

Company registration number 11897926 (England and Wales)

CAMPANA LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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CAMPANA LTD

COMPANY INFORMATION

Directors	Mrs J T Symons Mrs J Brown
Company number	11897926
Registered office	Value House Clovelly Road Industrial Estate Bideford Devon EX39 3HN
Auditor	Simpkins Edwards Audit LLP Michael House Castle Street Exeter Devon EX4 3LQ
Business address	Value House Clovelly Road Industrial Estate Bideford Devon EX39 3HN

CAMPANA LTD

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CAMPANA LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Fair review of the business

The principal activity of the company continued to be the operation of Franchised Taco Bell restaurants.

Key financials:

	2022	2021 (9 months)	2021 (Annualised)
Turnover	£14,611,482	£7,145,519	£9,527,359
Gross Profit Margin	55%	63%	63%
EBITDA	£621,216	£1,248,526	£1,664,701

The company opened its first Taco Bell store in December 2019 and the number of stores has increased annually since then, which is reflected in the continuing growth in turnover.

With that growth in the number of locations comes increasing overhead costs relating specifically to the marketing of new stores, recruitment and training of staff and an initial trading period during which costs can be high relative to income.

The year to 31 December 2022 saw the return of output VAT rates to normal levels, following reduced rates in the previous year as part of the Government's stimulus package for the hospitality sector in response to the impact of the Covid-19 pandemic. That is reflected in the year on year change in gross profit percentage.

Results were also impacted by global factors, including the Russian invasion of Ukraine, which resulted in steep rises in key input prices, particularly in relation to food costs and utilities prices. Sales prices were kept at a level aimed at ensuring retention of customers and market share and that is also reflected in the change in profit margin from 2021 to 2022.

Future developments

Further Taco Bell stores have been opened since the year end and the directors' strategy is to continue to grow the number of locations, supported by continuing capital investment.

The directors and key management have a wealth of experience in the food industry and undertake appropriate due diligence in all cases where a new location is under consideration, aiming to ensure that all new stores have the best chance of success.

Sales price adjustments and some easing of input prices since year end are expected to see profit margins strengthening in the current year.

Principal risks and uncertainties

The directors and management team monitor carefully the potential risks and uncertainties faced by the business, including those referred to above regarding general economic factors, which can affect input costs. In addition to raw materials and utilities costs, Government policy on National Minimum Wage also impacts upon the company's cost base and requires management through appropriate pricing of products and the careful monitoring of key performance indicators to ensure efficiencies across the company's locations.

Factors such as the Covid-19 pandemic and the current situation with high inflation and rising costs of living have the potential to impact on the company's sales. However, the directors are positive about the turnover achieved during recent adverse economic conditions.

The company is supported in its operations and marketing via the association with the Taco Bell franchisor and benefits from the high profile of the brand. The company takes seriously its responsibility to protect and promote that brand by having processes in place to ensure that customers are given the best possible experience.

CAMPANA LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Financial Instruments and risk management

As a retail-based business, cash is generally received at the point of sale of products. Bank credit balances and supplier credit terms provide the financing for the company's day to day operations and working capital requirements.

Capital investment in new stores and associated fixtures and fittings is funded through a range of facilities including finance leases, hire purchase agreements, bank loans and loans from connected companies.

The company's financing facilities predominantly bear interest at fixed rates so that exposure to increases in Bank of England Base Rate is limited.

The servicing of financing facilities and associated liquidity risk is managed by forecasting cash flow from trading activities in order to ensure that obligations can be met at all times.

On behalf of the board


.....

Mrs J Brown
Director

Date: 12/5/23

CAMPANA LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company continued to be the operation of Franchised Taco Bell restaurants.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mrs J T Symons

Mrs J Brown

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Auditor

Simpkins Edwards Audit LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board


.....
Mrs J Brown

Director

Date: 12/5/23

CAMPANA LTD

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the company 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 accounting estimates that are reasonable and prudent;
- 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.

CAMPANA LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAMPANA LTD

Opinion

We have audited the financial statements of Campana Ltd (the 'company') for the year ended 31 December 2022 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 company 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Comparative figures

The comparative figures in these financial statements were not audited. However, this has not resulted in a qualification of this audit report.

