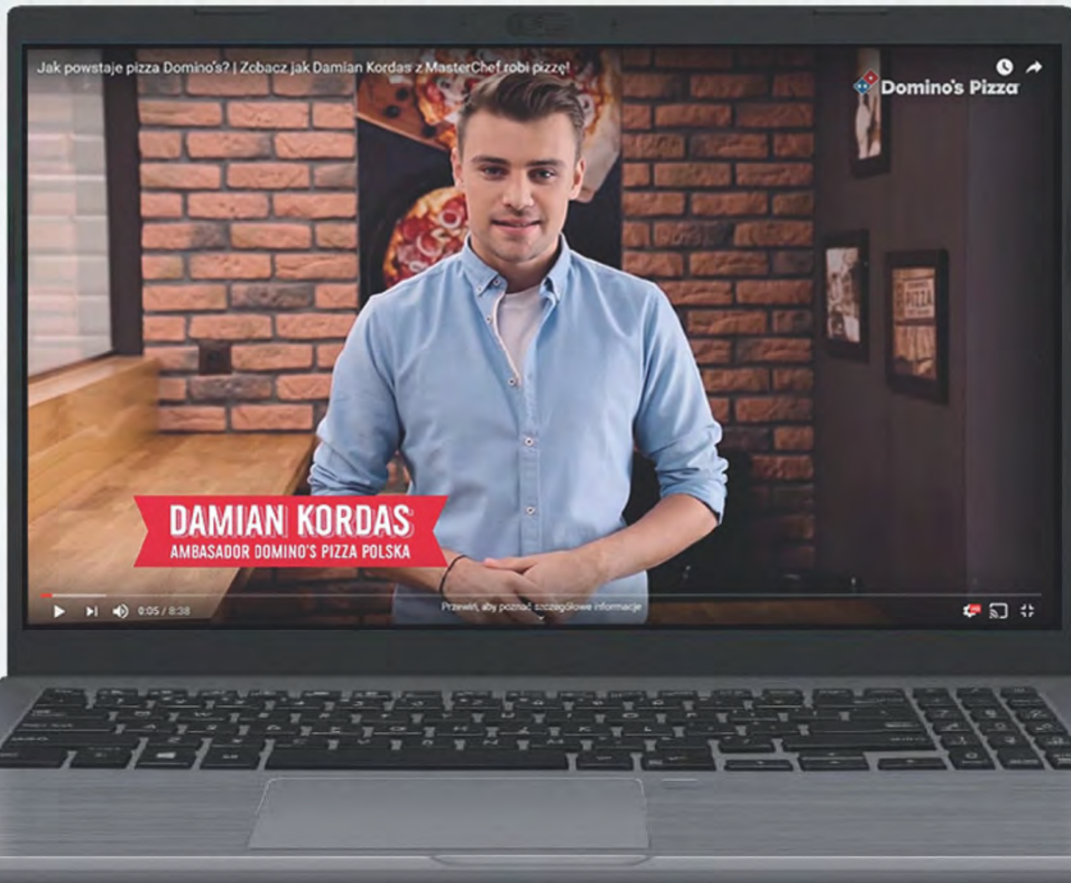
DP POLAND PLC 2019

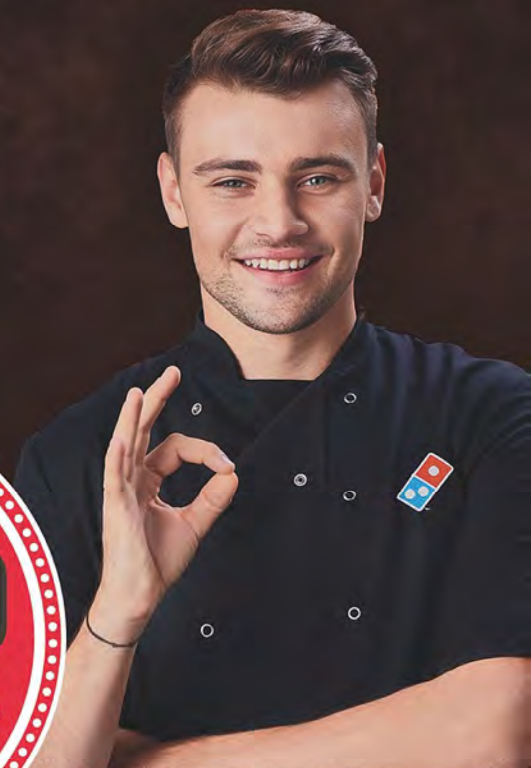
ANNUAL REPORT AND ACCOUNTS



INFLUENCER CAMPAIGN

Domino's®

NAJLEPSZE SKŁADNIKI, SPRAWDZONA JAKOŚĆ



Edycja Limitowana

Damiana Kordasa

29,90 DUŻA

Ciao Carpaccio!

Góralska Fantazja

Akceptujemy karty płatnicze:
- w lokalu
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ul. 10 Lutego 16
Gdynia

Zamów online
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Zadzwoń i zamów 58 501 00 06

DP Poland PLC

Annual Report and Accounts 2019

STRATEGIC REPORT

02 Company Information

03 Company Profile

04 Risk Management

06 Chairman’s Statement

07 Chief Executive’s Review

10 Finance Director’s Review

GOVERNANCE

16 The Board

17 Directors’ Report

21 Statement on Corporate Governance

24 Remuneration Report

26 Statement of Directors’ Responsibilities

27 Independent Auditors’ Report

FINANCIAL STATEMENTS

32 Group Income Statement

33 Group Statement of Comprehensive Income

33 Company Statement of Comprehensive Income

34 Group Balance Sheet

35 Company Balance Sheet

36 Group Statement of Cash Flows

37 Company Statement of Cash Flows

38 Group Statement of Changes in Equity

38 Company Statement of Changes in Equity

39 Notes to the Financial Statements

69 Notice of Annual General Meeting

Company Information

Directors	Nicholas John Donaldson - *Non-Executive Chairman* Iwona Olbryś - *Chief Executive* Robert Nicholas Lutwyche Morrish - *Non-Executive* Christopher Humphrey Robertson Moore - *Non-Executive* Gerald William Ford - *Non Executive*
Secretary	Patrick Michael Bodenham FCCA
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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 U.K. LLP Aquis House 49-51 Blagrave Street Reading Berkshire RG1 1PL
Registrars	SLC Registrars Elder House, St Georges Business Park, 207 Brooklands Road, Weybridge, Surrey KT13 0TS
Principal Bankers	BNP Paribas 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 69 Domino's Pizza stores in 29 Polish towns and cities, 43 corporately run of which 3 are managed under management contract 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 by 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.

Trading environment
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.

Competition and 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, including those relating to Covid-19.

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.

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.

Impact of a pandemic - Covid-19
We see increased uncertainties following the COVID-19 worldwide outbreak and market volatility. While all of our 69 stores remain open for business (except for eat-in), we believe our business could be impacted. These impacts could vary from prohibition of carry-out business, to complete store closures for an unspecified period of time at the extreme. If a significant number of the Group's stores were required to close, this would lead to a material uncertainty which may cast doubt on the Group's ability to continue as a going concern. The Group is assessing the potential impact/worst case scenarios and taking measures to ensure business continuity as far as possible. The main focus areas are: employees; customers; operations and supply chain. As part of the Group's crisis management policy, our management teams are closely following the guidelines announced by global and local health authorities. The Group has launched contactless delivery and continues to offer online payment in order to ensure our customers and employees are safe while interacting together.

Chairman's Statement

DP Poland delivered a satisfactory performance in 2019 with System Sales[1] growth of 13% and Pre-IFRS 16 Revenue growth of 16%, in line with management expectations for the year.

Like-for-like[2] System Sales in the first half of the year were negative at -1%, reflecting the strong comparatives driven by our TV advertising trial in January and February 2018. However, like-for-like System Sales growth resumed in the second half of the year at 6%, resulting in 3% like-for-like System Sales growth for the year overall.

2019 saw the 6 highest monthly levels of System Sales for the Group to date.

During the year we opened 6 new corporate stores, satisfying the Domino's Pizza Master Franchise Agreement of 69 stores. 3 of our corporate stores were acquired by 2 new sub-franchisees across Poland, and 2 further stores were taken under management contract. Building our team of sub-franchisees continues to be a key focus for the business.

The Group's stores continue to perform to a high standard. All 14 recently audited stores were scored at an average of 95%, with 1 store scoring 98% - under the new Food Safety Audit Procedure implemented by our Master Franchisor, Domino's Pizza Inc. DP Poland's stores rank amongst the best Domino's stores in the world with regard to digital ordering – 82% of delivery sales in 2019, up from 77% in 2018.

In our 2019 Interim Report released in September 2019 we announced the appointment of Iwona Olbryś, an experienced Food & Beverage executive, as our new General Manager, based in Warsaw. In December 2019 we were delighted to announce Iwona's appointment to the board of DP Poland as our new Chief Executive. Iwona's first Chief Executive's Review follows this Statement.

As I have noted before, DP Poland is fundamentally a Polish company, operating in what was a pre COVID buoyant economy. Bloomberg has suggested today that the Polish economy is perceived as the most resilient to the pandemic crisis in the European Union. Bloomberg also quotes the head of the Polish Development Fund as saying that Poland has already experienced its biggest decline and the economy is starting to recover from the crisis. According to EU forecasts, Polish GDP will shrink by 4.3 percent this year and this will be the smallest expected drop among all EU countries.

We have established a strong platform in the Polish market, and I am confident that we now have in place a first-rate operational team. Competition and labour inflation in particular have been continuing challenges, but the strength of our executive team, the Domino's brand and our reputation for quality and service should ensure that DP Poland is well-placed to participate in Poland's food delivery market.

Since the outbreak of the Coronavirus global crisis we have been following the advice of the Polish government and health authorities to ensure that our stores can continue to operate safely and deliver pizza to our customers. We believe that we have stabilized our operations, including our supply chain, to address this new environment, and we continue to work hard adapting to a 'new normal'. At the time of writing this statement DP Poland is busy making pizzas for delivery and collection, while dine-in restaurants in Poland have this week been permitted to reopen. We hope that the progressive 'unlocking' of the Polish economy works well, however, the ultimate impact of the Coronavirus crisis on the Polish economy is not possible to predict.

Nevertheless, we continue to have great confidence in the Domino's brand and the demand of our customers for our great food and service offer.

Nicholas Donaldson
Non-Executive Chairman
21 May 2020

Chief Executive's Review

Group performance
Pre-IFRS 16 Revenue in the year ended 31 December 2019 increased by 16% to 69m PLN (60m PLN 2018).

Pre-IFRS 16 Group[3] EBITDA losses decreased by 5% to (£1.8m) in 2019 versus (£1.9m) in 2018, at average exchange rates for 2019[6] and 2018[7].

At constant exchange rates[6] Pre-IFRS 16 Group EBITDA losses decreased by 4% 2019 on 2018.

Pre-IFRS 16 Group loss decreased by 10% (£3.4m) in 2019 versus (£3.8m) in 2018.

Store performance
System Sales were up 13% 2019 on 2018 as a result of 3% like-for-like System Sales growth 2019 on 2018, growth from non-like-for-like[4] stores and the opening of 6 new corporate stores during the year.

Like-for-like System Sales in the first half of the year were negative at -1%, reflecting the strong comparatives driven by our TV advertising trial in January and February 2018. However, like-for-like System Sales growth resumed in the second half of the year at 6%, resulting in 3% like-for-like System Sales growth for the year overall.

Like-for-like System Sales growth per quarter were as follows:
Q1 -5%
Q2 +5%
Q3 +6%
Q4 +5%

Sustained robust growth in the Polish economy in 2019 continued to add inflationary pressure to labour rates, particularly in Warsaw and the other major cities. Although staff recruitment and retention pressures continued in 2019, we believe that the fact that we are perceived to be an attractive employer continues to be helpful to us.

Since the onset of the Coronavirus crisis in early 2020 we have seen some deflation in labour rates and some improvement in staff recruitment and retention.

Store roll-out
We finished the year with 69 stores (23 sub-franchised and 46 corporately managed), satisfying the Domino's Pizza Master Franchise Agreement of 69 stores. During the year we opened 6 corporate stores.

Store count	1 Jan 2019	Opened	Closed	Transferred	31 Dec 2019
Corporate*	39	6	0	1	46
Sub-Franchised	24	0	0	-1	23
Total	63	6	0	0	69

** 3 corporate stores were run by sub-franchisees under management contract, with the option to acquire and sub-franchise in the future*

During the period we acquired 4 corporate stores from one sub-franchisee and we sold 3 corporate stores to 2 new sub-franchisees. 2 further corporate stores were taken under management contract.

Sub-franchising
The performance of sub-franchised stores in 2019 was mixed, with some strong performers and some weaker. We engaged 2 new sub-franchisees across Poland and sold them 3 corporate stores. We also entered into 2 management contracts, 1 contract with an existing sub-franchisee and 1 contract with a prospective sub-franchisee. By mutual agreement we let 1 sub-franchisee leave Domino's Poland. We are currently in discussions with a number of potential new sub-franchisees; this will continue to be a key focus in the development of our business. In March 2020 we hired a new

Operations Director with over 20 years' experience in McDonald's Poland and BNI Poland, including extensive experience in cooperation with sub-franchisees.

