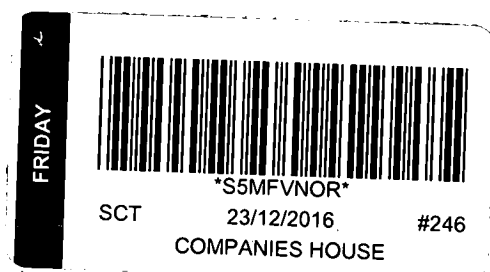


**J. & R. Group Limited**  
**Financial Statements**  
**31 March 2016**



**FOURM LIMITED**  
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 2016**

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**J. & R. Group Limited**  
**Officers and Professional Advisers**

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|                               |                                                                                                                                              |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>The board of directors</b> | Mr J. P. Erasmus<br>Mr R. W. Drummond                                                                                                        |
| <b>Registered office</b>      | 113 Atholl Road<br>Pitlochry<br>Perthshire<br>PH16 5AG                                                                                       |
| <b>Auditor</b>                | FourM Limited<br>Chartered accountant & statutory auditor<br>Stannergate House<br>41 Dundee Road West<br>Broughty Ferry<br>Dundee<br>DD5 1NB |
| <b>Bankers</b>                | Clydesdale Bank<br>Nethergate House<br>158 Nethergate<br>Dundee<br>DD1 4DY                                                                   |
| <b>Solicitors</b>             | J & H Mitchell WS<br>51 Atholl Road<br>Pitlochry<br>PH16 5BU                                                                                 |

# **J. & R. Group Limited**

## **Strategic Report**

**Year ended 31 March 2016**

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### **Principal activities and review of the business**

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, The Boat of Garten Hotel Limited are that of hotels and restaurants.

The subsidiary, J&R Projects Limited, was dormant during the year.

The group has seen continued improvement over the previous year following a period of hotel renovations and tailored marketing. The directors are happy with the results for the year and are confident that the group will remain profitable for the foreseeable future.

### **Principal risks and uncertainties**

#### **Market and economic risk**

The group is exposed to seasonality in the trade with the majority of income generated from tourism in the area. The group tries to mitigate this by offering reduced rates during off peak times.

#### **Funding and Liquidity Risk**

The group aims to mitigate liquidity risk by managing cash generated by its operations and having access to adequate working capital borrowing facilities. Cash resources are monitored weekly to ensure funds are always available to meet the group requirements.

#### **Interest Rate Risk**

The group makes use of bank borrowings to finance its operations and is therefore susceptible to movements in interest rates. This is managed by entering into fixed rate agreements where possible.

### **Results for the year**

Sales for the year have increased by 21% to £3.4m. The directors consider this to be a positive result for the group.

### **Development and performance of the companies business over the year**

The group continued with its principal activities based around the hospitality industry. The group continued to maintain and upgrade facilities to ensure a high standard of accommodation.

### **Position at the year end**

The group continued with its principal activities based around the hospitality industry. The group continued to maintain and upgrade facilities to ensure a high standard of accommodation.

### **Key performance indicators**

The group used a number of appropriate key performance measures to monitor the performance of the business during the 12 month period to 31 March 2016.

### **Future developments**

The group intends to continue to focus on its activities in the hospitality and leisure industry and does not envisage any significant changes to the operations of the group over the next 12 months.

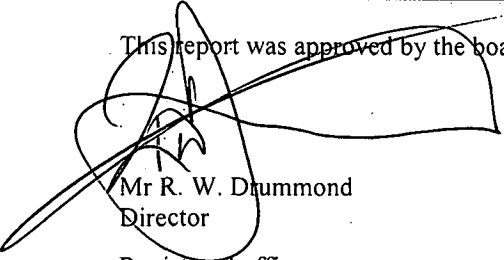
# **J. & R. Group Limited**

## **Strategic Report** *(continued)*

**Year ended 31 March 2016**

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This report was approved by the board of directors on 13 December 2016 and signed on behalf of the board by:



Mr R. W. Drummond  
Director

Registered office:  
113 Atholl Road  
Pitlochry  
Perthshire  
PH16 5AG

# **J. & R. Group Limited**

## **Directors' Report**

**Year ended 31 March 2016**

---

The directors present their report and the financial statements of the group for the year ended 31 March 2016.

### **Directors**

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

Mr J. P. Erasmus

Mr R. W. Drummond

### **Dividends**

The directors do not recommend the payment of a dividend.

### **Disclosure of information in the strategic report**

In accordance with section 414c(11) of the Companies Act 2006, the company has set out its strategic report at page two of these accounts.

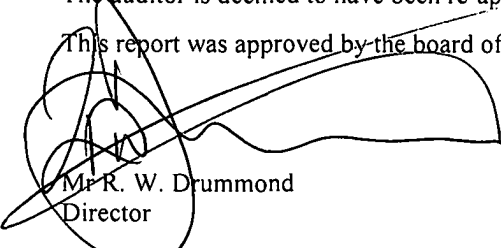
### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 13 December 2016 and signed on behalf of the board by:



Mr R. W. Drummond  
Director

Registered office:  
113 Atholl Road  
Pitlochry  
Perthshire  
PH16 5AG

**J. & R. Group Limited**  
**Directors' Responsibilities Statement**  
**Year ended 31 March 2016**

---

The directors are responsible for preparing the strategic report, 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 group and the company and 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 judgments 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.

# **J. & R. Group Limited**

## **Independent Auditor's Report to the Members of J. & R. Group Limited**

**Year ended 31 March 2016**

---

We have audited the financial statements of J. & R. Group Limited for the year ended 31 March 2016, on pages 8 to 29. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2016 and of the group's 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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## **J. & R. Group Limited**

### **Independent Auditor's Report to the Members of J. & R. Group Limited** *(continued)*

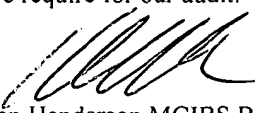
**Year ended 31 March 2016**

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#### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, 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.
- we have not received all the information and explanations we require for our audit.