Opinions 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.

CAMPANA LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CAMPANA LTD

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 directors

As explained more fully in the directors' responsibilities statement, 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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. In so doing, we considered the following:-

- The nature of the company, its control environment and performance indicators;
- Results of our enquiries of management and directors regarding their own identification and assessment of the risks of irregularities; and
- the matters discussed among the audit engagement team regarding how and where irregularities might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in relation to the recognition of revenue. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

CAMPANA LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CAMPANA LTD

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context relate to Food Hygiene Regulations and the UK Companies Act.

Our procedures in response to the risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation;
- understanding and evaluating the design and implementation of management controls;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates, in particular, in relation to income recognition;
- review of food hygiene assessments, legal and professional costs and correspondence with insurers; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.



Jonathan Williams BSc ACA CTA

Senior Statutory Auditor

For and on behalf of Simpkins Edwards Audit LLP

Date: 12/5/23.....

**Chartered Accountants
Statutory Auditor**

Michael House
Castle Street
Exeter
Devon
EX4 3LQ

CAMPANA LTD

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2022

		Year ended 31 December 2022 £	Period ended 31 December 2021 £
	Notes		
Turnover	3	14,611,482	7,145,519
Cost of sales		(6,527,236)	(2,671,709)
Gross profit		8,084,246	4,473,810
Administrative expenses		(8,129,114)	(3,439,204)
Other operating income		132,000	35,091
Operating profit	4	87,132	1,069,697
Interest payable and similar expenses	7	(164,015)	(33,704)
(Loss)/profit before taxation		(76,883)	1,035,993
Tax on (loss)/profit	8	196,601	(114,575)
Profit for the financial year		119,718	921,418
Retained earnings brought forward		1,317,413	395,995
Retained earnings carried forward		1,437,131	1,317,413

The profit and loss account has been prepared on the basis that all operations are continuing operations.

CAMPANA LTD

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	9	146,808		164,527	
Tangible assets	10	6,650,911		4,061,505	
			6,797,719		4,226,032
Current assets					
Stocks	11	182,721		95,671	
Debtors	12	774,539		970,053	
Cash at bank and in hand		1,076,033		1,521,424	
			2,033,293		2,587,148
Creditors: amounts falling due within one year	13	(3,982,880)		(3,699,677)	
Net current liabilities			(1,949,587)		(1,112,529)
Total assets less current liabilities			4,848,132		3,113,503
Creditors: amounts falling due after more than one year	14		(3,383,750)		(1,587,840)
Provisions for liabilities					
Deferred tax liability	17	27,151		208,150	
			(27,151)		(208,150)
Net assets			1,437,231		1,317,513
Capital and reserves					
Called up share capital	19	100		100	
Profit and loss reserves		1,437,131		1,317,413	
Total equity			1,437,231		1,317,513

The financial statements were approved by the board of directors and authorised for issue on 12/5/23 and are signed on its behalf by:



 Mrs J Brown
 Director

Company Registration No. 11897926

CAMPANA LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	22	1,951,826		1,564,342	
Interest paid		(164,015)		(33,704)	
Net cash inflow from operating activities		1,787,811		1,530,638	
Investing activities					
Purchase of intangible assets		-		(177,185)	
Purchase of tangible fixed assets		(1,797,160)		(616,101)	
Net cash used in investing activities		(1,797,160)		(793,286)	
Financing activities					
Proceeds from new bank loans		-		548,100	
Repayment of bank loans		(165,529)		(114,722)	
Payment of finance leases obligations		(270,513)		(21,791)	
Net cash (used in)/generated from financing activities		(436,042)		411,587	
Net (decrease)/increase in cash and cash equivalents		(445,391)		1,148,939	
Cash and cash equivalents at beginning of year		1,521,424		372,485	
Cash and cash equivalents at end of year		1,076,033		1,521,424	

CAMPANA LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Campana Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Value House, Clovelly Road Industrial Estate, Bideford, Devon, EX39 3HN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reporting period

The financial statements for the current accounting period reflect results of a twelve month period, the comparative results presented reflect a nine month trading period and are therefore not entirely comparable.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT.