Marketing and product innovation
In mid-January 2019 we launched an innovative campaign featuring Damian Kordas, the winner of Polish Master Chef 2018, creating unique Domino's video content, distributed through digital channels. This content, including video and imagery featuring Damian discussing and making pizzas and delivery, has met with a strong sales response. We introduced 4 new pizzas created by Damian over the year. We continue to invest in improving our digital presence, including the effectiveness of our existing interfaces and the creation of new ones. Our aim is to delight customers and engage employees to obtain customer satisfaction and loyalty.

Food aggregators
Our interaction with the food aggregator Pyszne.pl (takeaway.com) has been positive. Approximately one half of our customers shopping through Pyszne.pl are new customers for us, generating for DP Poland incremental orders with higher average tickets. We have started a test with a second food aggregator, Glovo. Aggregators are 'search engines' for food and we want to be in those search engines!

Fundraising February 2019
On 28 February 2019 we completed a fundraising of c.£5.8m before expenses, by means of a share placing, including a fully subscribed broker option of £0.5m. This resulted in net funds raised for the Group of c.£5.5m.

Current trading and outlook
We believe that we have identified some key areas in which to stimulate revenue growth and boost pricing power in our market. We are currently upgrading our point of sales system which should help us to align better our labour costs with our ambitions to focus on revenue growth and, of course, our focus on customer service by delivering delicious pizzas in less than 25 minutes from order.

In 2020 we will stay focused on food delivery online by re-platforming our website and implementing a new ordering channel, online voice ordering. Our new website is designed to have far greater functionality than our existing digital platform, and will support our strategy of further digitising our business operations, delivering connected customer experiences, while gathering valuable customer insight with the ultimate goal of providing better customer experiences.

We are analysing our supply chain structure. The aim is to simplify and refocus this aspect of our operations with a view to better enabling the DP Poland team to pursue revenue growth and to provide a better customer experience.

Coronavirus
We have appointed a senior, fully dedicated COVID-19 team, which is focused on this crisis. We have been following the advice of government and health authorities to ensure that our stores can continue to operate safely and deliver delicious pizzas to our customers. Dine-in restaurants in Poland have this week been permitted to reopen, while carry out and delivery sales continue. The safety of our team members and customers is our priority. We have implemented Zero Contact delivery and Zero Contact carry out to respond to the requirements of our customers and the best interests of our employees. As noted above, we believe we have stabilized our operations in order to address as effectively as possible the new environment in which we now operate. At the time of writing this review all of our 69 stores, our 2 commissaries and our head office are open and operating effectively.

Conclusions
2019 delivered continued expansion and growth in System Sales during the year, notwithstanding the strong comparatives driven by our TV advertising in January and February 2018.

The Coronavirus crisis presents our industry and business in general in Poland with some major obstacles. Nevertheless, I believe that the Domino's brand, and its reputation for quality of product and service, put us in a good position. While dine-in restaurants in Poland are permitted to reopen this week, we continue to deliver to our customers delicious, hot pizzas, typically within 25 minutes from order. Our focus on delivery/collection and online ordering positions DP Poland well in the current environment. However, with so much uncertainty prevailing, at the present time we can give no guidance on the outlook for DP Poland in the current financial year.

Our customers order their pizzas increasingly on our digital platforms, and pay for their orders on that platform too. In Poland we believe we are ‘best in class’ on this front.

In light of the Coronavirus concerns, we now offer contact free delivery and contact free carry out. We continue to create new initiatives and seek to adapt to the ‘new world’. Meanwhile, one consequence of the crisis has been to bring about some reduction in our food and labour costs.

Whilst the macro outlook remains uncertain, in this new world I believe that DP Poland holds an important position in the Polish F&B industry and good prospects**.**

Iwona Olbryś
Chief Executive
21 May 2020

Finance Director's Review

In accordance with new accounting requirements, these results are presented in accordance with IFRS 16, the new lease accounting standard. On 1 January 2019 the Group adopted a new accounting standard, IFRS 16 'Leases'. The Group has used the modified retrospective transition approach as permitted by the standard, which means that comparative figures in the financial statements have not been restated. The adoption of IFRS 16 has had a significant impact on the Group's financial statements, including the important measure of Group EBITDA, which under IFRS 16 excludes the rental cost of the Group's stores, commissaries and offices. The Directors believe that a clearer picture of trading performance compared to prior periods is given by looking at Group EBITDA excluding the effect of IFRS 16 and therefore the figures for Group EBITDA shown in the reviews of the Chairman, Chief Executive and the Finance Director are shown excluding the effect of IFRS 16 ('Pre-IFRS 16').

		Pro-forma
	IFRS 16	*Pre-IFRS 16*
	2019	**2019**
	£	£
Revenue	14,006,659	14,126,658
Direct Costs	(11,820,235)	(13,197,170)
Selling, general and administrative expenses - excluding: store pre-opening expenses, depreciation, amortisation and share based payments	(2,605,692)	(2,757,840)
GROUP EBITDA - excluding non-cash items, non-recurring items and store pre-opening expenses	(419,268)	(1,828,352)
Store pre-opening expenses	(53,633)	(53,633)
Other non-cash and non-recurring items	(189,518)	(199,114)
Finance income	160,186	109,534
Finance costs	(600,343)	(25,858)
Foreign exchange losses	(10,825)	(10,825)
Depreciation, amortisation and impairment	(2,246,949)	(1,268,696)
Share based payments	(151,418)	(151,418)
Loss before taxation	(3,511,768)	(3,428,362)

Overview

During 2019 the food delivery market in Poland continued to grow at an impressive rate, in part driven by Poland's current strong economy and a step change in investment by the delivery aggregators, alongside the expansion of food service offers.

In response to the delivery aggregators' marketing investment we have commenced partnership with the leading delivery aggregator, Pyszne.pl (Takeaway.com). We believe that we benefit from their sales and marketing platform, while retaining control of our offer, service and delivery. We have recently started a test with a second food aggregator, Glovo.

Although the Polish consumer economy has been broadly beneficial to the Group, the related reduction in unemployment and the introduction of a minimum wage has seen labour rates double since we opened our first store in February 2011. We continue to work hard to manage these costs, including the introduction of menu price increases, a move that has been mirrored across the food service sector. Poland can no longer be described as a low cost labour market.

The overall impact of Coronavirus on the Polish economy is unlikely to be positive and any attempt to forecast the consequences would be guesswork. Nevertheless, the Group should derive some benefit from these unfortunate circumstances. We believe we have a quality product with one of the best delivery services in Poland, and an operating system which provides contactless payment and contactless delivery/collection. With dine-in restaurants only recently permitted to reopen in Poland, we are currently seeing ingredient prices easing and the ability to hire staff becoming easier.

Selling, general and administrative expenses (S, G&A)
In 2019 Pre-IFRS 16 Selling, general and administrative expenses (S, G&A) were 17% of System Sales, a 2 percentage points improvement against 2018 (2018 19%); both measured using the actual average exchange rates for 2019 and 2018.

Direct costs
In 2019 we continued to experience inflation in food costs. We work hard to control these cost increases as well as possible, and we are careful to share the benefits of any reduction in food costs with our sub-franchisees. Since the onset of the Coronavirus crisis we have seen some reduction in these costs.

Throughout 2019 labour cost inflation continued in Poland's robust economy representing a challenge for the Group, particularly for our younger stores which in their early days can have insufficient sales to absorb the fixed element of labour. The National Minimum Wage in Poland in 2019 has been increased by 7% (year-on-year) on top of a 5% (year-on-year) increase in 2018. The National Minimum Wage has been increased in 2020 by 16% (year-on-year).

Store count

Store count	1 Jan 2019	Opened	Closed	Transferred	31 Dec 2019
Corporate*	39	6	0	1	46
Sub-Franchised	24	0	0	-1	23
Total	63	6	0	0	69

** 3 corporate stores were run by sub-franchisees under management contract, with the option to acquire and sub-franchise in the future*

In 2019 we (i) opened 6 new corporate stores, (ii) acquired 4 corporate stores from one sub-franchisee, and (iii) sold 3 corporate stores to two new sub-franchisees. 1 store was sold for cash to a new sub-franchisee and 2 stores were sold to one of our Area Managers; we granted a loan to him in this connection. In summary, we financed the acquisition of 10 stores and received cash for 1 store we sold. As noted above, we granted a loan for the 2 stores we sold to our Area Manager. We have not opened any new stores since the year end.

Sales Key Performance Indicators
System Sales were up 13% 2019 on 2018 as a result of 3% like-for-like System Sales growth 2019 on 2018, growth from non-like-for-like stores and the opening of 6 new corporate stores during the year. Delivery online sales continue to grow, a more cost-efficient means of making sales, however, newly opened stores need time to build online customers.

	2019	**2018**	**Change %**
System Sales PLN	81,401,417	71,873,155	13%
System Sales £*	16,613,212	14,668,590	13%
L-F-L system sales	3%	4%	-
L-F-L system sales pre-split[5]	3%	6%	-
L-F-L system order count	2%	-2%	-
L-F-L system order count pre-split	3%	0%	-
Delivery System Sales ordered online	82%	77%	-

*Constant exchange rate of PLN 4.8998:£1

Like-for-like System Sales growth per quarter were as follow:

Q1 -5%
Q2 +5%
Q3 +6%
Q4 +5%

Group performance
16% growth of Pre-IFRS 16 Group Revenue in PLN is derivative of 13% growth in System Sales and sales of 3 corporate stores.

Group Revenue & EBITDA* (Pre IFRS 16)	**2019**	**2018**	**Change %**
Revenue PLN	69,217,807	59,584,167	+16%
Revenue £ *	14,126,660	12,160,530	+16%
Group EBITDA £	(1,828,352)	(1,897,862)	+4%

*Constant exchange rate of PLN 4.8998:£1

Group Revenue & EBITDA* (Pre IFRS 16)	**2019**	**2018**	**Change %**
Revenue PLN	69,217,807	59,584,167	+16%
Revenue £ *	14,126,658	12,369,815	+14%
Group EBITDA £	(1,828,352)	(1,920,448)	+5%

*Actual exchange rates for 2019 and 2018

Group loss for the period
Pre-IFRS 16 Group EBITDA loss (at actual exchange rates) decreased by 5% against the comparative period in 2018, whereas Pre-IFRS 16 Group loss before tax (at actual exchange rates) decreased by 10%.

Group Loss for the period* (Pre IFRS 16)	**2019**	**2018**	**Change %**
Group loss for the period	(3,428,362)	(3,793,272)	+10%

* Actual exchange rates for 2019 and 2018

Exchange rates

PLN : £1	**2019**	**2018**	**Change %**
Profit & Loss Account	4.8998	4.8169	+2%
Balance Sheet	5.0118	4.7921	+5%

Financial Statements for our Polish subsidiary DP Polska S.A. are denominated in PLN and translated to £. Under IFRS accounting standards the Income Statement for the Group has been converted from PLN at the average annual exchange rate applicable to PLN against £. The balance sheet has been converted from PLN to GBP at the 31 December 2019 exchange rate applicable to PLN against £. In 2019 the PLN is virtually unchanged against £ and that almost had no impact on numbers presented at 2019 and 2018 rates.

Cash position
On 28 February 2019 the Group completed a placing of 96,666,666 new ordinary shares at the price of 6 pence per share, raising a net total (after expenses) of c. £5.5m.
Cash of £4.2m was deployed in 2019 to cover Group losses, store CAPEX, working capital and fundraising expenses.

	1st January 2019	Cash movement	31st December 2019
Cash in bank	1,957,916	1,634,486	3,592,402

Actual exchange rates for 2019 and 2018

Macro situation in Poland

In 2019 we saw strong GDP growth combined with inflation and the lowest recorded unemployment rate. The 3 Month Warsaw Interbank Offered Rate is virtually unchanged.

Macro KPI	2019	2018
Real GDP growth (% growth)[8]	4.1	5.1
Inflation (% growth)[8]	2.2	1.8
Unemployment Rate (% of economically active population)[8]	3.3	3.8
	31 Dec 2019	**31 Dec 2018**
Interest rate (%)[9]	1.7100	1.7200

Going concern

The board is very aware of the potential impact of COVID -19 on the fortunes of the Group. So far it has had relatively little impact as, under Polish government guidance, we have been able to keep all our stores open and sales have held up robustly. In addition, we provide our customers with a product which they can pay for contactlessly and either collect or have delivered to their front doors without contact. We believe that there will be a reticence on the part of consumers to return to eating in restaurants for a period, and that we can well address our customers' demand for quality, pre-prepared food, delivered or collected without contact. That also applies to consumers who are wary of food shopping in retail outlets.

The safety of our employees, our customers and our suppliers is of paramount importance to us and all of our decisions relating to the COVID – 19 pandemic have been taken with that as the overreaching consideration.

