COMPANY REGISTRATION NUMBER SC318321

J & R GROUP LIMITED

FINANCIAL STATEMENTS

31 MARCH 2010

SATURDAY

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COMPANIES HOUSE

FOURM

Chartered Accountants & Statutory Auditor

Stannergate House

41 Dundee Road West

Broughty Ferry

Dundee DD5 1NB

J & R GROUP LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

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J & R GROUP LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2010

The directors present their report and the financial statements of the group for the year ended 31 March 2010.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was to act as a holding company providing management services to, and renting property to its subsidiaries.

The principal activities of the subsidiary companies, Strathgarry Hotels & Leisure Ltd, McKays Hotel, Bar & Restaurant Limited, Boat of Garten Hotel Limited and McKays Bar & Restaurant St. Andrews Limited, are that of hotels and restaurants.

The principal activity of the subsidiary, J&R Projects Limited, was the supply of labour for building maintenance purposes.

During the year, the company disposed of its shareholding in McKays Bar & Restaurant St. Andrews Limited to allow the group to concentrate on its business interests in Perthshire.

Due to the poor economic conditions throughout the financial year, the Group in general have suffered a loss, however, there has been a significant improvement over the previous year. The directors are confident that the group will be profitable in the year to 31 March 2011.

RESULTS AND DIVIDENDS

The loss for the year amounted to £56,135. The directors have not recommended a dividend.

DIRECTORS

The directors who served the company during the year were as follows:

Mr J. P. Erasmus
Mr R. W. Drummond
Ms V. C. Paterson
Mrs A. Maloney Drummond

AUDITOR
FourM are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:
113 Atholl Road
Pitlochry
Perthshire
PH16 5AG

Signed on behalf of the directors

Mr R. W. Drummond
Director

Approved by the directors on 16 December 2010

J & R GROUP LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 MARCH 2010

The directors are responsible for preparing 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 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 the group and of the profit or loss of the group for that year. In preparing those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the group's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF J & R GROUP LIMITED

YEAR ENDED 31 MARCH 2010

We have audited the group and parent company financial statements ("the financial statements") of J & R Group Limited for the year ended 31 March 2010 on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION: DISCLAIMER ON VIEW GIVEN BY THE FINANCIAL STATEMENTS

The audit evidence available to us was limited because we were unable to obtain access to the accounting records of McKays Bar & Restaurant St. Andrews Limited which was sold during the year. As a result of this we have been unable to obtain sufficient appropriate evidence concerning the trade of the subsidiary.

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2010 and at 31 March 2009 and of its loss for the years 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.

EMPHASIS OF MATTER - GOING CONCERN

In forming our opinion on the financial statements, we have considered the adequacy of the disclosures made in the going concern policy on page 13 of the financial statements. In view of the dependence on the group's bankers, we consider that it should be drawn to your attention but our audit opinion is not qualified in this respect.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

Notwithstanding our disclaimer on an opinion on the view given by the financial statements and our emphasis of matter, in our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In respect solely of the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and

- we were unable to determine whether adequate accounting records have been kept.

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:

- 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.

JOHN S. McLAREN (Senior Statutory Auditor)
For and on behalf of
FOURM
Chartered Accountants
& Statutory Auditor

Stannergate House
41 Dundee Road West
Broughty Ferry
Dundee DD5 1NB

16 December 2010

J & R GROUP LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2010

	Note	2010 £	2009 £
GROUP TURNOVER	2	2,414,573	2,255,280
Cost of sales		1,173,013	1,151,058
GROSS PROFIT		1,241,560	1,104,222
Administrative expenses		1,180,833	1,227,557
Other operating income	3	(28,550)	(46,575)
OPERATING PROFIT/(LOSS)	4	89,277	(76,760)
Profit on disposal of subsidiary	7	18,117	–
Interest payable and similar charges	8	163,529	219,118
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(56,135)	(295,878)
Tax on loss on ordinary activities	9	–	(7,517)
LOSS FOR THE FINANCIAL YEAR	10	(56,135)	(288,361)

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 13 to 21 form part of these financial statements.

J & R GROUP LIMITED

GROUP BALANCE SHEET

31 MARCH 2010

	Note	2010 £	£	2009 £
FIXED ASSETS				
Intangible assets	11		469,706	508,406
Tangible assets	12		3,122,060	3,362,000
			3,591,766	3,870,406
CURRENT ASSETS				
Stocks	14	31,965		32,958
Debtors	15	77,649		38,539
Cash in hand		5,734		9,097
		115,348		80,594
CREDITORS: Amounts falling due within one year	16	854,661		886,601
NET CURRENT LIABILITIES			(739,313)	(806,007)
TOTAL ASSETS LESS CURRENT LIABILITIES			2,852,453	3,064,399
CREDITORS: Amounts falling due after more than one year	17		3,335,976	3,491,787
			(483,523)	(427,388)
CAPITAL AND RESERVES				
Called-up equity share capital	19		4	4
Profit and loss account	20		(483,527)	(427,392)
DEFICIT	21		(483,523)	(427,388)

These financial statements were approved by the directors and authorised for issue on 16 December 2010, and are signed on their behalf by:

MR J. P. ERASMUS
Director

The notes on pages 13 to 21 form part of these financial statements.