Karen Henderson MCIBS BA(Hons) CA (Senior Statutory Auditor)

For and on behalf of  
FourM Limited  
Chartered accountant & statutory auditor

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

13 December 2016

**J. & R. Group Limited**  
**Consolidated Statement of Comprehensive Income**  
**Year ended 31 March 2016**

|                                                                     |           | 2016           | 2015           |
|---------------------------------------------------------------------|-----------|----------------|----------------|
|                                                                     | Note      | £              | £              |
| <b>Turnover</b>                                                     | <b>3</b>  | 3,472,587      | 2,862,545      |
| Cost of sales                                                       |           | 1,933,349      | 1,546,132      |
| <b>Gross profit</b>                                                 |           | 1,539,238      | 1,316,413      |
| Administrative expenses                                             |           | 1,226,053      | 1,057,366      |
| Other operating income                                              | <b>4</b>  | 25,566         | 144,428        |
| <b>Operating profit</b>                                             | <b>5</b>  | 338,751        | 403,475        |
| Other interest receivable and similar income                        |           | –              | 17,667         |
| Interest payable and similar charges                                | <b>9</b>  | 107,242        | 97,432         |
| <b>Profit on ordinary activities before taxation</b>                |           | 231,509        | 323,710        |
| Tax on profit on ordinary activities                                | <b>10</b> | 49,763         | 43,018         |
| <b>Profit for the financial year and total comprehensive income</b> |           | <u>181,746</u> | <u>280,692</u> |

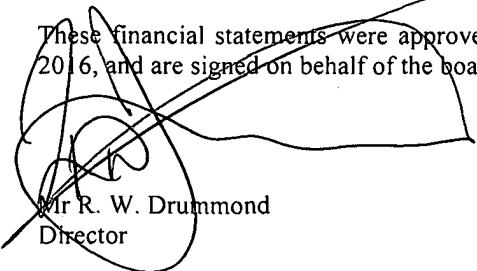
All the activities of the group are from continuing operations.

The notes on pages 14 to 29 form part of these financial statements.

**J. & R. Group Limited**  
**Consolidated Statement of Financial Position**  
**31 March 2016**

|                                                                | Note | 2016<br>£               | 2015<br>£               |
|----------------------------------------------------------------|------|-------------------------|-------------------------|
| <b>Fixed assets</b>                                            |      |                         |                         |
| Intangible assets                                              | 12   | 175,750                 | 90,401                  |
| Tangible assets                                                | 13   | 4,961,775               | 3,999,075               |
|                                                                |      | <u>5,137,525</u>        | <u>4,089,476</u>        |
| <b>Current assets</b>                                          |      |                         |                         |
| Stocks                                                         | 15   | 53,612                  | 40,051                  |
| Debtors                                                        | 16   | 290,985                 | 210,577                 |
| Cash at bank and in hand                                       | 17   | 3,344                   | 8,146                   |
|                                                                |      | <u>347,941</u>          | <u>258,774</u>          |
| <b>Creditors: amounts falling due within one year</b>          | 18   | <u>1,482,432</u>        | <u>1,041,856</u>        |
| <b>Net current liabilities</b>                                 |      | <u>1,134,491</u>        | <u>783,082</u>          |
| <b>Total assets less current liabilities</b>                   |      | <u>4,003,034</u>        | <u>3,306,394</u>        |
| <b>Creditors: amounts falling due after more than one year</b> | 19   | 2,633,143               | 2,128,078               |
| <b>Provisions</b>                                              |      |                         |                         |
| Taxation including deferred tax                                | 21   | 102,604                 | 95,742                  |
| <b>Net assets</b>                                              |      | <u><u>1,267,287</u></u> | <u><u>1,082,574</u></u> |
| <b>Capital and reserves</b>                                    |      |                         |                         |
| Called up share capital                                        | 23   | 16                      | 16                      |
| Share premium account                                          | 24   | 299,988                 | 299,988                 |
| Revaluation reserve                                            | 24   | 834,288                 | 831,321                 |
| Profit and loss account                                        | 24   | 132,995                 | (48,751)                |
| <b>Shareholders funds</b>                                      |      | <u><u>1,267,287</u></u> | <u><u>1,082,574</u></u> |

These financial statements were approved by the board of directors and authorised for issue on 13 December 2016, and are signed on behalf of the board by:

  
 Mr R. W. Drummond  
 Director

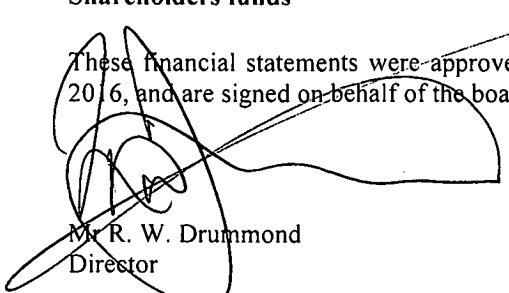
Company registration number: SC318321

The notes on pages 14 to 29 form part of these financial statements.