The DPP board has given considerable thought as to how the Group might minimise the risks of the pandemic and what those risks might be. Amongst those risks could be a complete lock down of all movement within Poland, an inability of one or some of our key suppliers to deliver, and/or the closure of some of the Group's stores due to COVID-19 illness amongst the staff. We believe that those risks are less prevalent than, say, one month ago. At the time of finalising this Annual Report Poland is slowly easing its pandemic restrictions, so a complete lock down seems unlikely. With one exception all our key suppliers are based in Poland, which makes supply continuity easier to control and maintain. If we have to close stores, in the major cities where our higher turnover stores are located, we believe that we can service the catchment areas of closed stores from our other stores in that city. It is possible that a second outbreak could weaken the Polish economy or that we do have to close a material number of key stores or that sub franchisees decide to close stores for personal reasons.

That said, the board does not have a crystal ball and cannot anticipate the final outcome of the present COVID-19 situation. We believe that we have enough cash to last us for at least another year, based on the slowly improving outlook that we are seeing today. Should, for any of the above reasons that not prove to be the case, we would explore alternative financing arrangements including new equity, bank borrowing, asset financing and factoring. Therefore, we have no hesitation in adopting the going concern principle. We do not believe there needs to be any impairment of our assets. Our inventory is all useable and, indeed, we are seeing some welcome price reductions in key ingredients. We believe that our debtors will be able to fulfil their payment obligations and no goodwill write downs are required.

Nevertheless the above scenarios suggest that our going concern assumptions could be incorrect. Auditors have drawn our attention to the material uncertainty with respect to this assumption in their audit report. Should there be any material change to the present position the board will, of course, release a relevant update.

On a brighter note the Chairman has already pointed out in his report that the Polish economy is perceived as being the most resilient in the EU to the pandemic crisis and is already starting to recover.

Robert Morrish
Non-Executive Finance Director
21 May 2020

[1] System Sales - total retail sales including sales from corporate and sub-franchised stores, unaudited

[2] Like-for-like growth in PLN, matching trading periods for the same stores between 1 January and 31 December 2018 and 1 January and 31 December 2019.

[3] Excluding non-cash items, non-recurring items and store pre-opening expenses.

[4] Non-like-for-like stores that are less than 12 months old, with no matching trading periods year on year.

[5] When a store's delivery area is split, by opening a second store in its original delivery area, a significant portion of the original store's customer database is allocated to the new store, resulting in the original store losing sales. Calculating pre-split like-for-likes allows us to see sales growth by matched delivery areas, irrespective of the opening of new stores. Pre-split like-for-likes are a standard measure adopted by many major Domino's Pizza master franchisees

[6] Exchange rate average for 2019 £1: 4.8998
[7] Exchange rate average for 2018 £1: 4.8169
[8] Source: http://www.euromonitor/poland/country-factfile#
[9] 3M WIBOR at 31 December; source www.money.pl

Section 172 of the UK's Companies Act

This section serves as our section 172 statement and should be read in conjunction with the Strategic report on pages 2 to 15. Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. The Directors continue to have regard to the interests of the Company's employees, customers, suppliers, sub-franchisees, shareholders and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions on both Poland and the UK. Acting in good faith, the Directors take into consideration what is most likely to promote the success of the Company for its members in the long term. Whilst the importance of giving due consideration to our stakeholders has always been in place, we are explaining in more detail below how the Board engages with our stakeholders. The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006.

The Board regularly reviews our principal stakeholders and how we engage with them. Stakeholder's views are discussed in the boardroom throughout the year through information provided by management and also by direct engagement with stakeholders themselves.

Our employees are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and well-being of our employees is one of our primary considerations in the way we do business and is discussed at every board meeting. Until corona virus prevented it, UK based board members regularly went to Poland to engage with our employees, listen to any concerns and elicit improvements.

As the Board of Directors, our intention is to behave responsibly toward our stakeholders and treat them fairly and equally, so they too may benefit from the successful operation of our business.

The key stakeholder groups are listed below

1. Shareholders

   The board engages with shareholders throughout the year at events such as the AGM and results road shows. The Chairman has met regularly with our largest shareholder in this period

2. Employees

   There are regular meetings of employees at all levels throughout the company. Store meetings are held weekly and there are area sales managers meetings held every month. Members of the UK board have regularly travelled to Poland to meet employees

3. Sub franchisees.

   These are key to the growth of the business and there are regular meetings or phone calls with them to provide them with assistance and guidance and to address any concerns

4. Customers

We regularly see our customers either in store or when we deliver to their premises. This helps us understand their needs and demands. In addition there is a dedicated call centre which our customers can contact

5. Suppliers

   Our purchasing team interact with all our suppliers on a regular and often daily basis to ensure that we have a robust supply chain and a solid trading relationship.

6. Stores and commissaries

   We operate from multiple sites across Poland and we endure that w minimise the effect on the environment. We use top of the range ovens to produce our quality pizzas but we make sure all environmental effects are minimised, particularly those of noise and smell

Strategic Report approval

The Strategic Report on pages 2 to 15, 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
21 May 2020

The Board

The Board of DP Poland plc comprises 1 Executive and 4 Non-Executive Directors.

Nicholas Donaldson (aged 66), ***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 Non-Executive Chairman of fully listed Games Workshop Group PLC. He is also a director of The Fulham Shore plc, the AIM listed restaurant group.

Iwona Olbryś (aged 45), ***Chief Executive***
Iwona, who is based in Warsaw, has significant experience in the Food & Beverage sector in Poland, having been the General Director of Telepizza Poland Sp. z o. o. (a business with both owned and sub-franchised stores) for eight years immediately prior to joining DP Poland.

Robert Morrish FCA (aged 70), ***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 is currently the Finance Director of RAK Ceramics UK Ltd. 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.

Chris Moore (aged 60), ***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 61), ***Non-Executive Director***
Gerry Ford is Chairman and Chief Executive of Caffè Nero Group Limited, Europe's largest independent coffee house group. Gerry founded Caffè 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 The Caffè Nero Group has more than 8,500 employees in 1,000+ stores across 11 countries. Gerry is Chairman of the Polish subsidiary which operates approximately 70 stores and has more than 650 employees in Poland. Gerry has more than 20 years' experience of sitting on boards and nurturing small-medium sized businesses.

Directors' Report

The Directors are pleased to present their report and the audited financial statements for the year ended 31 December 2019.

Results and Dividends

The loss for the period, after taxation, amounted to £3,511,768 (2018: £3,793,272). 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 13 and 14 to the financial statements on pages 55 and 56.

Corporate Governance

The Company has adopted the Quoted Companies Alliance Corporate Governance Code. Details of the principles of the Code and how they are applied by the company are set out in the Corporate Governance Statement on page 21

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 24 and 25.

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 business for the period under review.

In response to the outbreak of the Covid-19 pandemic, from Saturday, 14 March 2020, the Polish government imposed similar 'lock down' restrictions to those now prevailing in the UK, including confining people to their homes except for essential activities. While, as part of these restrictions, all restaurants, clubs, bars, and cafes are closed to the public, restaurants are permitted to provide food deliveries. Other public spaces such as gyms, swimming pools, museums, libraries, cinemas and theatres are also all closed. The Group continues to trade, making deliveries from all of its 69 stores.

After reviewing the possible impact of Covid-19, cash 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. However, the uncertainties around the Covid-19 pandemic and the possibility of further restrictions being imposed by the Polish authorities (which could have negative consequences including, but not limited to, stores being required to close or supply chains being disrupted), mean that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Further details of the material uncertainty are set out in the Finance Director's Review on page 13

Directors and Directors' Interests

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

Nicholas John Donaldson
Iwona Olbryś (appointed 01.01.20)
Peter John Edward Shaw (resigned 30.06.19)
Maciej Adam Jania (resigned 31.12.19)
Robert Nicholas Lutwyche Morrish
Christopher Humphrey Robertson Moore
Gerald William Ford

In accordance with the Company's Articles of Association Iwona Olbrys and Nicholas Donaldson offer themselves for re-election at the Annual General Meeting.

The following Directors at 31 December 2019 had interests in the ordinary shares of 0.5p each as follows:

	Number of Ordinary Shares	*Percentage of Ordinary Shares*
Gerald Ford [1, 3]	1,117,038	0.44%
Christopher Moore [1, 3]	12,524,166	4.94%
Robert Morrish [1, 3]	272,666	0.11%
Nicholas Donaldson [2, 3]	495,999	0.22%
Maciej Jania [1, 3]	2,452,451	0.97%

1. The Directors are interested in an additional 2,065,867 ordinary shares in total, pursuant to the terms of the Company's Share Incentive Plan as follows: Nicholas Donaldson – 336,110 shares; Robert Morrish – 336,110 shares; Maciej Jania – 318,062 shares; Gerald Ford – 358,528; Christopher Moore – 717,057 shares.
2. Held through Nicholas Donaldson's personal pension.
3. The directors have also been awarded options over 1,128,697 of the Company's ordinary shares as follows: Nicholas Donaldson – 217,528 options; Robert Morrish – 218,528 options; Maciej Jania – 173,410 (of which 152,768 have vested) options; Gerald Ford – 173,410; Christopher Moore – 346,821 options. The options are exercisable at 0.5 pence each and have a vesting period of two years.

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 and other share option awards 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.

Substantial Interests

At 30 March 2020, 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*
Pageant Holdings Ltd	43,528,309	17.17%
Canaccord Genuity Group Inc	31,552,898	12.44%
Christopher Moore	12,524,166	4.94%

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. 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 at Shafts Farm, West Meon, Hampshire GU32 1LU on 26 June 2020 at 09.00 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 £422,592 and which, if passed, would allow the Directors to allot and issue up to 84,518,422 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 £422,592 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 £126,777 representing 25,355,580 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. The notice of Annual General Meeting also contains a special resolution at resolution 7 to amend the Articles of Association of the Company, details of the proposed changes are set out in the notes to the Notice of Annual general meeting.

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 U.K. 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

Robert Morrish
Director
21 May 2020

Statement on Corporate Governance

The Directors recognise the importance of good corporate governance and have chosen to adopt the Quoted Companies Alliance Corporate Governance Code (the “QCA Code”). The Company adopted the QCA Code in September 2018.

The QCA Code was developed by the QCA in consultation with a number of small company institutional investors as a corporate governance code applicable to AIM companies. The underlying principle of the QCA Code is that “the purpose of good corporate governance is to ensure that the company is managed in an efficient, effective and entrepreneurial manner for the benefit of all shareholders over the longer term”.

It is the responsibility of the non-executive chairman to ensure that the highest practicable standards of corporate governance are in place. The board and staff of the Company are committed to behaving professionally and responsibly to ensure that the highest standards of honesty, integrity and corporate governance are maintained. Enshrining these values through the Company’s culture, objectives and processes is essential to support the success of the Company in creating long-term shareholder value.

The QCA corporate governance principles along with a summary of how the Company applies them are set out below.

1. Establish a strategy and business model which promote long-term value for shareholders
DP Poland’s purpose, business model and strategy are described in the Strategic Report on page 3

In summary, the purpose is to establish Domino’s Pizza as the leading pizza delivery brand in Poland; the business model is to operate both company owned stores (‘corporate stores’) and to subfranchise stores to third parties, supplied by our production, warehousing and logistics operations (‘the commissary’); the strategy is to make the Domino’s offer the most available and the most attractive delivery pizza offer in the market. The principal risks and uncertainties affecting the business and how these are mitigated are set out within the Strategic Report on page 4.

2. Seek to understand and meet shareholder needs and expectations
The Company engages with shareholders through regular reporting, emailed updates, face-to-face meetings, telephone conversations and email dialogue. The Chief Executive and Non-Executive Chairman are readily available to investors, contactable by telephone and email via the Company website. The AGM provides a forum for investors to meet the Chief Executive and Non-Executive Chairman and to raise any questions, issues or concerns.

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success
The Company operates in Poland through its wholly owned subsidiary DP Polska SA. Nicholas Donaldson is President of the DP Polska SA Board (Chairman). The board and management team of DP Polska SA is focused on delivering a highly competitive offer to its customers and conducts regular market research to understand consumer attitudes towards the Domino’s Pizza brand and its offer and to adjust the offer and brand communications accordingly. Customers regularly feedback directly to stores and over social media. Our store teams are trained to listen and respond constructively to that feedback and our central team views and responds constructively to feedback over social media, including Facebook.

The management team is focused on ensuring that the workforce is delivering against customer expectations through thorough training and proper remuneration and incentivization. Employee feedback is taken seriously and conditions of employment and incentivisation are adjusted accordingly. Good relationships with suppliers and partners are important and the Company’s management team is focused on maintaining and improving those relationships. As well as with suppliers DP Polska works closely with its franchisor Domino’s Pizza International, with regular face-to-face, telephone and email contact across all levels of the business, store to board level.

Poland is a well-regulated market and the management team relies on both in-house and external expertise to ensure that the Company's operations are in compliance with all regulations, corporately and across our company managed 'corporate' stores

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

The principal risks and uncertainties identified by the directors, their potential impact and the steps taken to mitigate them are reviewed annually and outlined annually under the 'Risk Management' section on page 4 . Both the Board and the management team are responsible for reviewing and evaluating potential risks to the business. The Board meets monthly to review business performance and the outlook for the business, including opportunities and threats.