J & R GROUP LIMITED

BALANCE SHEET

31 MARCH 2010

	Note	2010 £	2010 £	2009 £
FIXED ASSETS				
Intangible assets	11		314,500	333,000
Tangible assets	12		3,057,668	3,278,625
Investments	13		208,005	208,006
			3,580,173	3,819,631
CURRENT ASSETS				
Debtors	15	19,996		44,913
Cash at bank		–		3,681
		19,996		48,594
CREDITORS: Amounts falling due within one year	16	516,312		534,550
NET CURRENT LIABILITIES			(496,316)	(485,956)
TOTAL ASSETS LESS CURRENT LIABILITIES			3,083,857	3,333,675
CREDITORS: Amounts falling due after more than one year	17		3,335,976	3,491,787
			(252,119)	(158,112)
CAPITAL AND RESERVES				
Called-up equity share capital	19		4	4
Profit and loss account	20		(252,123)	(158,116)
DEFICIT			(252,119)	(158,112)

These financial statements were approved by the directors and authorised for issue on 16 December 2010, and are signed on their behalf by:

MR J. P. ERASMUS
Director

Company Registration Number: SC318321

The notes on pages 13 to 21 form part of these financial statements.

J & R GROUP LIMITED

GROUP CASH FLOW

YEAR ENDED 31 MARCH 2010

	2010		2009
	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		144,319	346,363
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid	(165,173)		(219,038)
Interest element of hire purchase and finance lease	–		(80)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(165,173)	(219,118)
TAXATION		-	-
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets	(33,460)		(229,629)
Receipts from sale of fixed assets	175,099		–
NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE		141,639	(229,629)
ACQUISITIONS AND DISPOSALS			
Disposal of shares in group undertakings	18,117		–
NET CASH INFLOW FROM ACQUISITIONS AND DISPOSALS		18,117	–
CASH INFLOW BEFORE FINANCING		138,902	(102,382)
FINANCING			
(Repayment of)/increase in bank loans	(120,982)		22,022
Net (outflow)/inflow from other short-term creditors	(12,925)		12,032
Net (outflow)/inflow from other long-term creditors	(7,945)		(28,679)
Repayment of directors' long-term loans	(19,298)		2,399
NET CASH (OUTFLOW)/INFLOW FROM FINANCING		(161,150)	6,122
DECREASE IN CASH		(22,248)	(96,260)

J & R GROUP LIMITED

GROUP CASH FLOW

YEAR ENDED 31 MARCH 2010

RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2010	2009
	£	£
Operating profit/(loss)	89,277	(76,760)
Interest payable	1,644	–
Amortisation	38,700	38,700
Depreciation	65,435	79,500
Loss on disposal of fixed assets	1,981	48,150
Decrease/(increase) in stocks	993	(11,402)
(Increase)/decrease in debtors	(39,110)	50,407
(Decrease)/increase in creditors	(14,601)	217,768
Net cash inflow from operating activities	144,319	346,363

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2010		2009
	£	£	£
(Decrease)/increase in cash in the period	(22,248)		(96,260)
Net cash outflow from/(inflow) from bank loans	120,982		(22,022)
Net outflow from/(inflow) from other short-term creditors	12,925		(10,379)
Net cash outflow from other long-term creditors	7,945		28,679
Cash outflow from directors' long-term loans	19,298		(2,399)
		138,902	(102,382)
Change in net debt		138,902	(102,382)
Net debt at 1 April 2009		(3,811,807)	(3,709,425)
Net debt at 31 March 2010		(3,672,905)	(3,811,807)

J & R GROUP LIMITED

GROUP CASH FLOW

YEAR ENDED 31 MARCH 2010

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2009 £	Cash flows £	At 31 Mar 2010 £
Net cash:			
Cash in hand and at bank	9,097	(3,363)	5,734
Overdrafts	(179,222)	10,636	(168,586)
	(170,125)	7,273	(162,852)
Debt:			
Debt due within 1 year	(149,895)	(24,182)	(174,077)
Debt due after 1 year	(3,491,787)	155,811	(3,335,976)
	(3,641,682)	131,629	(3,510,053)
Net debt	(3,811,807)	138,902	(3,672,905)

The notes on pages 13 to 21 form part of these financial statements.

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Going concern

The group made a loss for the year before taxation of £56,135 (2009 - £295,878) and has a balance sheet deficit of £483,523 (2009 - £427,388).