**J. & R. Group Limited**  
**Company Statement of Financial Position**  
**31 March 2016**

|                                                                | Note | 2016<br>£               | 2015<br>£               |
|----------------------------------------------------------------|------|-------------------------|-------------------------|
| <b>Fixed assets</b>                                            |      |                         |                         |
| Intangible assets                                              | 12   | 175,750                 | 74,000                  |
| Tangible assets                                                | 13   | 4,769,679               | 3,802,889               |
| Investments                                                    | 14   | 208,005                 | 208,005                 |
|                                                                |      | <u>5,153,434</u>        | <u>4,084,894</u>        |
| <b>Current assets</b>                                          |      |                         |                         |
| Stocks                                                         | 15   | 19,506                  | 10,000                  |
| Debtors                                                        | 16   | 362,199                 | 338,468                 |
| Cash at bank and in hand                                       | 17   | 394                     | 77                      |
|                                                                |      | <u>382,099</u>          | <u>348,545</u>          |
| <b>Creditors: amounts falling due within one year</b>          | 18   | <u>1,851,489</u>        | <u>1,194,423</u>        |
| <b>Net current liabilities</b>                                 |      | <u>1,469,390</u>        | <u>845,878</u>          |
| <b>Total assets less current liabilities</b>                   |      | <u>3,684,044</u>        | <u>3,239,016</u>        |
| <b>Creditors: amounts falling due after more than one year</b> | 19   | 2,568,657               | 2,055,206               |
| <b>Provisions</b>                                              |      |                         |                         |
| Taxation including deferred tax                                | 21   | 102,604                 | 95,742                  |
| <b>Net assets</b>                                              |      | <u><u>1,012,783</u></u> | <u><u>1,088,068</u></u> |
| <b>Capital and reserves</b>                                    |      |                         |                         |
| Called up share capital                                        | 23   | 16                      | 16                      |
| Share premium account                                          | 24   | 299,988                 | 299,988                 |
| Revaluation reserve                                            | 24   | 834,288                 | 831,321                 |
| Profit and loss account                                        | 24   | (121,509)               | (43,257)                |
| <b>Shareholders funds</b>                                      |      | <u><u>1,012,783</u></u> | <u><u>1,088,068</u></u> |

These financial statements were approved by the board of directors and authorised for issue on 13 December 2016, and are signed on behalf of the board by:

  
Mr R. W. Drummond  
Director

Company registration number: SC318321

The notes on pages 14 to 29 form part of these financial statements.

**J. & R. Group Limited**  
**Consolidated Statement of Changes in Equity**  
**Year ended 31 March 2016**

|                                                  | Called up<br>share capital<br>£ | Share<br>premium<br>account<br>£ | Revaluation<br>reserve<br>£ | Profit and<br>loss account<br>£ | Total<br>£       |
|--------------------------------------------------|---------------------------------|----------------------------------|-----------------------------|---------------------------------|------------------|
| <b>At 1 April 2014</b>                           | 16                              | 299,988                          | 829,434                     | (329,443)                       | 799,995          |
| Deferred tax movement                            | —                               | —                                | 1,887                       | —                               | 1,887            |
| <b>At 1 April 2014 (restated)</b>                | <u>16</u>                       | <u>299,988</u>                   | <u>831,321</u>              | <u>(329,443)</u>                | <u>801,882</u>   |
| Profit for the year                              | —                               | —                                | —                           | 280,692                         | 280,692          |
| <b>Total comprehensive income for the year</b>   | —                               | —                                | —                           | 280,692                         | 280,692          |
| <b>At 31 March 2015 (as previously reported)</b> | 16                              | 299,988                          | 831,321                     | (48,751)                        | 1,082,574        |
| Deferred tax movement                            | —                               | —                                | 2,967                       | —                               | 2,967            |
| <b>At 31 March 2015 (restated)</b>               | <u>16</u>                       | <u>299,988</u>                   | <u>834,288</u>              | <u>(48,751)</u>                 | <u>1,085,541</u> |
| Profit for the year                              | —                               | —                                | —                           | 181,746                         | 181,746          |
| <b>Total comprehensive income for the year</b>   | —                               | —                                | —                           | 181,746                         | 181,746          |
| <b>At 31 March 2016</b>                          | <u>16</u>                       | <u>299,988</u>                   | <u>834,288</u>              | <u>132,995</u>                  | <u>1,267,287</u> |

The notes on pages 14 to 29 form part of these financial statements.

**J. & R. Group Limited**  
**Company Statement of Changes in Equity**  
**Year ended 31 March 2016**

|                                                  | Called up<br>share capital<br>£ | Share<br>premium<br>account<br>£ | Revaluation<br>reserve<br>£ | Profit and<br>loss account<br>£ | Total<br>£       |
|--------------------------------------------------|---------------------------------|----------------------------------|-----------------------------|---------------------------------|------------------|
| <b>At 1 April 2014</b>                           | 16                              | 299,988                          | 829,434                     | (274,949)                       | 854,489          |
| Deferred tax movement                            | —                               | —                                | 1,887                       | —                               | 1,887            |
| <b>At 1 April 2014 (restated)</b>                | <u>16</u>                       | <u>299,988</u>                   | <u>831,321</u>              | <u>(274,949)</u>                | <u>856,376</u>   |
| Profit for the year                              | —                               | —                                | —                           | 231,692                         | 231,692          |
| <b>Total comprehensive income for the year</b>   | —                               | —                                | —                           | 231,692                         | 231,692          |
| <b>At 31 March 2015 (as previously reported)</b> | 16                              | 299,988                          | 831,321                     | (43,257)                        | 1,088,068        |
| Deferred tax movement                            | —                               | —                                | 2,967                       | —                               | 2,967            |
| <b>At 31 March 2015 (restated)</b>               | <u>16</u>                       | <u>299,988</u>                   | <u>834,288</u>              | <u>(43,257)</u>                 | <u>1,091,035</u> |
| Profit for the year                              | —                               | —                                | —                           | (78,252)                        | (78,252)         |
| <b>Total comprehensive income for the year</b>   | —                               | —                                | —                           | (78,252)                        | (78,252)         |
| <b>At 31 March 2016</b>                          | <u>16</u>                       | <u>299,988</u>                   | <u>834,288</u>              | <u>(121,509)</u>                | <u>1,012,783</u> |

The notes on pages 14 to 29 form part of these financial statements.