5. Maintain the board as a well- functioning, balanced team led by the chairman

The Board comprises one Executive Director and four Non-Executive Directors. The Non-Executive directors are considered to be independent. Details of directors' contracts are described in the Remuneration Report on page 24. The Company holds monthly board meetings which the directors attend, either in person or by telephone conference. The directors are expected to make themselves available for all board meetings, committee meetings as appropriate and as required for ad hoc meetings. Relevant information including a detailed board report and management accounts are circulated to the Directors in advance of board meetings. The Board is supported by the audit and remunerations committees, as described in the Directors' Report, within the Annual Report. The audit committee meets with the Company's appointed auditor to review the Company's preliminary annual results and as required ad hoc. The Remuneration Committee meets to review and set the Chief Executive's remuneration, to review and set the Executive Directors' long-term incentive plans and to set and approve the Executive Directors' annual bonus plan. .

6. Ensure that between them the directors have the necessary up to date experience, skills and capabilities

Biographies of the Company's Directors can be found on page 16. The experience of the Directors spans sectoral, professional and executive experience that is highly relevant to the business of the Company. Each of the Directors is employed or directly involved in a range of businesses, which ensures their skillsets are up-to-date. The Company retains a professional auditing company which advises the Audit Committee as required. Directors have direct access to the advice of the Company Secretary

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Board proposes to carry out an evaluation of its performance annually, taking into account the Financial Reporting Council's Guidance on Board Effectiveness. All Directors will undergo a performance evaluation before being proposed for re- election to ensure that:

1. Their performance is and continues to be effective;
2. Where appropriate, they maintain their independence; and
3. They are demonstrating continued commitment to the role.

Appraisals will be carried out each year with respect to the Executive Directors. Succession planning is undertaken by the Non-Executive Chairman and the Chief Executive on consideration of the evolving requirements of the Company.

8. Promote a corporate culture that is based on ethical values and behaviours

The board has an ethical approach commensurate with both its responsibilities as an AIM listed company and as the master franchisee of an international consumer brand franchise, for which sound ethics are of fundamental importance. The Directors hold each other to account in meeting a very high ethical standard in their behaviour and decision making. The operating company DP Polska SA is involved with its community at the store level, engaging with and supporting local charities, schools and sporting events

9. Maintain governance structures and processes that are fit for purpose and support good decision- making by the board

The Directors recognise the importance of good corporate governance and have chosen to adopt the QCA Code. The Board and staff of the Company are committed to behaving professionally and responsibly to ensure that the highest standards of honesty, integrity and corporate governance are

maintained. Enshrining these values through the Company's culture, objectives and processes is essential to support the success of the Company in creating long-term shareholder value.

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Company encourages two-way communication with both its institutional and private investors and aims to respond quickly to all queries received. The Chief Executive and other directors talk regularly with the Group's major shareholders and ensure that their views are communicated fully to the Board.

Nicholas Donaldson
Non-Executive Chairman
21 May 2020

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

Iwona Olbrys is responsible for the strategic management and development of the Company's business. Under the terms of her director's service contract she is entitled to a salary of 536,862 Polish Zloty (equivalent to approximately £107,120) per annum plus a performance based bonus.. Her employment may be terminated by 3 months notice by either party.

Non-Executive Directors

Nicholas Donaldson is Non-Executive Chairman of the Company. During the year ended 31 December 2019, 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 with responsibility for financial management and reporting. During the year ended 31 December 2019, 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 2019, 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. 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 2019 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 2019

Total remuneration, fees and benefits paid or payable to the Directors by the Group for the year ended 31 December 2018 are set out below and amounts in aggregate to £344,633 (2018: £295,817).

Details of share incentives held by, and granted to, Directors are set out in the Directors' Report on page 18.

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

Name of Director	Year ended 31 December 2019 *salary or fees*	Year ended 31 December 2019 *performance based bonus*	Year ended 31 December 2019 *total emoluments*	Year ended 31 December 2018 *total emoluments*
	£	£	£	£
Nicholas Donaldson	15,000	-	15,000	15,000
Peter Shaw *(resigned 30.06.19)*	179,572	-	179,572	148,578
Maciej Jania (*resigned 01.01.20)*	97,449	22,612	120,061	102,239
Robert Morrish	15,000	-	15,000	15,000
Christopher Moore	-	-	-	-
Gerald Ford	15,000	-	15,000	15,000
Total	322,021	22,612	344,633	295,817

The aggregate value of gains made on exercise of directors' share options during the year was £ nil (2018: £nil). The aggregate value of share and option awards to directors made during the year was £90,000 (2018: £90,000). Peter Shaw was the highest paid director with total emoluments of £179,572 which included £100,000 payment in lieu of notice.

[1] This schedule is part of the audited information

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report, including the Strategic Report, the Directors' 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. They are further responsible for ensuring that the Strategic Report and the Directors' Report and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

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

Opinion

We have audited the financial statements of DP Poland plc (the “Parent Company”) and its subsidiaries (the “Group”) for the year ended 31 December 2019, which comprise:

- the Group income statement and statement of comprehensive income for the year ended 31 December 2019;
- the Group and parent company balance sheets as at 31 December 2019;
- the Group and parent company statements of cash flows for the year then ended;
- the Group and parent company statements of changes in equity for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 2019 and of the Group’s loss for the period then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to the going concern paragraph in note 1 in the consolidated financial statements, which explains that the Board has considered the effects of the COVID-19 virus pandemic on the business.

As stated in note 1, these events or conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £185,000 (2018: £110,000), based on 5% of the expected loss before tax. We believe this to be an appropriate benchmark for materiality as this is one of the ultimate key performance measures for the Group.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £5,000 (2018: £5,000). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The finance functions of the parent company and subsidiary are based in the UK and Poland respectively.

A member firm of Crowe Global network in Poland (the 'component auditor') undertook a full scope audit of DP Polska S.A. under our direction. We were involved in the audit from the planning stage through to completion which included determining the key risk areas and setting materiality levels for Group audit purposes. This involved a combination of planning conference call meetings, review of audit working papers and meetings and discussions with the audit committee.

DP Polska S.A. accounts for 80% of the group's loss before tax, 100% of the group's revenue and 69% of the group's net assets.

Due to the outbreak of COVID-19, which resulted in closures of many public services and businesses, the Polish Government implemented restrictions on travel from 15 March 2020; as a result our planned visit to Poland to review the work of the component auditor was cancelled. Instead of this visit we undertook video conference call meetings with the component auditor, accessing the audit working papers remotely to review and challenge the findings and discussed matters with management.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

Key audit matter	***How the scope of our audit addressed the key audit matter***
Revenue recognition We considered the risk that revenue is not recognised in accordance with the accounting policy set out in the financial statements.	We reconciled revenue from the ordering system "PULSE" to cash receipts, the financial statements and VAT records for a sample of months. We reviewed and tested a sample of reconciliations of cash and card takings performed by the finance team. We performed substantive testing on other sales from initial order to the general ledger including sales to sub-franchisees from the commissary.

	We performed testing to determine if store revenue and revenue from sub-franchisees have been recorded in the correct period. We have assessed the appropriateness of the related disclosures on page 47 and in note 3 of the financial statements.
Implementation of IFRS 16 IFRS 16 'Leases; is effective for periods beginning on or after 1 January 2019. The Group has applied the modified retrospective method in the first-time application of this standard and has not restated comparative Group financial statements. The measurement of a right of use asset and lease liability is based on significant estimates and judgements of management. Key assumptions applied include, the incremental borrowing rate used to discount cash flows; classification on sublease arrangements, whether operating or finance leases; assessment of options to extend or terminate lease contracts. On application of the standard on 1 January 2019 right of use assets of £7.0m and lease liabilities of £8.0m were recognised. Given the management judgement involved and the significance of the implementation to the Group financial statements, we consider this to be a key audit matter.	We ensured the completeness of the lease contract listing obtained from management for where the Group act as the lessee and both lessee and lessor. We checked the numerical accuracy of management IFRS 16 calculations. For a sample of leases we agreed the lease terms used in management's calculations to signed lease agreements. We assessed the appropriateness of the assumptions and key judgements made by management in respect of the incremental borrowing rate, lease terms and sublease classification. We also assessed the appropriateness of the disclosures in the Group financial statements in relation to IFRS 16.

Our audit procedures in relation to this matter were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on the matter individually and we express no such opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters 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 strategic report and the directors' 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 group and the parent company and their 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.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 26, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

Richard Baker (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Reading

21 May 2020

Group Income Statement

for the year ended 31 December 2019

		Notes	**2019** £	2018 £
Revenue		3	14,006,659	12,369,815
Direct Costs			(11,820,235)	(11,426,271)
Selling, general and administrative expenses - *excluding: store pre-opening expenses, depreciation, amortisation and share based payments*			(2,605,692)	(2,863,992)
GROUP EBITDA - *excluding non-cash items, non-recurring items and store pre-opening expenses**			(419,268)	(1,920,448)
Store pre-opening expenses			(53,633)	(72,900)
Other non-cash and non-recurring items		6	(189,518)	131,054
Finance income		8	160,186	129,315
Finance costs		9	(600,343)	(21,254)
Foreign exchange losses			(10,825)	(6,513)
Depreciation, amortisation and impairment			(2,246,949)	(1,793,258)
Share based payments			(151,418)	(239,268)
Loss before taxation		5	(3,511,768)	(3,793,272)
Taxation		10	-	-
Loss for the period			(3,511,768)	(3,793,272)
Loss per share	Basic	12	(1.51 p)	(2.53 p)
	Diluted	12	(1.51 p)	(2.53 p)

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

	2019	2018
PRE-IFRS 16 GROUP EBITDA - *excluding non-cash items, non-recurring items and store pre-opening expenses**	(1,828,352)	(1,920,448)

** The Group has adopted IFRS 16 'Leases' on 1 January 2019 and applied the modified retrospective method on adoption. Comparatives for 2018 have not been restated and therefore Group EBITDA for the comparative year includes the cash cost of rent on stores, commissaries and head office, whereas under IFRS 16 the current year does not. For comparability 'Pre-IFRS 16 Group EBITDA' is presented above.*

Group Statement of comprehensive income

for the year ended 31 December 2019

	2019	2018
	£	£
Loss for the period	(3,511,768)	(3,793,272)
Currency translation differences	(213,974)	(253,668)
Other comprehensive expense for the period, net of tax to be reclassified to profit or loss in subsequent periods	(213,974)	(253,668)
Total comprehensive income for the period	(3,725,742)	(4,046,940)

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 2019

	2019	2018
	£	£
Loss for the period	(657,357)	(581,725)
Total comprehensive income for the period	(657,357)	(581,725)

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 2019

	Notes	**2019**	2018
		£	£
Non-current assets			
Intangible assets	13	520,376	604,392
Property, plant and equipment	14	6,018,901	6,437,717
Leases - right of use assets	20	5,807,783	-
Trade and other receivables	17	1,651,358	1,730,633
Finance lease receivables	19	538,988	-
		14,537,406	8,772,742
Current assets			
Inventories	18	383,287	464,102
Trade and other receivables	17	2,288,085	1,931,434
Finance lease receivables	19	73,549	-
Cash and cash equivalents	22	3,592,402	1,957,916
		6,337,323	4,353,452
Total assets		20,874,729	13,126,194
Current liabilities			
Trade and other payables	23	(1,776,117)	(2,132,199)
Borrowings	24	(58,258)	(143,820)
Lease liabilities	21	(1,005,525)	-
Provisions		(16,717)	(27,296)
		(2,856,617)	(2,303,315)
Non-current liabilities			
Lease liabilities	21	(6,315,270)	-
Borrowings	24	(80,803)	(131,963)
		(6,396,073)	(131,963)
Total liabilities		(9,252,690)	(2,435,278)
Net assets		11,622,039	10,690,916
Equity			
Called up share capital	27	1,267,779	764,111
Share premium account		36,838,450	31,829,463
Capital reserve - own shares		(48,163)	(48,163)
Retained earnings		(26,421,390)	(22,053,832)
Currency translation reserve		(14,637)	199,337
Total equity		11,622,039	10,690,916

The financial statements were approved by the Board of Directors and authorised for issue on 21 May 2020 and were signed on its behalf by:

Iwona Olbryś
Director

Robert Morrish
Director

Company Balance Sheet

at 31 December 2019

	Notes	**2019** £	2018 £
Non-current assets			
Investments	15	30,273,155	28,143,784
		30,273,155	28,143,784
Current assets			
Trade and other receivables	17	401,879	273,130
Cash and cash equivalents	22	3,237,200	502,419
		3,639,079	775,549
Total assets		33,912,234	28,919,333
Current liabilities			
Trade and other payables	23	(72,884)	(86,699)
Net assets		33,839,350	28,832,634
Equity			
Called up share capital	27	1,267,779	764,111
Share premium account		36,838,450	31,829,463
Retained earnings		(4,266,879)	(3,760,940)
Shareholders' Equity		33,839,350	28,832,634

The financial statements were approved by the Board of Directors and authorised for issue on 21 May 2020 and were signed on its behalf by:

Iwona Olbryś
Director

Robert Morrish
Director

The loss relating to transactions in the financial statements of the parent company was £657,357 (2018: £581,726).