The directors consider that despite the loss, the going concern basis is still applicable for the preparation of the financial statements. The ability of the group to continue is dependent on the continuing support of the group's bankers and directors. The directors are confident that following a period of renovations, restructuring and intense marketing, that the group will be profitable in the forthcoming year.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over 20 years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

The turnover shown in the profit and loss account represents services provided during the year, exclusive of Value Added Tax.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	-	20 years straight line

1. ACCOUNTING POLICIES *(continued)*

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	10% straight line
Fixtures & Fittings	-	15%-25% reducing balance
Equipment	-	25% reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the group.
An analysis of turnover is given below:

	2010	2009
	£	£
United Kingdom	2,414,573	2,255,280

3. OTHER OPERATING INCOME

	2010	2009
	£	£
Rent receivable	28,100	46,575
Other operating income	450	–
	28,550	46,575

4. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	2010	2009
	£	£
Amortisation of intangible assets	38,700	38,700
Depreciation of owned fixed assets	65,435	79,500
Loss on disposal of fixed assets	1,981	48,150
Auditor's remuneration		
- as auditor	11,400	10,850

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

	2010	2009
	No	No
Number of production staff	65	62
Number of administrative staff	4	4
Number of management staff	8	8
	77	74

The aggregate payroll costs of the above were:

	2010	2009
	£	£
Wages and salaries	934,988	901,255
Social security costs	–	–
	934,988	901,255

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2010	2009
	£	£
Remuneration receivable	55,646	37,993

7. PROFIT ON DISPOSAL OF SUBSIDIARY

	2010	2009
	£	£
Disposal of discontinued operations:		
Profit on sale of subsidiary	18,117	–

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2010	2009
	£	£
Interest payable on bank borrowing	162,620	218,853
Finance charges	–	80
Other similar charges payable	909	185
	163,529	219,118

9. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2010 £	2009 £
Current tax:		
UK Corporation tax based on the results for the year at 21% (2009 - 21%)	-	(7,517)
Total current tax	-	(7,517)

10. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent company was £(94,007) (2009 - £(99,787)).

11. INTANGIBLE FIXED ASSETS

Group	**Goodwill £**
COST	
At 1 April 2009 and 31 March 2010	594,007
AMORTISATION	
At 1 April 2009	85,601
Charge for the year	38,700
At 31 March 2010	124,301
NET BOOK VALUE	
At 31 March 2010	469,706
At 31 March 2009	508,406

Company	**Goodwill £**
COST	
At 1 April 2009 and 31 March 2010	370,000
AMORTISATION	
At 1 April 2009	37,000
Charge for the year	18,500
At 31 March 2010	55,500
NET BOOK VALUE	
At 31 March 2010	314,500
At 31 March 2009	333,000

12. TANGIBLE FIXED ASSETS

Group	Freehold Property £	Fixtures & Fittings £	Equipment £	Total £
COST				
At 1 April 2009	2,998,246	477,995	34,461	3,510,702
Additions	–	29,542	3,918	33,460
Disposals	(189,553)	(18,843)	(7,362)	(215,758)
At 31 March 2010	2,808,693	488,694	31,017	3,328,404
DEPRECIATION				
At 1 April 2009	–	135,221	13,481	148,702
Charge for the year	–	60,221	5,214	65,435
On disposals	–	(5,594)	(2,199)	(7,793)
At 31 March 2010	–	189,848	16,496	206,344
NET BOOK VALUE				
At 31 March 2010	2,808,693	298,846	14,521	3,122,060
At 31 March 2009	2,998,246	342,774	20,980	3,362,000

Company	Freehold Property £	Fixtures & Fittings £	Equipment £	Total £
COST				
At 1 April 2009	2,985,773	402,302	3,852	3,391,927
Additions	–	–	360	360
Disposals	(177,080)	–	–	(177,080)
At 31 March 2010	2,808,693	402,302	4,212	3,215,207
DEPRECIATION				
At 1 April 2009	–	111,641	1,661	113,302
Charge for the year	–	43,599	638	44,237
At 31 March 2010	–	155,240	2,299	157,539
NET BOOK VALUE				
At 31 March 2010	2,808,693	247,062	1,913	3,057,668
At 31 March 2009	2,985,773	290,661	2,191	3,278,625

13. INVESTMENTS

Company	Group companies £
COST	
At 1 April 2009	208,006
Disposals	(1)
At 31 March 2010	208,005
NET BOOK VALUE	
At 31 March 2010	208,005
At 31 March 2009	208,006

The company owns 100% of the ordinary share capital of Strathgarry Hotels & Leisure Ltd, The Boat of Garten Hotel Limited, McKays Hotel, Bar & Restaurant Limited and J&R Projects Limited.