Restaurant income is recognised at the point of despatch of food and beverage items.

1.5 Intangible fixed assets

Initial franchise fees are initially measured at cost and subsequently measured at cost net of amortisation.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Franchise fees	10% per annum on cost
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1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Straight line over the lease term
Plant and equipment	10% per annum on cost
Fixtures and fittings	10% per annum on cost
Office equipment	15% per annum on cost

CAMPANA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials that have been incurred in bringing the stocks to their present location and condition.

1.8 Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade debtors and other debtors and creditors; and
- Cash and bank balances.

All of these financial instruments are classified as basic.

Recognition and measurement

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or in the case of liabilities when the company's contractual obligations expire or are discharged or cancelled.

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking into account any impairment adjustments.

1.9 Taxation

The tax expense represents deferred tax.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

CAMPANA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.11 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The key area of judgement in relation to these financial statements is in the determination of the accruals in respect of utilities costs, particularly for new stores where there is not a billing history.

3 Turnover and other revenue

	2022 £	2021 £
Turnover analysed by class of business		
Operation of Taco Bell Restaurants	14,611,482	7,145,519
	<u> </u>	<u> </u>
	2022 £	2021 £
Other revenue		
Grants received	32,000	35,091
Management fees received	100,000	-
	<u> </u>	<u> </u>

CAMPANA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(3,105)	-
Government grants	(32,000)	(35,091)
Depreciation of owned tangible fixed assets	255,727	166,171
Depreciation of tangible fixed assets held under finance leases	260,638	35,939
Amortisation of intangible assets	17,719	12,658
Operating lease charges	767,998	226,961

5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	10,000	-

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Retail and operations	417	223
Directors	2	2
Total	419	225

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	4,218,268	1,824,894
Social security costs	197,976	81,275
Pension costs	32,861	14,068
	4,449,105	1,920,237

7 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank loans	46,484	21,532
Interest on finance leases and hire purchase contracts	117,531	12,172
	164,015	33,704

CAMPANA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Taxation

	2022 £	2021 £
Current tax		
Adjustments in respect of prior periods	(15,602)	-
Deferred tax		
Origination and reversal of timing differences	(180,999)	114,575
Total tax (credit)/charge	(196,601)	114,575

The actual (credit)/charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
(Loss)/profit before taxation	(76,883)	1,035,993
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(14,608)	196,839
Adjustments in respect of prior years	(15,602)	-
Effect of change in corporation tax rate	6,516	-
Permanent capital allowances in excess of depreciation	(88,263)	(77,945)
Depreciation on assets not qualifying for tax allowances	3,694	1,074
Amortisation on assets not qualifying for tax allowances	3,367	2,405
Under/(over) provided in prior years	(91,705)	(7,798)
Taxation (credit)/charge for the year	(196,601)	114,575

9 Intangible fixed assets

	Franchise fees £
Cost	
At 1 January 2022 and 31 December 2022	177,185
Amortisation and impairment	
At 1 January 2022	12,658
Amortisation charged for the year	17,719
At 31 December 2022	30,377
Carrying amount	
At 31 December 2022	146,808
At 31 December 2021	164,527

CAMPANA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

10 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Office equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2022	1,576,365	1,672,951	990,217	91,239	4,330,772
Additions	1,864,534	794,117	344,137	102,983	3,105,771
At 31 December 2022	3,440,899	2,467,068	1,334,354	194,222	7,436,543
Depreciation and impairment					
At 1 January 2022	36,264	115,425	111,299	6,279	269,267
Depreciation charged in the year	207,526	177,333	112,393	19,113	516,365
At 31 December 2022	243,790	292,758	223,692	25,392	785,632
Carrying amount					
At 31 December 2022	3,197,109	2,174,310	1,110,662	168,830	6,650,911
At 31 December 2021	1,540,101	1,557,526	878,918	84,960	4,061,505