DP Poland plc's company registration number is 07278725

Group Statement of Cash Flows

for the year ended 31 December 2019

	Note	**2019**	2018
		£	£
Cash flows from operating activities			
Loss before taxation for the period		(3,511,768)	(3,793,272)
Adjustments for:			
Finance income		(160,186)	(129,315)
Finance costs		600,343	21,254
Depreciation, amortisation and impairment		2,246,949	1,793,258
Share based payments expense	28	151,418	239,268
Operating cash flows before movement in working capital		(673,244)	(1,868,807)
Decrease in inventories		60,368	142,777
(Increase) / decrease in trade and other receivable		(763,323)	313,459
Increase in trade and other payables		(282,634)	556,875
Cash used in operations		(1,658,833)	(855,696)
Taxation paid		-	-
Net cash used in operations		(1,658,833)	(855,696)
Cash flows from investing activities			
Payments to acquire software		(9,685)	(109,307)
Payments to acquire property, plant and equipment		(1,264,315)	(1,534,529)
Payments to acquire intangible fixed assets		(43,794)	(93,468)
Proceeds from disposal of property plant and equipment		6,641	714
Decrease/(increase) in loans to sub-franchisees	17	167,925	239,949
Interest received		24,501	20,544
Net cash used in investing activities		(1,118,727)	(1,476,097)
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital		5,512,655	1,357
Repayment of lease liabilities		(355,208)	-
Repayment of borrowings		(142,240)	(126,425)
Interest paid		(586,396)	(18,805)
Net cash from financing activities		4,428,811	(143,873)
Net increase / (decrease) in cash and cash equivalents		1,651,251	(2,475,666)
Exchange differences on cash balances		(16,765)	(72,329)
Cash and cash equivalents at beginning of period		1,957,916	4,505,911
Cash and cash equivalents at end of period	22	3,592,402	1,957,916

The principal non-cash transaction was the acquisition of property, plant and equipment under finance lease agreements as disclosed in note 20.

Company Statement of Cash Flows

for the year ended 31 December 2019

	Note	**2019**	2018
		£	£
Cash flows from operating activities			
Loss before taxation		(657,357)	(581,726)
Adjustments for:			
Finance income		(17,490)	(7,629)
Share based payments expense		104,641	114,429
Operating cash flows before movement in working capital		(570,206)	(474,926)
Increase in trade and other receivables		(128,749)	(23,759)
Decrease in trade and other payables		(13,815)	(47,887)
Cash used in operating activities		(712,770)	(546,572)
Cash flows from investing activities			
Equity investment in subsidiary company		(2,082,594)	(2,560,236)
Interest received		17,490	7,629
Net cash used in investing activities		(2,065,104)	(2,552,607)
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital		5,512,655	1,357
Net cash from financing activities		5,512,655	1,357
Net increase / (decrease) in cash and cash equivalents		2,734,781	(3,097,822)
Cash and cash equivalents at beginning of period		502,419	3,600,241
Cash and cash equivalents at end of period	22	3,237,200	502,419

Group Statement of Changes in Equity

for the year ended 31 December 2019

	Share capital £	Share premium account £	Retained earnings £	Currency translation reserve £	Capital reserve - own shares £	Total £
At 31 December 2017	762,754	31,829,463	(18,499,828)	453,005	(48,163)	14,497,231
Shares issued	1,357	-	-	-	-	1,357
Share based payments	-	-	239,268	-	-	239,268
Translation difference	-	-	-	(253,668)	-	(253,668)
Loss for the period	-	-	(3,793,272)	-	-	(3,793,272)
At 31 December 2018 *(as previously reported)*	764,111	31,829,463	(22,053,832)	199,337	(48,163)	10,690,916
Effect of change in accounting policy for initial application of IFRS 16	-	-	(1,007,208)	-	-	(1,007,208)
At 1 January 2019 *- as restated*	764,111	31,829,463	(23,061,040)	199,337	(48,163)	9,683,708
Shares issued	503,668	5,316,667	-	-	-	5,820,335
Expenses of share issue	-	(307,680)	-	-	-	(307,680)
Share based payments	-	-	151,418	-	-	151,418
Translation difference	-	-	-	(213,974)	-	(213,974)
Loss for the period	-	-	(3,511,768)	-	-	(3,511,768)
At 31 December 2019	**1,267,779**	**36,838,450**	**(26,421,390)**	**(14,637)**	**(48,163)**	**11,622,039**

Company Statement of Changes in Equity

for the year ended 31 December 2019

	Share capital £	Share premium account £	Retained earnings £	Total £
At 31 December 2017	762,754	31,829,463	(3,418,483)	29,173,734
Shares issued	1,357	-	-	1,357
Share based payments	-	-	239,268	239,268
Loss for the year	-	-	(581,725)	(581,725)
At 31 December 2018	764,111	31,829,463	(3,760,940)	28,832,634
Shares issued	503,668	5,316,667	-	5,820,335
Expenses of share issue	-	(307,680)	-	(307,680)
Share based payments	-	-	151,418	151,418
Loss for the year	-	-	(657,357)	(657,357)
At 31 December 2019	**1,267,779**	**36,838,450**	**(4,266,879)**	**33,839,350**

The share premium account is the premium paid on the Company's 0.5p Ordinary shares. The currency translation reserve is used to record exchange differences arising from the translation of the financial statements of the Group's foreign subsidiaries.

Notes to the Financial Statements

for the year ended 31 December 2019

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 2019 were authorised for issue by the Board of the Directors on 30 March 2020 and the balance sheets were signed on the Board's behalf by Iwona Olbryś and Robert Morrish. 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 (May 2020). 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 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. Other non-GAAP performance measures used are:

- System sales (the sum of all sales made by both sub-franchised and corporate stores to consumers)
- Like-for-like sales (same store sales for those stores which traded troughout the current and comparative period).

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 2019.

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 Group 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.

Adoption of new and revised standards - IFRS 16 Leases
In the current year, the Group has applied IFRS 16 Leases (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019. Details of the impact of the new standard in the financial statements are shown in note 2

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

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
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 and held to maturity investments. 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 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.

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. 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
The Group has applied IFRS 16 using the cumulative catch-up approach and therefore comparative information has not been restated and is presented under IAS 17. The details of accounting policies under both IAS 17 and IFRS 16 are presented separately below and details of the impact of IFRS 16 are set out in note 2.

Policies applicable from 1 January 2019
The Group as a lessee
The Group leases sixty-nine stores, one office, two commissaries and a number of vehicles. 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. The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.
The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Extension and termination options
In determining the lease liability, the Group considers the extension and termination options. For the majority of leases the Group has the right to extend the contract unilaterally, which does not need the consent of the landlord. Periods covered by an option to extend the lease term are included in the lease term if the lessee is reasonably certain to exercise that option. The same rationale applies to termination options. The term covered by a termination option is not included in the lease term if the lessee is reasonably certain not to exercise the option.

Critical judgements in determining the lease term
Leases are negotiated on an individual basis and contain a wide range of terms and conditions, such as early termination clauses and renewal rights. Termination clauses and renewal rights are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise a renewal right, or not exercise a termination clause. An adjustment to the lease term is only made if the lease is reasonably certain to be extended or not terminated.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated balance sheet. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy. Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss (see Note 31).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessor

The Group enters into lease agreements as an intermediate lessor with respect to stores operated by sub-franchisees.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The Group evaluates and classifies these subleases as either operating leases or finance leases. Where the sublease transfers substantially all of the risks and rewards arising from right-of-use asset from the head lease, the right-of-use asset from head lease is derecognised and a lease receivable equal to the net investment in the sublease is recognised. Where the sublease does not transfer substantially all of the risks and rewards arising from right-of-use asset from the head lease, the sublease is classified as an operating lease and rent received is recognised in the income statement on a straight line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

Policies applicable prior to 1 January 2019
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as a lessee
Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Group as a lessor
Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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 and 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 3.

Direct Costs

Direct costs comprises foods costs and direct store expenses.

Interest income

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

Going concern

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 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. However, the uncertainties around the Covid-19 pandemic and the possibility of further restrictions being imposed by the Polish authorities (which could have negative consequences including but not limited to stores being required to close or supply chains being disrupted), mean that a material uncertainty exists which may cast significant doubt on the Group's ability to continue as a going concern. Further details of the material uncertainty are set out in the Finance Director's Review

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 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 parent company's investment in DP Polska S.A. is shown at a historical cost of £30.3m at the year end. The impairment test carried out showed that the investment was not impaired. Had the discount rate used in the test been increased by 2% or the growth assumptions used in the test been reduced by 2%, this would still have resulted in no impairment to the carrying value. The Group has considered its market capitalisation as at 31 December 2019 as part of the impairment review as well as two external assessments of the Group's value which were carried out in September 2019. Although the Group's market capitalisation as at 31 December 2019 (which may be affected by negative market sentiment in the restaurant sector) was below the carrying value of the investment in DP Polska S.A. the Group has determined based on the present value of forecast future cash flows that no impairment is required.

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.

In applying IFRS 16 'leases' the Group uses estimates and judgement in determining the term of the lease (including extensions), the incremental borrowing rate to be used and the classification of sub-leases between operating leases and finance leases. Further details are shown in the Leases accounting policy above and in note 21.

2. IMPACT OF INITIAL APPLICATION OF IFRS 16: LEASES

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in Note 1. The impact of the adoption of IFRS 16 on the Group's consolidated financial statements is described below.

The date of initial application of IFRS 16 for the Group is 1 January 2019. The Group has applied IFRS 16 using the modified retrospective approach which:

- Requires the Group to recognise the cumulative effect of initially applying IFRS 16 on a retrospective basis to all leases in existence on 1 January 2019 as an adjustment to the opening balance of retained earnings at the date of initial application.

- Does not permit restatement of comparatives, which continue to be presented under IAS 17 and IFRIC 4.

(a) Impact of the new definition of a lease
The Group has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those leases entered or changed before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.The Group applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or changed on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract). In preparation for the first-time application of IFRS 16, the Group has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Group.

(b) Impact on Lessee Accounting
(i) Former operating leases
IFRS 16 changes how the Group accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet.

Applying IFRS 16, for all leases (except as noted below), the Group:
a) Recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments (including options to extend when they are expected to be used), with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with IFRS 16 requirements.

b) Recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss;

c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated statement of cash flows.
Lease incentives (e.g. rent free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses on a straight line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes tablets and personal computers, small items of office furniture and telephones), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within 'administrative expenses' in profit or loss.

The Group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying IAS 17.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Group has adjusted the right-of-use asset at the date of initial application by the amount of provision for onerous leases recognised under IAS 37 in the statement of financial position immediately before the date of initial application as an alternative to performing an impairment review.
- The Group has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.
- The Group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

(ii) Former finance leases

For leases that were classified as finance leases applying IAS 17, the carrying amount of the leased assets and obligations under finance leases measured applying IAS 17 immediately before the date of initial application is reclassified to right-of-use assets and lease liabilities respectively without any adjustments, except in cases where the Group has elected to apply the low-value lease recognition exemption.

The right-of-use asset and the lease liability are accounted for applying IFRS 16 from 1 January 2019.

(c) Impact on Lessor Accounting

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, IFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets. Under IFRS 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17). Because of this change, the Group has reclassified certain of its operating sublease agreements as finance leases and accounted for them as new finance leases entered into at the date of initial application. Where it is reasonably certain that a sub-franchisee will operate in a store for the remainder of the head lease term, including any extensions, then the sublease for that store is classified as a finance lease. For subleases where the Group considers that it retains a substantial interest in the risks and rewards associated with the right-of-use asset arising from the head lease, the accounting treatment has not changed. As required by IFRS 9, an allowance for expected credit losses has been recognised on the finance lease receivables.

(d) Financial impact of initial application of IFRS 16

The weighted average lessees incremental borrowing rate applied to lease liabilities recognised in the statement of financial position on 1 January 2019 is 7.72%.

The following table shows the operating lease commitments disclosed applying IAS 17 at 31 December 2018, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the statement of financial position at the date of initial application.

	£
Operating lease commitments at 31 December 2018	3,379,263
Effect of discounting the above amounts	(310,246)
Finance lease liabilities recognised under IAS 17 at 31 December 2018	3,069,017
Present value of the lease payments due in periods covered by extension options that are included in the lease term and not previously included in operating lease commitments	4,950,600
Lease liabilities recognised at 1 January 2019 on transition to IFRS 16	8,019,617
Right-of use assets recognised at 1 January 2019 on transition to IFRS 16	7,012,409
Impact on retained earnings as at 1 January 2019	(1,007,208)

The right-of-use assets, lease liabilities and corresponding adjustment to retained earnings recognised on 1 January 2019 as shown above are higher than those shown in the interim report to 30 June 2019. This is due to an increase in the Group's estimate of lease durations and an increase in the discount rate used in the calculations.

3. REVENUE

The Group's revenue arises from the sale of goods to consumers from corporate stores, from the sale of products and services to franchisees and the charging of royalties, fees and rent to franchisees. All of the revenue is derived in Poland.