**J. & R. Group Limited**  
**Consolidated Statement of Cash Flows**  
**Year ended 31 March 2016**

|                                                       | Note | 2016<br>£          | 2015<br>£        |
|-------------------------------------------------------|------|--------------------|------------------|
| <b>Cash flows from operating activities</b>           |      |                    |                  |
| Profit for the financial year                         |      | 181,746            | 280,692          |
| <i>Adjustments for:</i>                               |      |                    |                  |
| Depreciation of tangible assets                       |      | 66,321             | 56,680           |
| Amortisation of intangible assets                     |      | 64,651             | 45,200           |
| Other interest receivable and similar income          |      | –                  | (17,667)         |
| Interest payable and similar charges                  |      | 107,242            | 97,432           |
| Loss on disposal of tangible assets                   |      | 1,700              | 1,906            |
| Tax on profit on ordinary activities                  |      | 49,763             | 43,018           |
| Accrued expenses/(income)                             |      | 7,595              | (9,390)          |
| <i>Changes in:</i>                                    |      |                    |                  |
| Stocks                                                |      | (13,561)           | (5,308)          |
| Trade and other debtors                               |      | (80,408)           | (124,324)        |
| Trade and other creditors                             |      | 122,611            | (219,486)        |
| Cash generated from operations                        |      | 507,660            | 148,753          |
| Interest paid                                         |      | (107,242)          | (97,432)         |
| Interest received                                     |      | –                  | 17,667           |
| Tax paid                                              |      | –                  | (25,880)         |
| Net cash from operating activities                    |      | <u>400,418</u>     | <u>43,108</u>    |
| <b>Cash flows from investing activities</b>           |      |                    |                  |
| Purchase of tangible assets                           |      | (1,030,853)        | (171,994)        |
| Proceeds from sale of tangible assets                 |      | 132                | –                |
| Purchase of intangible assets                         |      | (150,000)          | –                |
| Net cash used in investing activities                 |      | <u>(1,180,721)</u> | <u>(171,994)</u> |
| <b>Cash flows from financing activities</b>           |      |                    |                  |
| Proceeds from borrowings                              |      | 942,005            | –                |
| Repayments of borrowings                              |      | (298,286)          | (122,978)        |
| Net cash from/(used in) financing activities          |      | <u>643,719</u>     | <u>(122,978)</u> |
| <b>Net decrease in cash and cash equivalents</b>      |      | (136,584)          | (251,864)        |
| <b>Cash and cash equivalents at beginning of year</b> |      | (407,284)          | (163,620)        |
| <b>Cash and cash equivalents at end of year</b>       | 17   | <u>(543,868)</u>   | <u>(415,484)</u> |

The notes on pages 14 to 29 form part of these financial statements.

**J. & R. Group Limited**  
**Notes to the Financial Statements**  
**Year ended 31 March 2016**

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**1. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

**2. Accounting policies**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of properties measured at fair value.

The financial statements are prepared in sterling, which is the functional currency of the entity.

**Going concern**

The group made a profit for the year, before tax, of £231,509 (2015 - £323,710) and has shareholders' funds of £1,267,287 (2015 - £1,082,574).

The directors consider that 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 further marketing, that the group will continue to be profitable.

**Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 28.

**Disclosure exemptions**

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.

**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 10 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.

**Revenue recognition**

The turnover shown in the profit and loss account represents income from the sale of food and beverage items, the use of hotel facilities and invoiced amounts for the supply of labour for building maintenance purposes during the year, exclusive of Value Added Tax.

**Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

# **J. & R. Group Limited**

## **Notes to the Financial Statements (continued)**

**Year ended 31 March 2016**

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### **2. Accounting policies (continued)**

#### **Income tax (continued)**

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

#### **Goodwill**

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its useful economic life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years. Useful economic lives are reviewed at the end of each reporting period and revised if necessary, subject to the constraint that the revised life shall not exceed 10 years from the date of acquisition. The carrying amount at the date of revision is depreciated over the revised estimate of remaining useful economic life.

#### **Amortisation**

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

Goodwill - 10 years straight line

On the adoption of the requirements of FRS 102, the maximum term over which goodwill can be amortised is 10 years, this is a change to the accounting policy which was to previously amortise over 20 years.

#### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

**J. & R. Group Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 March 2016**

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**2. Accounting policies** *(continued)*

**Tangible assets** *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

**Depreciation**

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

|                     |                            |
|---------------------|----------------------------|
| Plant & Machinery   | - 15 years                 |
| Fixtures & Fittings | - 15%-25% reducing balance |
| Equipment           | - 25% reducing balance     |

No depreciation has been charged in respect of Freehold Property, as it is the opinion of the directors that the economic life of these assets is such that no material depreciation charge exists for the accounting period. This is not in accordance with Financial Reporting Standards 102, which states all assets should be depreciated over their economic useful life.

**Investment property**

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

**Investments**

Investments comprise of shares held in subsidiary companies. The investments are held at cost less any perceived diminution in value.

**Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

**J. & R. Group Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 March 2016**

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**2. Accounting policies** *(continued)*

**Stocks**

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

**Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

**Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

**J. & R. Group Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 March 2016**

**3. Turnover**

Turnover arises from:

|                                                          | <b>2016</b>      | <b>2015</b>      |
|----------------------------------------------------------|------------------|------------------|
|                                                          | <b>£</b>         | <b>£</b>         |
| Sale of hospitality, catering services and accommodation | <u>3,472,587</u> | <u>2,862,545</u> |

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

**4. Other operating income**

|                        | <b>2016</b>   | <b>2015</b>    |
|------------------------|---------------|----------------|
|                        | <b>£</b>      | <b>£</b>       |
| Rental income          | 25,316        | 15,817         |
| Other income received  | –             | 105,470        |
| Other operating income | 250           | 23,141         |
|                        | <u>25,566</u> | <u>144,428</u> |