During the year the company disposed 100% of the investment in McKays Bar & Restaurant St. Andrews Limited, a company in which 100% if the ordinary share capital was held. At the date of sale the net assets of the company amounted to £(18,117).

Aggregate capital and reserves

	2010 £	2009 £
Strathgarry Hotels & Leisure Ltd	15,052	24,557
The Boat of Garten Hotel Limited	(184,340)	(228,434)
McKays Hotel, Bar & Restaurant Limited	25,906	82,335
J&R Projects Limited	(11,222)	(1,186)

Retained Profit/(Loss) for the year

	2010 £	2009 £
Strathgarry Hotels & Leisure Ltd	(9,505)	(24,513)
The Boat of Garten Hotel Limited	44,094	(120,625)
McKays Hotel, Bar & Restaurant Limited	(56,429)	43,900
J&R Projects Limited	(10,036)	(1,187)

14. STOCKS

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Stock	31,965	32,958	–	–

15. DEBTORS

	Group		Company	
	2010	2009	**2010**	2009
	£	£	**£**	£
Trade debtors	36,396	7,013	1,410	–
Amounts owed by group undertakings	–	–	17,147	41,959
Corporation tax repayable	7,517	7,517	–	–
Other debtors	13,994	6,707	–	2,954
Prepayments and accrued income	19,742	17,302	1,439	–
	77,649	38,539	19,996	44,913

16. CREDITORS: Amounts falling due within one year

	Group		Company	
	2010	2009	**2010**	2009
	£	£	**£**	£
Bank loans and overdrafts	306,896	309,946	228,323	130,724
Trade creditors	174,988	257,226	7,685	17,544
Amounts owed to group undertakings	–	–	132,955	260,467
Directors' loan accounts	23,829	20,884	60,000	73,334
Other creditors including taxation and social security:				
Other taxation and social security	165,000	115,912	54,668	34,626
Other creditors	137,301	123,235	16,406	11,539
Accruals and deferred income	46,647	59,398	16,275	6,316
	854,661	886,601	516,312	534,550

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	Group		Company	
	2010	2009	**2010**	2009
	£	£	**£**	£
Bank loans and overdrafts	306,896	309,946	228,323	130,724

17. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2010	2009	**2010**	2009
	£	£	**£**	£
Bank loans and overdrafts	2,580,786	2,709,354	2,580,786	2,709,354
Directors' loan accounts	299,360	318,658	755,190	782,433
Other creditors	455,830	463,775	–	–
	3,335,976	3,491,787	3,335,976	3,491,787

17. CREDITORS: Amounts falling due after more than one year *(continued)*

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	Group		Company	
	2010	2009	**2010**	2009
	£	£	**£**	£
Bank loans and overdrafts	2,580,786	2,709,354	2,580,786	2,709,354

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	Group		Company	
	2010	2009	**2010**	2009
	£	£	**£**	£
Bank loans and overdrafts	2,038,341	2,120,580	2,038,341	2,120,580

18. RELATED PARTY TRANSACTIONS

The company was under the control of the company directors throughout the current and previous year.

At the year end the company was due to repay £495,830 (2009 - £517,108) to Glen Mhor Limited, a company in which Mr J. Erasmus and Ms V. Paterson are directors and shareholders. The loan is being repaid over five years and attracts interest at a commercial rate.

At the year end the company was due to repay £323,189 (2009 - £339,542) to the directors, which is being paid over five years and attracts interest at a commercial rate.

During the year, the group paid invoices on behalf of Pitlochry Golf Club Limited, a company in which Mr J. Erasmus and Mr R. Drummond are directors and shareholders. At the year end Pitlochry Golf Club Limited were due to pay J&R Group Limited £2,769 (2009 - Nil). There are no set repayment terms and no interest is accruing.

During the year, the group paid invoices on behalf of Port-Na-Craig, a sole trader in which Mrs A. Drummond and Mr R. Drummond own. At the year end Port-Na-Craig was due to pay J&R Group Limited £4,619 (2009 - Nil). There are no set repayment terms and no interest is accruing.

19. SHARE CAPITAL

Authorised share capital:

	2010	2009
	£	£
100 Ordinary shares of £1 each	100	100

19. SHARE CAPITAL *(continued)*

Allotted, called up and fully paid:

	2010		2009	
	No	£	No	£
4 Ordinary shares of £1 each	4	4	4	4

20. RESERVES

Group	**Profit and loss account £**
Balance brought forward	(427,392)
Loss for the year	(56,135)
Balance carried forward	(483,527)

Company	**Profit and loss account £**
Balance brought forward	(158,116)
Loss for the year	(94,007)
Balance carried forward	(252,123)

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Loss for the financial year	(56,135)	(288,361)
Opening shareholders' deficit	(427,388)	(139,027)
Closing shareholders' deficit	(483,523)	(427,388)