Corporate store sales: Contracts with customers for the sale of products to end consumers include one performance obligation. The Group has concluded that revenue from the sale of products should be recognised at a point in time when control of the goods is transferred to the consumer, which is the point of delivery or collection. Sales are recorded approximately 30 minutes before delivery. Revenue is measured at the menu price less any discounts offered.

Royalties, franchise fees and sales to franchisees: Contracts with customers for the sale of products include one performance obligation, being the delivery of products to the end customer. The Group has concluded that revenue from the sale of products should be recognised at a point in time when control of the goods are transferred to the franchisee, generally on delivery. Revenue is recognised at the invoiced price less any estimated rebates. The performance obligation relating to royalties is the use of the Domino's brand. This represents a sales-based royalty with revenue recognised at the point the franchisee makes a sale to an end consumer. Revenue from franchisee fees is recognised when a franchisee opens a store for trading or on completion of sale of one or more stores to a third party, as this is the point at which all performance obligations have been satisfied.

Rental income on leasehold property: Rental income arising from leasehold properties where the lease is an operating lease is recognised on a straight-line basis in accordance with the lease terms. Rental payments are recognised over the period to which they relate. Under IFRS 16 'leases' rents received under finance leases are treated as capital repayments and interest receipts and are excluded from revenues.

Core revenues are ongoing revenues including sales to the public from corporate stores, sales of materials and services to sub-franchisees, royalties received from sub-franchisees and rents received from sub-franchisees. Other revenues are non-recurring transactions such as the sale of stores, fittings and equipment to sub-franchisees. Revenue recognised in the income statement is analysed as follows:

Revenue is divided into 'core revenues' and 'other revenues' as follows:

	2019	2018
	£	£
Core revenue	13,753,544	12,325,147
Other revenue	253,115	44,668
	14,006,659	12,369,815

Revenue is further analysed as follows:

	2019	2018
	£	£
Corporate store sales	9,928,348	8,326,906
Fixtures and equipment sales to sub-franchisees	253,115	44,668
Royalties and other sales to sub-franchisees	3,414,966	3,488,196
Rental income on leasehold property	410,230	510,045
	14,006,659	12,369,815

4. 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 contribution

	2019	**2019**	2018	2018
	£	**£**	£	£
	Corporate stores	Commissary	Corporate stores	Commissary
Revenues from external customers	9,928,348	4,078,311	8,326,906	4,042,909
Direct Costs - corporate stores	(8,505,697)		(7,706,068)	
Direct Costs - commissary (variable cost only)		(3,000,260)		(3,316,049)
Store EBITDA	1,422,651		620,838	
Commissary gross profit		1,078,051		726,860
Total segment profit		2,500,702		1,347,698
Unallocated expenses		(2,919,970)		(3,268,146)
GROUP EBITDA - excluding non-cash items, non-recurring items and store pre-opening expenses		(419,268)		(1,920,448)

Commissary direct costs shown above do not include labour and occupancy costs. These costs are shared across both segments as the commissary supplies corporate stores as well as supplying sub-franchisees. Corporate store direct costs include all costs directly attributable to operating the stores. Store EBITDA represents corporate store sales less store food costs and direct store expenses.

5. LOSS BEFORE TAXATION

This is stated after charging

		2019	2018
		£	£
Auditors and their	– audit of company and group financial statements	38,393	36,767
associates' remuneration	– tax compliance services	1,540	1,450
Directors' emoluments	– remuneration and fees	344,633	295,817
Amortisation of intangible fixed assets		129,906	136,734
Depreciation of property, plant and equipment		2,163,164	1,025,406
Impairment of property, plant and equipment		(46,121)	631,118
Operating lease rentals	– land and buildings	-	874,494
and after crediting			
Operating lease income from sub-franchisees		410,230	510,045
Foreign exchange gains /(losses)		(10,825)	(6,513)

6. OTHER NON-CASH AND NON-RECURRING ITEMS

	2019	2018
	£	£
Director's redundancy costs	(155,087)	-
VAT repayment received	-	378,427
Costs associated with VAT repayment claim	-	(73,005)
Bad orders	(53,063)	(42,011)
Exceptional sub-franchisee bad debt provision	103,172	(104,947)
Unrealised store projects	(10,204)	(20,162)
Loss on disposal of property, plant and equipment	(55,104)	-
Other non-cash and non-recurring items	(19,232)	(7,248)
	(189,518)	131,054

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.

7. STAFF COSTS

Details of directors' remuneration, which is included in the amounts below, are given in the remuneration report on pages 22 to 23.

	2019	2018
	£	£
Wages and salaries and directors' fees	4,072,397	3,547,955
Social security costs	446,898	437,949
Share based payments	151,418	239,268
	4,670,713	4,225,172

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

	2019	2018
	Number	Number
Operational	76	69
Administration	34	33
Total	110	102

8. FINANCE INCOME

	2019	2018
	£	£
Interest on short-term deposits	17,438	88,511
Unwinding of discount on loans to sub-franchisees	92,096	40,804
Finance income on sublease receivables	50,652	-
	160,186	129,315

9. FINANCE COSTS

	2019	2018
	£	£
Interest expense on lease liabilities	574,485	-
Other interest	25,858	21,254
	600,343	21,254

10. TAXATION

	2019	2018
	£	£
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:

	2019	2018
	£	£
Loss before tax	(3,511,768)	(3,793,272)
Tax credit calculated at applicable rate of 19%	(667,236)	(720,722)
Income taxable but not recognised in financial statements	78,813	88,861
Income not subject to tax	(60,497)	(91,395)
Expenses not deductible for tax purposes	456,901	1,092,933
Tax losses for which no deferred income tax asset was recognised	192,019	(369,677)
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.

11. LOSS ATTRIBUTABLE TO MEMBERS OF PARENT COMPANY

The loss relating to transactions in the financial statements of the parent company was £657,357 (2017: £581,726).

12. LOSS PER SHARE

The loss per ordinary share has been calculated as follows:

	2019 Weighted average number of shares	**2019 £** Profit / (loss) after tax	2018 Weighted average number of shares	2018 £ Profit / (loss) after tax
Basic	232,432,469	(3,511,768)	150,185,274	(3,793,272)
Diluted	232,432,469	(3,511,768)	150,185,274	(3,793,272)

The weighted average number of shares for the year excludes those shares in the Company held by the employee benefit trust. At 31st December 2019 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.

13. INTANGIBLE ASSETS

Group	**Franchise fees and intellectual property rights £**	**Software £**	**Capitalised loan discount £**	**Total £**
Cost:				
At 31 December 2017	464,586	334,152	245,550	1,044,288
Foreign currency difference	(7,979)	(4,017)	(4,457)	(16,453)
Additions	93,468	32,835	2,987	129,290
Disposals	-	(21,528)	-	(21,528)
Transfers	-	75,115	-	75,115
At 31 December 2018	550,075	416,557	244,080	1,210,712
Foreign currency difference	(24,623)	(18,453)	(5,783)	(48,859)
Additions	24,344	13,018	35,831	73,193
Disposals	(1,545)	(4,445)	(5,349)	(11,339)
At 31 December 2019	548,251	406,677	268,779	1,223,707
Amortisation				
At 31 December 2017	250,887	205,962	29,001	485,850
Foreign currency difference	(4,294)	(3,493)	(138)	(7,925)
Amortisation charged for the year	53,320	58,330	25,084	136,734
Disposals	-	(8,339)	-	(8,339)
At 31 December 2018	299,913	252,460	53,947	606,320
Foreign currency difference	(14,170)	(12,303)	(2,931)	(29,404)
Amortisation charged for the year	45,756	56,852	27,298	129,906
Disposals	-	(1,547)	(1,944)	(3,491)
At 31 December 2019	331,499	295,462	76,370	703,331
Net book value:				
At 31 December 2019	216,752	111,215	192,409	520,376
At 31 December 2018	202,557	67,163	173,044	604,392

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 11% discount rate, future store openings and the average Polish Zloty exchange rate for the year ended 31 December 2018. Further details of the assumptions made can be found on page 45. The fair value calculation indicates that no impairment is required. As at 31 December 2019, no reasonably anticipated change in the assumptions would give rise to a material impairment charge.

14. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold property £	Fixtures fittings and equipment £	Assets under construction £	Total £
Cost:				
At 31 December 2017	4,248,490	4,137,472	85,754	8,471,716
Foreign currency difference	(72,520)	(71,948)	(1,850)	(146,318)
Additions	888,497	520,025	255,268	1,663,790
Disposals	-	(40,253)	-	(40,253)
Transfers	53,332	182,354	(310,801)	(75,115)
At 31 December 2018	5,117,799	4,727,650	28,371	9,873,820
Adjustment on adoption of IFRS 16	9,388,181	-	-	9,388,181
Foreign currency difference	(643,491)	(209,355)	(1,429)	(854,275)
Additions	1,044,966	184,734	333,412	1,563,112
Disposals	(733,446)	(386,868)	-	(1,120,314)
Transfers	28,539	296,587	(325,126)	-
At 31 December 2019	14,202,548	4,612,748	35,228	18,850,524
Depreciation:				
At 31 December 2017	688,603	1,165,325	-	1,853,928
Foreign currency difference	(7,522)	(17,930)	-	(25,452)
Depreciation charged for the year	417,434	607,972	-	1,025,406
Impairment	552,910	78,208	-	631,118
Disposals	-	(48,897)	-	(48,897)
At 31 December 2018	1,651,425	1,784,678	-	3,436,103
Adjustment on adoption of IFRS 16	2,375,771	-		2,375,771
Foreign currency difference	(422,896)	(85,026)	-	(507,922)
Depreciation charged for the year	1,415,927	747,237	-	2,163,164
Impairment	-	(46,121)	-	(46,121)
Disposals	-	(397,155)	-	(397,155)
At 31 December 2019	5,020,227	2,003,613	-	7,023,840
Net book value:				
At 31 December 2019	9,182,321	2,609,135	35,228	11,826,684
At 31 December 2018	3,466,374	2,942,972	28,371	6,437,717

The prior year impairment charge of £631,118 relating to eight poorly performing corporate stores has been partially reversed in respect of 3 stores, resulting in a credit to the income statement of £46,121 in the current year.

Included in the net book value of leasehold property at 31 December 2019 are Right-of-Use assets relating to leases totalling £5,807,783 (2018: nil). Further details are shown in note 20.

15. NON CURRENT ASSET INVESTMENTS

	Group £	Company £
Investments in Group undertakings		
At 31 December 2017	-	25,458,709
Investment in subsidiary company - shares subscribed	-	2,560,236
Investment in subsidiary company - capital contribution		124,839
At 31 December 2018	-	28,143,784
Investment in subsidiary company - shares subscribed	-	2,082,594
Investment in subsidiary company - capital contribution		46,777
At 31 December 2019	-	30,273,155

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 plan and applying an 11% discount rate and concluded 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

The registered office of DP Polska S.A. is: ul Słomińskiego 19, lok. 508, 00-195 Warszawa, Poland

16. DEFERRED TAX

The Group has unused tax losses of £14,384,214 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: £1,246,860 in 2020; £1,753,326 in 2021; £1,896,875 in 2022; £2,095,537 in 2023 and £2,348,639 in 2024. UK tax losses carried forward at the balance sheet date were £5,042,977.

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.

17. TRADE AND OTHER RECEIVABLES

	Group 2019 £	Group 2018 £	**Company 2019 £**	Company 2018 £
Current				
Trade receivables	1,295,339	683,381	247,730	196,000
Other receivables	394,653	543,007	95,598	11,066
Prepayments and accrued income	204,823	307,396	58,551	66,064
Rent and supplier deposits	393,270	397,650	-	-
	2,288,085	1,931,434	401,879	273,130
Non-current				
Other receivables	1,651,358	1,730,633	-	-
At 31 December	3,939,443	3,662,067	401,879	273,130

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 includes Polish value added tax recoverable in future periods. No receivables are materially 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 2019 a provision against sub-franchisee receivables amounting to £5,895 was recognised (2018: £104,947).

18. INVENTORIES

	Group 2019 £	Group 2018 £	**Company 2019 £**	Company 2018 £
Raw materials and consumables	383,287	464,102	-	-
At 31 December	383,287	464,102	-	-

The cost of inventories recognised as an expense and included in cost of sales amounted to £4,755,807 (2018: £4,257,676)

19. FINANCE LEASE RECEIVABLES

Undiscounted lease payments analysed as:

	2019 £	**2018** £
Recoverable after 12 months	589,640	-
Recoverable within 12 months	73,549	-
At 31 December	73,549	-

Net investment in lease analysed as:

	2019 £	**2018** £
Recoverable after 12 months	538,988	-
Recoverable within 12 months	73,549	-
At 31 December	612,537	-

With sub-franchised stores, the Group enters into the head-lease and then grants a sub-lease to the sub-franchisee. Where the Group acts as an intermediate lessor, the Group evaluates and classifies these subleases as either operating leases or finance leases. Where the sublease transfers substantially all of the risks and rewards arising from right-of-use asset from the head lease, the right-of-use asset from head lease is derecognised and a lease receivable equal to the net investment in the sublease is recognised. Where the sublease does not transfer substantially all of the risks and rewards arising from right-of-use asset from the head lease, the sublease is classified as an operating lease and rent received is recognised in the income statement on a straight line basis over the lease term.