**5. Operating profit**

Operating profit or loss is stated after charging:

|                                     | <b>2016</b>  | <b>2015</b>  |
|-------------------------------------|--------------|--------------|
|                                     | <b>£</b>     | <b>£</b>     |
| Amortisation of intangible assets   | 64,651       | 53,400       |
| Depreciation of tangible assets     | 66,321       | 56,680       |
| Loss on disposal of tangible assets | <u>1,700</u> | <u>1,906</u> |

**6. Auditor's remuneration**

|                                                                              | <b>2016</b>   | <b>2015</b>   |
|------------------------------------------------------------------------------|---------------|---------------|
|                                                                              | <b>£</b>      | <b>£</b>      |
| Fees payable for the audit of the financial statements                       | <u>15,500</u> | <u>13,600</u> |
| Fees payable to the company's auditor and its associates for other services: |               |               |
| Other non-audit services                                                     | <u>12,880</u> | <u>12,880</u> |

**7. Staff costs**

The average number of persons employed by the group during the year, including the directors, amounted to:

|                      | <b>2016</b> | <b>2015</b> |
|----------------------|-------------|-------------|
|                      | <b>No.</b>  | <b>No.</b>  |
| Catering staff       | 68          | 61          |
| Administrative staff | 2           | 2           |
| Management staff     | 6           | 6           |
|                      | <u>76</u>   | <u>69</u>   |

**J. & R. Group Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 March 2016**

**7. Staff costs** *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

|                       | <b>2016</b>      | <b>2015</b>      |
|-----------------------|------------------|------------------|
|                       | <b>£</b>         | <b>£</b>         |
| Wages and salaries    | 1,251,271        | 1,004,623        |
| Social security costs | 82,011           | 72,818           |
|                       | <u>1,333,282</u> | <u>1,077,441</u> |

**8. Directors' remuneration**

The directors aggregate remuneration in respect of qualifying services was:

|              | <b>2016</b>   | <b>2015</b>   |
|--------------|---------------|---------------|
|              | <b>£</b>      | <b>£</b>      |
| Remuneration | <u>30,300</u> | <u>30,180</u> |

There is no distinction between directors and key management personnel.

**9. Interest payable and similar charges**

|                                            | <b>2016</b>    | <b>2015</b>   |
|--------------------------------------------|----------------|---------------|
|                                            | <b>£</b>       | <b>£</b>      |
| Interest on banks loans and overdrafts     | 100,451        | 94,101        |
| Other interest payable and similar charges | 6,791          | 3,331         |
|                                            | <u>107,242</u> | <u>97,432</u> |

**10. Tax on profit on ordinary activities**

**Major components of tax expense**

|                                                | <b>2016</b>   | <b>2015</b>   |
|------------------------------------------------|---------------|---------------|
|                                                | <b>£</b>      | <b>£</b>      |
| <b>Current tax:</b>                            |               |               |
| UK current tax expense                         | 39,934        | 43,018        |
| <b>Deferred tax:</b>                           |               |               |
| Origination and reversal of timing differences | 9,829         | —             |
| <b>Tax on profit on ordinary activities</b>    | <u>49,763</u> | <u>43,018</u> |

**J. & R. Group Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 March 2016**

**10. Tax on profit on ordinary activities** *(continued)*

**Reconciliation of tax expense**

The tax assessed on the profit on ordinary activities for the year is higher than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 21%).

|                                                    | <b>2016</b>   | 2015          |
|----------------------------------------------------|---------------|---------------|
|                                                    | <b>£</b>      | <b>£</b>      |
| Profit on ordinary activities before taxation      | 231,509       | 323,710       |
| Profit on ordinary activities by rate of tax       | 46,302        | 69,701        |
| Effect of expenses not deductible for tax purposes | 3,481         | 36            |
| Effect of capital allowances and depreciation      | (20)          | (26,542)      |
| Effect of different UK tax rates on some earnings  | –             | 1,722         |
| Utilisation of tax losses                          | –             | (1,664)       |
| Tax charged at lower rates                         | –             | (235)         |
| Tax on profit on ordinary activities               | <u>49,763</u> | <u>43,018</u> |

**11. Loss for the year of the parent company**

The loss for the financial year of the parent company was £78,252 (2015: £231,692 profit).

**12. Intangible assets**

| <b>Group</b>            | <b>Goodwill</b> |
|-------------------------|-----------------|
|                         | <b>£</b>        |
| <b>Cost</b>             |                 |
| At 1 April 2015         | 594,007         |
| Additions               | 150,000         |
| <b>At 31 March 2016</b> | <u>744,007</u>  |
| <b>Amortisation</b>     |                 |
| At 1 April 2015         | 503,606         |
| Charge for the year     | 64,651          |
| <b>At 31 March 2016</b> | <u>568,257</u>  |
| <b>Carrying amount</b>  |                 |
| <b>At 31 March 2016</b> | <u>175,750</u>  |
| At 31 March 2015        | <u>90,401</u>   |

**J. & R. Group Limited**  
**Notes to the Financial Statements (continued)**  
**Year ended 31 March 2016**

**12. Intangible assets (continued)**

| Company                 | Goodwill<br>£  |
|-------------------------|----------------|
| <b>Cost</b>             |                |
| At 1 April 2015         | 370,000        |
| Additions               | 150,000        |
| <b>At 31 March 2016</b> | <u>520,000</u> |
| <b>Amortisation</b>     |                |
| At 1 April 2015         | 296,000        |
| Charge for the year     | 48,250         |
| <b>At 31 March 2016</b> | <u>344,250</u> |
| <b>Carrying amount</b>  |                |
| <b>At 31 March 2016</b> | <u>175,750</u> |
| At 31 March 2015        | <u>74,000</u>  |