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £	2021 £
Plant and equipment and leasehold improvements	3,222,833	790,799
11 Stocks		
	2022 £	2021 £
Raw materials and consumables	182,721	95,671
12 Debtors		
Amounts falling due within one year:	2022 £	2021 £
Trade debtors	83,771	102,454
Corporation tax recoverable	15,602	-
Other debtors	275,573	653,174
Prepayments and accrued income	399,593	214,425
	774,539	970,053

CAMPANA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

13 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	15	162,933	168,000
Obligations under finance leases	16	600,045	134,258
Trade creditors		734,312	2,159,581
Taxation and social security		493,796	35,527
Other creditors		1,004,692	698,729
Accruals and deferred income		987,102	503,582
		<u>3,982,880</u>	<u>3,699,677</u>

14 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	15	737,666	898,128
Obligations under finance leases	16	2,646,084	689,712
		<u>3,383,750</u>	<u>1,587,840</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	486,922	328,551
	<u>486,922</u>	<u>328,551</u>

15 Loans

	2022 £	2021 £
Bank loans	<u>900,599</u>	<u>1,066,128</u>
Payable within one year	162,933	168,000
Payable after one year	<u>737,666</u>	<u>898,128</u>

Amounts included above which fall due after five years are £152,546 (2021: £226,128).

Bank loan balances at the year end include:-

1. Two loans, totalling £472,500, repayable by instalments over the period to December 2029 and bearing a fixed rate of interest
2. One loan of £428,099, repayable by instalments over the period to October 2026 and bearing a variable rate of interest.

These loans are secured by personal guarantees by the directors and an unlimited debenture over assets of the company.

CAMPANA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

16 Finance lease obligations

	2022 £	2021 £
Future minimum lease payments due under finance leases and hire purchase contracts:		
Within one year	600,045	134,258
In two to five years	2,311,708	587,289
In over five years	334,376	102,423
	<u>3,246,129</u>	<u>823,970</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 6 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Hire purchase and finance lease obligations are secured on the assets to which they relate.

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	1,131,172	431,474
Tax losses	(1,104,021)	(223,324)
	<u>27,151</u>	<u>208,150</u>
Movements in the year:		2022 £
Liability at 1 January 2022		208,150
Credit to profit or loss		(180,999)
Liability at 31 December 2022		<u>27,151</u>

18 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>32,861</u>	<u>14,068</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

CAMPANA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100

20 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	801,629	361,464
Between two and five years	3,437,557	1,872,067
In over five years	3,652,629	1,982,291
	<u>7,891,815</u>	<u>4,215,822</u>

21 Related party transactions

During the year the company entered into the following transactions with related parties:

Companies under common control

The total year end balance owed to 4 companies under common control was £855,708 (2021: £586,248).

The total year end balance owed by 1 company under common control was £120,000 (2021: £500,000).

Balances with these connected companies are interest free, with no set repayment terms.

Rent and service charges payable to 1 company under common control for the year were £115,768 (2021: £nil).

Fixed asset additions with a total cost of £327,426 (2021: £405,656) were acquired from 1 company under common control.

CAMPANA LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

22 Cash generated from operations

	2022 £	2021 £
Profit for the year after tax	119,718	921,418
Adjustments for:		
Taxation (credited)/charged	(196,601)	114,575
Finance costs	164,015	33,704
Amortisation and impairment of intangible assets	17,719	12,658
Depreciation and impairment of tangible fixed assets	516,365	166,171
Movements in working capital:		
Increase in stocks	(87,050)	(67,671)
Decrease/(increase) in debtors	211,116	(250,547)
Increase in creditors	1,206,544	634,034
Cash generated from operations	1,951,826	1,564,342

23 Analysis of changes in net debt

	1 January 2022 £	Cash flows £	New finance leases £	31 December 2022 £
Cash at bank and in hand	1,521,424	(445,391)	-	1,076,033
Borrowings excluding overdrafts	(1,066,128)	165,529	-	(900,599)
Obligations under finance leases	(823,970)	270,513	(2,692,672)	(3,246,129)
	<u>(368,674)</u>	<u>(9,349)</u>	<u>(2,692,672)</u>	<u>(3,070,695)</u>