	2019	**2018**
	£	£
Amounts receivable under finance leases		
2020	73,549	-
2021	73,549	-
2022	73,549	-
2023	73,549	-
2024	73,549	-
Onwards	295,444	-
Undiscounted lease payments	663,189	-
Less: unearned finance income	(50,652)	-
Net investment in the lease	612,537	-

	2019	**2019**
	£	£
Finance income on the net investment in finance leases	50,652	-

20. LEASES - GROUP AS A LESSEE

Right of Use Assets

Cost:	**Leasehold property £**	**Total £**
At 01 January 2019	9,388,181	9,388,181
Foreign currency difference	(407,032)	(407,032)
Additions	274,832	274,832
Disposals	(476,807)	(476,807)
Transfers		
At 31 December 2019	8,779,174	8,779,174
Accumulated depreciation		
At 01 January 2019	2,375,771	2,375,771
Foreign currency difference	245,598	245,598
Charge for the year	350,022	350,022
At 31 December 2019	2,971,391	2,971,391
Carrying amount		
At 31 December 2019	5,807,783	5,807,783

The Group's portfolio of leases consists of 72 leases over sixty-nine store premises, one office and two commissaries. Leases generally have an initial term of 10 years, with an option to extend for an additional period of between 5 and 10 years. Rents payable are generally reviewed at five year intervals.

Amounts recognised in profit and loss	**2019** £	**2018** £
Depreciation expense on right-of-use assets	350,022	-
Interest expense on lease liabilities	574,485	-

	2019 £	**2018** £
The total cash outflow for leases amounted to	1,538,680	-

21. LEASE LIABILITIES

	2019 £	**2018** £
Total lease liabilities	7,320,795	-
Analysed as:		
Non-current	6,315,270	-
Current	2,856,617	-

Maturity analysis	**2019** £	
2020	1,118,723	-
2021	1,016,645	-
2022	933,402	-
2023	979,767	-
2024	1,027,837	-
Onwards	2,244,421	-

It is the Group's policy to lease certain of its fixtures and equipment under leases. The average lease term is 10 years. For the year ended 31 December 2019, the average effective borrowing rate was 7.72 per cent. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. All lease obligations are denominated in Polish Zloty, Euros or US Dollars

The fair value of the Group's lease obligations as at 31 December 2019 is estimated to be £7,320,795 using 7.72% discount rate. This is based on a the rate for Polish Government bonds with a similar maturity to the lease terms and adding a credit margin that reflects the secured nature of the lease obligation.

The Group's obligations under leases are secured by the lessors' rights over the leased assets.

22. CASH AND CASH EQUIVALENTS

	Group **2019** **£**	Group 2018 £	**Company** **2019** **£**	Company 2018 £
Cash at bank and in hand	3,592,402	1,957,916	3,237,200	502,419
At 31 December	3,592,402	1,957,916	3,237,200	502,419

23. TRADE AND OTHER PAYABLES

	Group 2019 £	Group 2018 £	**Company 2019 £**	Company 2018 £
Current				
Trade payables	1,093,471	1,536,041	14,031	28,484
Other payables	140,973	183,691	1,345	7,616
Accrued expenses	541,673	412,467	57,508	50,599
At 31 December	1,776,117	2,132,199	72,884	86,699

24. BORROWINGS

	Group 2019 £	Group 2018 £	**Company 2019 £**	Company 2018 £
Current interest bearing borrowings				
Finance lease liabilities	58,258	143,820	-	-
At 31 December	58,258	143,820	-	-

	Group 2019 £	Group 2018 £	**Company 2019 £**	Company 2018 £
Non current interest bearing loans and borrowings				
Finance lease liabilities	80,803	131,963	-	-
At 31 December	80,803	131,963	-	-

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 2019 £	Group 2018 £	**Company 2019 £**	Company 2018 £
No later than 1 year	59,791	163,783	-	-
Later than 1 year and no later than 5 years	159,562	141,400	-	-
Later than 5 years	-	-	-	-
Future finance charges on finance leases	80,292	29,400	-	-
Present value of finance lease liabilities	139,061	275,783	-	-

25. ANALYSIS OF MOVEMENTS IN NET FUNDS

	01 January 2019 £	Cash flows £	Foreign exchange movements £	31 December 2019 £
Cash and cash equivalents	1,957,916	1,651,251	(16,765)	3,592,402
Borrowings: finance leases - current	(143,820)	85,562	-	(58,258)
Borrowings: finance leases - non-current	(131,963)	51,160	-	(80,803)
Lease liabilities - current	(985,865)	(19,660)	-	(1,005,525)
Lease liabilities - non-current	(7,033,752)	718,482	-	(6,315,270)
Net debt	(6,337,484)	2,486,795	(16,765)	(3,867,454)

26. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2019	**2019**	2018	2018
	Loans and receivables	**Financial liabilities at amortised cost**	Loans and receivables	Financial liabilities at amortised cost
	£	**£**	£	£
GROUP				
Financial Assets				
Cash at bank	3,592,402		1,957,916	
Trade receivables	1,295,339		683,381	
Other receivables - current	394,653		543,007	
Other receivables - non current	1,651,358		1,730,633	
Sublease receivables	538,988		-	
Total	7,472,740		4,914,937	
Financial Liabilities				
Trade payables		(1,093,471)		(1,536,041)
Overdraft				
Finance leases - current		(58,258)		(143,820)
Finance leases - non current		(80,803)		(131,963)
Other liabilities - current		(140,973)		(183,691)
Lease liabilities - current		(1,005,525)		
Lease liabilities - non current		(6,315,270)		
Accruals - current		(541,673)		(412,467)
Total		(9,235,973)		(2,407,982)
Net	(1,763,233)		2,506,955	

	2019	**2019**	2018	2018
	Loans and receivables	**Financial liabilities at amortised cost**	Loans and receivables	Financial liabilities at amortised cost
	£	**£**	£	£
COMPANY				
Financial Assets				
Cash at bank	3,237,200		502,419	
Trade receivables	247,730		196,000	
Other receivables	95,598		11,066	
Total	3,580,528		709,485	
Financial Liabilities				
Trade payables		(14,031)		(28,484)
Other liabilities - current		(1,345)		(7,616)
Accruals		(57,508)		(50,599)
Total		(72,884)		(86,699)
Net	3,507,644		622,786	

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 significantly past due or impaired.

Maturity of the Group's financial liabilities

	2019	**2019**	**2019**	2018	2018	2018
	Finance leases	**Trade and other payables**	**Total**	Finance leases	Trade and other payables	Total
	£	**£**	**£**	£	£	£
Due within one year	58,258	1,776,117	1,834,375	143,820	2,132,199	2,276,019
Due within two to five years	80,803	-	80,803	131,963	-	131,963
Due after five years	-	-	-	-	-	-
	139,061	1,776,117	1,915,178	275,783	2,132,199	2,407,982

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:

	2019	2018
Assets	**£**	£
Polish Zlotys	2,676,207	2,708,264
Liabilities		
Polish Zlotys	9,423,342	2,528,088

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 £1,349,427. 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 £35,924.

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.

Impairment of financial assets
The Group recognises an allowance for expected credit losses (‘ECLs’) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs and recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision procedure that is based on the percentage cost if insuring its receivables against loss from default. Historic credit loss experience, adjusted for forward-looking factors specific to the debtors, the economic environment and relevant security and guarantees from sub-franchisees are also taken into account. The movement in the allowance for

	2019	2018
	£	£
Balance at 01 January	105,490	-
Impairment loss made during the year	5,795	105,490
Reversal of previously recognised impairment loss	(103,172)	
Balance at 31 December	**8,113**	105,490

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.

27. SHARE CAPITAL

		2019	2018
		£	£
Called up, allotted and fully paid:			
253,555,798 (2018: 152,822,131)	Ordinary shares of 0.5 pence each	1,267,779	764,111

Movement in share capital during the period

	Number	Nominal value	Consideration
		£	£
At 31 December 2017	152,550,704	762,754	34,871,212
Management share awards 2018	271,427	1,357	1,357
At 31 December 2018	152,822,131	764,111	34,872,569
Placing February 2019	96,666,666	483,333	5,800,000
Management share awards 2019	557,261	2,786	2,786
Share options exercised 2019	3,509,740	17,549	17,549
At 31 December 2019	253,555,798	1,267,779	40,692,904

The Company does not have an authorised share capital.

DP Poland Employee Benefit Trust ("EBT")

The trustee of the EBT holds 2,482,930 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 £51,565 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 £117,938 at 31 December 2019.

28. SHARE BASED PAYMENTS

	Group 2019	Group 2018
	£	£
Share based payments expense	151,418	239,268

During the period ended 31 December 2019 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 estimates of future volatility based on historic volatility and current market conditions .

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
03 May 2016	0.5 pence	50%	0.90%	-	3 Years	£0.2504
22 May 2017	0.5 pence	50%	0.90%	-	3 Years	£0.4557
11 January 2018	0.5 pence	50%	0.50%	-	3 Years	£0.4115
01 June 2018	0.5 pence	50%	0.50%	-	2 Years	£0.3331
11 October 2018	0.5 pence	50%	0.50%	-	3 Years	£0.3062
14 May 2019	0.5 pence	50%	0.50%	-	3 Years	£0.0865

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

	2019	2018
Share Incentive Plan	42,735	76,297
Other Share Options	117,232	92,616
Long Term Incentive Share Option Plan	(8,549)	70,355
	151,418	239,268

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 31.12.18 No.	Awarded in period No.	Exercised in period No.	Lapsed in period No.	Outstanding 31.12.19 No.
JOSS 25 June 2010	23.08 pence + 3% per annum	383,936	-	-	100,000	283,936
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	-	51,948	-	279,221
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
SIP 24 May 2017	n/a	191,490	-	-	-	191,490
SIP 24 May 2018	n/a	173,913	-	-	-	173,913
Share options 19 December 2014	0.5 pence	3,250,125	-	3,250,125	-	-
Share options 03 May 2016	0.5 pence	2,571,307	-	259,615	1,789,303	522,389
Share options 22 May 2017	0.5 pence	206,770	-	-	-	206,770
Share options 11 January 2018	0.5 pence	96,000	-	-	-	96,000
Share options 01 June 2018	0.5 pence	88,236	-	-	-	88,236
Share options 11 October 2018	0.5 pence	355,469	-	-	-	355,469
Share options 14 May 2019	0.5 pence	-	1,040,461			
2018 performance bonus share awards	0.5 pence	-	346,040	346,040	-	-
2019 performance bonus share awards	0.5 pence	-	211,221	211,221	-	-

The weighted average remaining contractual life of outstanding share options is 1.77 years (2018: 1.77 years). The number share options exercisable at 31 December 2019 was 3,250,125 with a weighted average exercise price of 0.5 pence.

29. 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 2018 £
Within one year	1,089,075
Within two to five years	2,266,212
In more than five years	23,976
At 31 December	3,379,263

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 2019 £	Land and buildings 2018 £
Within one year	445,657	510,045
Within two to five years	1,782,914	1,162,246
In more than five years	-	-
At 31 December	2,228,571	1,672,291

30. CAPITAL COMMITMENTS

At 31 December 2019, amounts contracted for but not provided in the financial statements for the acquisition of property, plant and equipment amounted to £nil (2018: £474,608) for the Group.

31. 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 2019 £	Group 2018 £
Short-term employee benefits	344,633	310,216
Share-based payments	100,724	87,638
At 31 December	445,357	397,854

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 2019 (2018: £50,000). The balance owed by DP Polska S.A. to DP Poland plc as at 31 December 2019 was £246,000 (2018: £196,000). Included in the parent company's year end balance sheet is an amount of £50,000 in respect of accrued income for the 2019 management charge not yet invoiced (2018: £50,000)

32. EVENTS AFTER THE BALANCE SHEET DATE

With effect from Saturday, 14 March 2020, the Polish government imposed similar 'lock down' restrictions to those now prevailing in the UK, including confining people to their homes except for essential activities While, as part of these restrictions, all restaurants, clubs, bars, and cafes are closed to the public, restaurants are permitted to provide food deliveries. Other public spaces such as gyms, swimming pools, museums, libraries, cinemas and theatres are also all closed.

The Group therefore continues to trade, making deliveries from all of its 69 stores. The Group's online ordering of delivery sales, which supports online payment for food orders, is proving attractive to customers in the prevailing environment. In addition we have introduced a Contactless Delivery and Contactless Carry-out process for customers, which have been well received. We are currently seeing reductions in the cost of ingredients, particularly in cheese - a key component of most pizzas. In addition, in recent weeks the recruitment market has improved markedly for us.

From 18 May 2020 the Polish government has permitted dine-in restaurants in Poland to re-open. There are requirements for social distancing to be in place and additional measures to minimise the risk of Covid-19 transmission.

Notice of Annual General Meeting

NOTICE is hereby given that the Annual General Meeting of DP Poland plc (the "Company") will be held at Shafts Farm, West Meon, Hampshire GU32 1LU on 26 June 2020 at 09.00 a.m.