**13. Tangible assets**

| Group                  | Freehold<br>property<br>£ | Plant and<br>machinery<br>£ | Fixtures and<br>fittings<br>£ | Equipment<br>£ | Total<br>£       |
|------------------------|---------------------------|-----------------------------|-------------------------------|----------------|------------------|
| <b>Cost</b>            |                           |                             |                               |                |                  |
| At 1 Apr 2015          | 3,690,000                 | 113,409                     | 586,490                       | 62,555         | 4,452,454        |
| Additions              | 938,547                   | –                           | 85,556                        | 6,750          | 1,030,853        |
| Disposals              | –                         | –                           | (4,210)                       | (2,038)        | (6,248)          |
| <b>At 31 Mar 2016</b>  | <u>4,628,547</u>          | <u>113,409</u>              | <u>667,836</u>                | <u>67,267</u>  | <u>5,477,059</u> |
| <b>Depreciation</b>    |                           |                             |                               |                |                  |
| At 1 Apr 2015          | –                         | 7,561                       | 405,870                       | 39,948         | 453,379          |
| Charge for the year    | –                         | 7,561                       | 51,506                        | 7,254          | 66,321           |
| Disposals              | –                         | –                           | (3,569)                       | (847)          | (4,416)          |
| <b>At 31 Mar 2016</b>  | <u>–</u>                  | <u>15,122</u>               | <u>453,807</u>                | <u>46,355</u>  | <u>515,284</u>   |
| <b>Carrying amount</b> |                           |                             |                               |                |                  |
| <b>At 31 Mar 2016</b>  | <u>4,628,547</u>          | <u>98,287</u>               | <u>214,029</u>                | <u>20,912</u>  | <u>4,961,775</u> |
| At 31 Mar 2015         | <u>3,690,000</u>          | <u>105,848</u>              | <u>180,620</u>                | <u>22,607</u>  | <u>3,999,075</u> |

**J. & R. Group Limited**  
**Notes to the Financial Statements (continued)**  
**Year ended 31 March 2016**

**13. Tangible assets (continued)**

| Company                 | Freehold<br>property<br>£ | Fixtures and<br>fittings<br>£ | Equipment<br>£ | Total<br>£       |
|-------------------------|---------------------------|-------------------------------|----------------|------------------|
| <b>Cost</b>             |                           |                               |                |                  |
| At 1 April 2015         | 3,690,000                 | 402,302                       | 8,888          | 4,101,190        |
| Additions               | 938,547                   | 50,000                        | 5,271          | 993,818          |
| Disposals               | —                         | —                             | (1,688)        | (1,688)          |
| <b>At 31 March 2016</b> | <b>4,628,547</b>          | <b>452,302</b>                | <b>12,471</b>  | <b>5,093,320</b> |
| <b>Depreciation</b>     |                           |                               |                |                  |
| At 1 April 2015         | —                         | 292,679                       | 5,622          | 298,301          |
| Charge for the year     | —                         | 23,944                        | 1,976          | 25,920           |
| Disposals               | —                         | —                             | (580)          | (580)            |
| <b>At 31 March 2016</b> | <b>—</b>                  | <b>316,623</b>                | <b>7,018</b>   | <b>323,641</b>   |
| <b>Carrying amount</b>  |                           |                               |                |                  |
| <b>At 31 March 2016</b> | <b>4,628,547</b>          | <b>135,679</b>                | <b>5,453</b>   | <b>4,769,679</b> |
| At 31 March 2015        | 3,690,000                 | 109,623                       | 3,266          | 3,802,889        |

Included within the above is investment property as follows:

|                                   | Group<br>£ | Company<br>£ |
|-----------------------------------|------------|--------------|
| At 1 April 2015 and 31 March 2016 | —          | 3,690,000    |
| Additions                         | —          | 938,547      |
| At 1 April 2015                   | —          | 4,628,547    |

The company's Investment property have been valued at their open market value for existing use by professionally qualified chartered surveyors on 1 September 2014. The directors do not believe this valuation to be materially different at 31 March 2016.

**Tangible assets held at valuation**

In respect of tangible assets held at valuation, the comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

| Group and company       | Freehold<br>property<br>£ |
|-------------------------|---------------------------|
| <b>At 31 March 2016</b> | <b>2,808,693</b>          |
| At 31 March 2015        | 2,808,693                 |

**14. Investments**

The group has no investments.

# J. & R. Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2016

### 14. Investments *(continued)*

| Company                       | Shares in<br>group<br>undertakings<br>£ |
|-------------------------------|-----------------------------------------|
| <b>Cost</b>                   |                                         |
| At 1 Apr 2015 and 31 Mar 2016 | <u>208,005</u>                          |
| <b>Impairment</b>             |                                         |
| At 1 Apr 2015 and 31 Mar 2016 | <u>-</u>                                |
| <b>Carrying amount</b>        |                                         |
| At 1 Apr 2015 and 31 Mar 2016 | <u>208,005</u>                          |

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. All companies are registered in Scotland.

#### Aggregate capital and reserves

|                                        | 2016<br>£ | 2015<br>£ |
|----------------------------------------|-----------|-----------|
| Strathgarry Hotels & Leisure Ltd       | (66,915)  | (177,906) |
| The Boat of Garten Hotel Limited       | (121,638) | (75,967)  |
| McKays Hotel, Bar & Restaurant Limited | 651,706   | 440,677   |
| J&R Projects Limited                   | -         | -         |

#### Retained Profit/(Loss) for the year

|                                        | 2016<br>£ | 2015<br>£ |
|----------------------------------------|-----------|-----------|
| Strathgarry Hotels & Leisure Ltd       | 110,991   | (68,738)  |
| The Boat of Garten Hotel Limited       | (45,671)  | (36,863)  |
| McKays Hotel, Bar & Restaurant Limited | 211,029   | 171,701   |
| J&R Projects Limited                   | -         | -         |

### 15. Stocks

|                               | Group         |               | Company       |               |
|-------------------------------|---------------|---------------|---------------|---------------|
|                               | 2016<br>£     | 2015<br>£     | 2016<br>£     | 2015<br>£     |
| Raw materials and consumables | <u>53,612</u> | <u>40,051</u> | <u>19,506</u> | <u>10,000</u> |