Coronavirus (Covid-19)

In response to the Coronavirus (Covid-19) pandemic, the UK Government has introduced regulations to prevent individuals engaging in non-essential travel and attending public gatherings of more than two people, save where essential for work purposes ("Stay at Home Measures"). As a result this year's AGM is expected to be held in a format different to that of previous years.

In light of the guidance concerning the holding of general meetings in the present circumstances published by The Chartered Governance Institute (ICSA) and in order to ensure that shareholders are able to comply with the Stay at Home Measures, the Board has concluded that shareholders should not be permitted to attend this year's AGM. Shareholders are therefore requested to have regard to their own safety and that of others and not to travel to the meeting. Any shareholders attempting to gain access to the AGM will be excluded from the meeting on grounds of public safety. Our advisers and other guests have also been asked not to attend.

While the Coronavirus pandemic restricts our ability to follow our usual AGM format, we are still legally required to hold our AGM and we intend to do so using the 'essential for work purposes' exemption under the Government regulations. This requires shareholder attendance at the AGM to be limited to the two shareholders required to form a quorum under our Articles of Association. The Company intends to facilitate the establishment and maintenance of the necessary quorum at the AGM in order that the formal business of the meeting can still be carried out.

Whilst shareholders will not be permitted to attend the 2020 AGM in person, they will still be able to ensure their votes are counted by submitting their proxies in advance. Shareholders wishing to appoint a proxy for this purpose should appoint the Chairman of the meeting. Any shareholder appointing someone other than the Chairman of the meeting to be their proxy, should note that person will not be permitted to attend the 2020 AGM and will therefore be unable to cast the shareholder's vote.

Given that in the present circumstances shareholders will not be permitted to attend the 2020 AGM, the Chairman will propose that each of the resolutions at the meeting should be voted on by way of a poll.

The Board continues to monitor the evolving impact of the pandemic with the heath and safety of the Company's shareholders, customers, colleagues and communities its priority. Should it become necessary or appropriate to make changes to the proposed format of the 2020 AGM, shareholders will be informed as soon as possible. Shareholders are encouraged to monitor the Company's announcements via the Regulatory News Service.

Dealing with paper proxies requires physical interaction such as posting, sorting and delivery, evaluation and manual input. Shareholders should therefore note that in the present circumstances any tasks requiring a physical interaction may be subject to disruption and there can be no guarantee that a paper proxy will be delivered in sufficient time for a shareholder's vote to be counted. The Board therefore strongly recommends that CREST members submit their voting instructions electronically through the CREST electronic proxy appointment service, as their vote will then be counted automatically.

The following resolutions will be considered and if thought fit passed at the 2020 AGM, as to which resolutions 1 to 5 will be proposed as ordinary resolutions and 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 2019, together with the Directors' report and the Auditors' report thereon.
2. To re-appoint Crowe U.K. 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 elect as a Director, Iwona Olbryś, who retires in accordance with the Company's Articles of Association and who being eligible, offers herself for re-election.

4. 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.

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 £422,592 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 £422,592 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 such 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 any of such securities to be allotted after such expiry and the Directors may allot 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 any 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 above, 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 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 £126,777, 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:
Elder House,
St Georges Business Park,
207 Brooklands Road,
Weybridge, Surrey
KT13 0TS

Patrick Michael Bodenham
Company Secretary
Dated: 21 May 2020

Notes:

Your attention is drawn to the statement on page 1 of this Notice and Note 1 below concerning the impact of the ongoing Covid-19 pandemic. As a result, the Board has concluded that in the present circumstances members will not be permitted to attend the Annual General Meeting in person and that any member travelling to the Annual General Meeting should be denied access to the meeting. However, the Company intends to facilitate the establishment of the necessary quorum at the meeting in order that the formal business of the meeting can still be carried out.

1. Notwithstanding the information contained in notes 2 to 20 below and the rights of shareholders set out in the Act and the Company's Articles of Association, in light of the present concerns surrounding the Coronavirus (Covid-19) pandemic and the restrictions imposed the UK Government’s Stay at Home Measures, members will not be permitted to attend the Annual General Meeting in person but instead, may if they wish to do so, submit proxy votes by appointing the Chairman of the meeting as their proxy in accordance with the notes to this Notice and the instructions in the proxy form.

2. 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. The right to appoint a proxy is subject to the restrictions referred to in Note 1. In addition, the attention of members is drawn to Note 4 below, concerning arrangements for the appointment of the Chairman of the meeting to act as a proxy.

3. The appointment of a proxy does not preclude a member of the Company from attending the meeting and voting in person. However, as indicated in Note 1 above, in the present circumstances members will not be permitted to attend and vote at the meeting.

4. 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. In the present circumstances, any member wishing to appoint a proxy to submit proxy votes at the meeting, should appoint as their proxy the Chairman of the meeting, as no other person will be permitted to attend the meeting to vote on such member’s behalf. To appoint the Chairman of the meeting as a proxy, the proxy form accompanying this Notice should be signed and returned without inserting any other person’s name in place of that of the Chairman of the meeting.

5 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.

6. 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.

7. To appoint a proxy using the form accompanying this Notice, the proxy form must be:
   - completed and signed;
   - sent or delivered to SLC Registrars. Elder House, St Georges Business Park, 207 Brooklands Road, Weybridge, Surrey KT13 0TS;
   - or by scanning a signed copy and emailing this to office@slcregistrars.com;] and
   - received by SLC Registrars no later than 09.00 a.m. on 24 June 2020.

8. 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.

9. 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-name being the most senior).

10. 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.

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

12. 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.

13. 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 24 June 2020 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 that time or, in the event that the meeting is adjourned, after 6.30 p.m. 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.

14. 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.

15. 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 09.00 a.m. on 24 June 2020. 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.

16. 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.

17. 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.

18. 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.

19. 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 2019, the Directors were given general authority, which will expire on conclusion of the meeting, to allot a maximum of £415,814 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

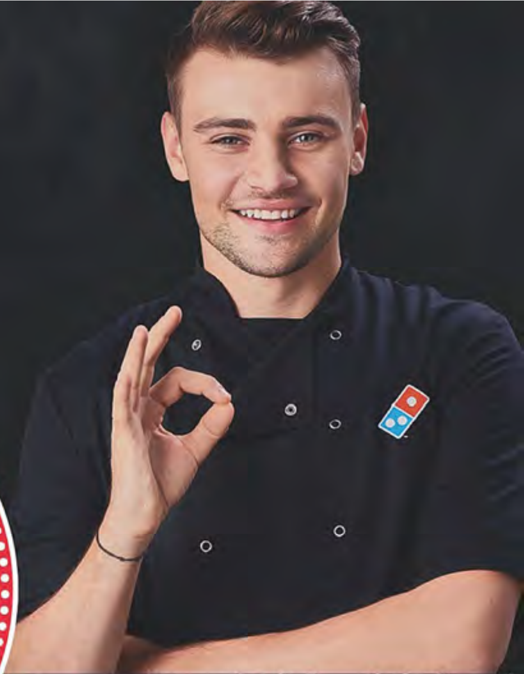
aggregate nominal value of £422,592, representing approximately one-third of the issued ordinary share capital of the Company as at the date of this Notice. The Directors were also given authority at the annual general meeting held in 2019, to allot up to a further one-third of the existing issued share 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 £422,592, 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 2021 AGM, whichever is the earlier.

20. 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 £126,777, 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 2021 AGM, whichever is the earlier.

Domino's

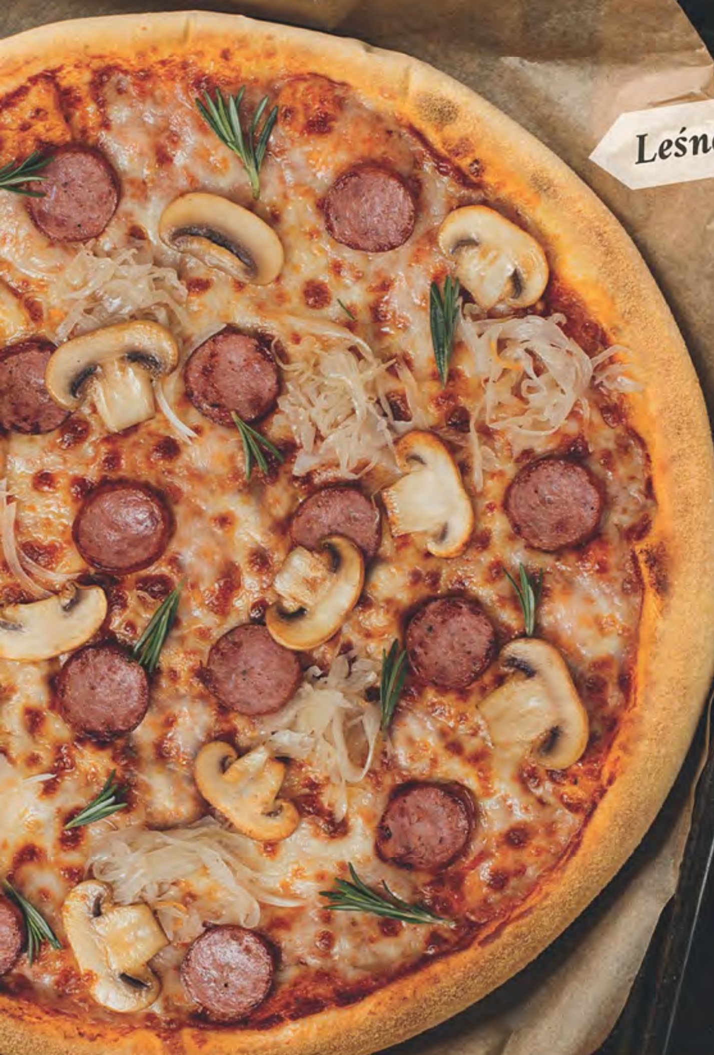
NAJLEPSZE SKŁADNIKI, SPRAWDZONA JAKOŚĆ

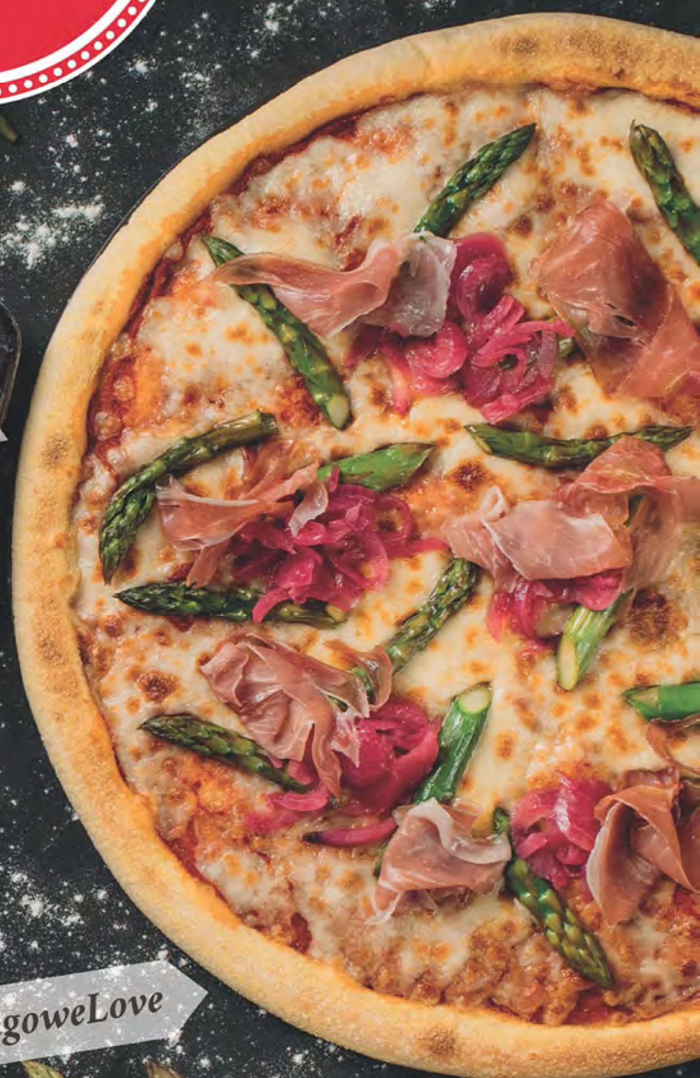


EDYCJA LIMITOWANA

Damiana Kordasa

29,90 DUŻA





Akceptujemy karty płatnicze:
- w lokalu
- w dostawie online

Domino's Pizza
ul. Gagarina 27
Wrocław

Zamów online
i śledź swoje zamówienie
dominospizza.pl

Zadzwoń i zamów 71 661 30 04

What's NEW?

6 STORE OPENINGS

Rumia
Gdynia 2
Gdańsk 4
Tczew
Koszalin
Elbląg
Olsztyn
Szczecin 3
Bydgoszcz 3
Toruń
Białystok 2
Płock
Legionowo
Warszawa 19
Gorzów Wielkopolski
Poznań
Pruszków
Piaseczno
Zielona Góra
Kalisz
Łódź 2
Radom
Legnica
Wrocław 6
Lublin
Opole
Gliwice
Katowice 2
Kraków 5
Rzeszów
Bielsko-Biała

69 stores YE 2019

PRODUCT INNOVATION