**J. & R. Group Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 March 2016**

**16. Debtors**

|                                    | <b>Group</b>   |                | <b>Company</b> |                |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | <b>2016</b>    | <b>2015</b>    | <b>2016</b>    | <b>2015</b>    |
|                                    | <b>£</b>       | <b>£</b>       | <b>£</b>       | <b>£</b>       |
| Trade debtors                      | 74,939         | 52,545         | 42,107         | 26,775         |
| Amounts owed by group undertakings | –              | –              | 143,540        | 183,258        |
| Prepayments and accrued income     | 30,610         | 21,112         | 6,923          | 3,248          |
| Other debtors                      | 185,436        | 136,920        | 169,629        | 125,187        |
|                                    | <u>290,985</u> | <u>210,577</u> | <u>362,199</u> | <u>338,468</u> |

**17. Cash and cash equivalents**

Cash and cash equivalents comprise the following:

|                          | <b>2016</b>      | <b>2015</b>      |
|--------------------------|------------------|------------------|
|                          | <b>£</b>         | <b>£</b>         |
| Cash at bank and in hand | 3,344            | 8,146            |
| Bank overdrafts          | (547,212)        | (415,430)        |
|                          | <u>(543,868)</u> | <u>(407,284)</u> |

**18. Creditors: amounts falling due within one year**

|                                    | <b>Group</b>     |                  | <b>Company</b>   |                  |
|------------------------------------|------------------|------------------|------------------|------------------|
|                                    | <b>2016</b>      | <b>2015</b>      | <b>2016</b>      | <b>2015</b>      |
|                                    | <b>£</b>         | <b>£</b>         | <b>£</b>         | <b>£</b>         |
| Bank loans and overdrafts          | 713,306          | 537,839          | 701,897          | 564,271          |
| Trade creditors                    | 219,705          | 163,978          | 19,089           | 6,591            |
| Amounts owed to group undertakings | –                | –                | 813,564          | 491,643          |
| Accruals and deferred income       | 64,765           | 57,170           | 23,815           | 21,642           |
| Corporation tax                    | 82,952           | 43,018           | 50,621           | 43,018           |
| Social security and other taxes    | 199,457          | 84,781           | 85,299           | 6,105            |
| Director loan accounts             | 141,010          | 54,429           | 141,010          | 54,429           |
| Other creditors                    | 61,237           | 100,641          | 16,194           | 6,724            |
|                                    | <u>1,482,432</u> | <u>1,041,856</u> | <u>1,851,489</u> | <u>1,194,423</u> |

Included within creditors: amounts falling due within one year, are secured creditors of £713,306 (2015: £537,839).

**19. Creditors: amounts falling due after more than one year**

|                           | <b>Group</b>     |                  | <b>Company</b>   |                  |
|---------------------------|------------------|------------------|------------------|------------------|
|                           | <b>2016</b>      | <b>2015</b>      | <b>2016</b>      | <b>2015</b>      |
|                           | <b>£</b>         | <b>£</b>         | <b>£</b>         | <b>£</b>         |
| Bank loans and overdrafts | 2,568,657        | 1,997,831        | 2,568,657        | 1,997,831        |
| Director loan accounts    | –                | 38,351           | –                | 57,375           |
| Other creditors           | 64,486           | 91,896           | –                | –                |
|                           | <u>2,633,143</u> | <u>2,128,078</u> | <u>2,568,657</u> | <u>2,055,206</u> |

Included within creditors: amounts falling due after more than one year, are secured creditors of £2,568,963 (2015: £1,997,831).

The bank loans are repayable in instalments and are expected to be repaid by July 2020.

# J. & R. Group Limited

## Notes to the Financial Statements *(continued)*

**Year ended 31 March 2016**

**19. Creditors: amounts falling due after more than one year *(continued)***

Included within creditors: amounts falling due after more than one year is an amount of £10,157 (2015: £21,433) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

**20. Deferred tax**

The deferred tax included in the statement of financial position is as follows:

|                                  | <b>Group</b>   |               | <b>Company</b> |               |
|----------------------------------|----------------|---------------|----------------|---------------|
|                                  | <b>2016</b>    | <b>2015</b>   | <b>2016</b>    | <b>2015</b>   |
|                                  | <b>£</b>       | <b>£</b>      | <b>£</b>       | <b>£</b>      |
| Included in provisions (note 21) | <u>102,604</u> | <u>95,742</u> | <u>102,604</u> | <u>95,742</u> |

The deferred tax account consists of the tax effect of timing differences in respect of:

|                                | <b>Group</b>   |               | <b>Company</b> |               |
|--------------------------------|----------------|---------------|----------------|---------------|
|                                | <b>2016</b>    | <b>2015</b>   | <b>2016</b>    | <b>2015</b>   |
|                                | <b>£</b>       | <b>£</b>      | <b>£</b>       | <b>£</b>      |
| Accelerated capital allowances | 9,829          | —             | 9,829          | —             |
| Revaluation of tangible assets | <u>92,775</u>  | <u>95,742</u> | <u>92,775</u>  | <u>95,742</u> |
|                                | <u>102,604</u> | <u>95,742</u> | <u>102,604</u> | <u>95,742</u> |

**21. Provisions**

| <b>Group and company</b> | <b>Deferred tax<br/>(note 20)<br/>£</b> |
|--------------------------|-----------------------------------------|
| At 1 April 2015          | 95,742                                  |
| Charge against provision | <u>6,862</u>                            |
| At 31 March 2016         | <u>102,604</u>                          |

**22. Financial instruments**

The carrying amount for each category of financial instrument is as follows:

|                                                  | <b>2016<br/>£</b>  | <b>2015<br/>£</b>  |
|--------------------------------------------------|--------------------|--------------------|
| <b>Financial liabilities</b>                     |                    |                    |
| Financial liabilities measured at amortised cost | <u>(3,281,963)</u> | <u>(2,535,670)</u> |

**23. Called up share capital**

**Issued, called up and fully paid**

|                            | <b>2016</b> |           | <b>2015</b> |           |
|----------------------------|-------------|-----------|-------------|-----------|
|                            | <b>No.</b>  | <b>£</b>  | <b>No.</b>  | <b>£</b>  |
| Ordinary shares of £1 each | <u>16</u>   | <u>16</u> | <u>16</u>   | <u>16</u> |

**J. & R. Group Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 March 2016**

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**24. Reserves**

Profit and loss account - This reserve records retained earnings and accumulated losses.

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income, net of any tax that may be due on the sale of such revalued assets.

**25. Operating leases**

The total future minimum lease payments under non-cancellable operating leases are as follows:

|                                              | <b>Group</b>  |               | <b>Company</b> |               |
|----------------------------------------------|---------------|---------------|----------------|---------------|
|                                              | <b>2016</b>   | <b>2015</b>   | <b>2016</b>    | <b>2015</b>   |
|                                              | <b>£</b>      | <b>£</b>      | <b>£</b>       | <b>£</b>      |
| Later than 1 year and not later than 5 years | <u>30,061</u> | <u>40,206</u> | <u>30,061</u>  | <u>40,206</u> |

**26. Directors' advances, credits and guarantees**

At the year end, following repayments, the company was due to repay £141,009 (2015 - £92,780) to the directors. This balance is disclosed in the above note Creditors: amounts falling due within one year. Monthly repayments are in place and the balance attracts interest at a commercial rate.

**27. Related party transactions**

**Company**

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

At the year end, the company was due to repay £Nil (2015 - £19,024) to associated companies. This balance is disclosed in the above note Creditors: amounts falling due within one year.

**Group**

During the year, the group provided goods and services, on commercial terms, to associated companies, amounting to £30,396. At the year end, the associated companies were due to pay the group £190,792 (2015 - £14,635). There are no set repayment terms and no interest is accruing.

**28. Transition to FRS 102**

These are the first financial statements that comply with FRS 102. The group and the company transitioned to FRS 102 on 1 April 2014.

**J. & R. Group Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 March 2016**

**28. Transition to FRS 102** *(continued)*

**Reconciliation of equity**

| Group                                                         | 1 April 2014                    |                              |                               | 31 March 2015                   |                              |                               |
|---------------------------------------------------------------|---------------------------------|------------------------------|-------------------------------|---------------------------------|------------------------------|-------------------------------|
|                                                               | As<br>previously<br>stated<br>£ | Effect of<br>transition<br>£ | FRS 102 (as<br>restated)<br>£ | As<br>previously<br>stated<br>£ | Effect of<br>transition<br>£ | FRS 102 (as<br>restated)<br>£ |
| Fixed assets                                                  | 4,224,571                       | (195,103)                    | 4,029,468                     | 4,311,279                       | (221,803)                    | 4,089,476                     |
| Current assets                                                | 136,010                         | –                            | 136,010                       | 258,774                         | –                            | 258,774                       |
| Creditors: amounts<br>falling due within<br>one year          | (842,014)                       | –                            | (842,014)                     | (1,041,856)                     | –                            | (1,041,856)                   |
| Net current<br>liabilities                                    | (706,004)                       | –                            | (706,004)                     | (783,082)                       | –                            | (783,082)                     |
| Total assets less<br>current liabilities                      | 3,518,567                       | (195,103)                    | 3,323,464                     | 3,528,197                       | (221,803)                    | 3,306,394                     |
| Creditors: amounts<br>falling due after<br>more than one year | (2,425,840)                     | –                            | (2,425,840)                   | (2,128,078)                     | –                            | (2,128,078)                   |
| Provisions                                                    | –                               | (97,629)                     | (97,629)                      | –                               | (95,742)                     | (95,742)                      |
| Net assets                                                    | <u>1,092,727</u>                | <u>(292,732)</u>             | <u>799,995</u>                | <u>1,400,119</u>                | <u>(317,545)</u>             | <u>1,082,574</u>              |
| Capital and<br>reserves                                       | <u>1,092,727</u>                | <u>(292,732)</u>             | <u>799,995</u>                | <u>1,400,119</u>                | <u>(317,545)</u>             | <u>1,082,574</u>              |

# J. & R. Group Limited

## Notes to the Financial Statements *(continued)*

**Year ended 31 March 2016**

### 28. Transition to FRS 102 *(continued)*

#### Reconciliation of equity

| Company                                                 | 1 April 2014              |                           |                            | 31 March 2015             |                           |                            |
|---------------------------------------------------------|---------------------------|---------------------------|----------------------------|---------------------------|---------------------------|----------------------------|
|                                                         | As previously stated<br>£ | Effect of transition<br>£ | FRS 102 (as restated)<br>£ | As previously stated<br>£ | Effect of transition<br>£ | FRS 102 (as restated)<br>£ |
| Fixed assets                                            | 4,270,553                 | (195,103)                 | 4,075,450                  | 4,232,894                 | (148,000)                 | 4,084,894                  |
| Current assets                                          | 12,448                    | –                         | 12,448                     | 348,545                   | –                         | 348,545                    |
| Creditors: amounts falling due within one year          | (823,739)                 | –                         | (823,739)                  | (1,194,423)               | –                         | (1,194,423)                |
| Net current liabilities                                 | (811,291)                 | –                         | (811,291)                  | (845,878)                 | –                         | (845,878)                  |
| Total assets less current liabilities                   | 3,459,262                 | (195,103)                 | 3,264,159                  | 3,387,016                 | (148,000)                 | 3,239,016                  |
| Creditors: amounts falling due after more than one year | (2,377,644)               | –                         | (2,377,644)                | (2,055,206)               | –                         | (2,055,206)                |
| Provisions                                              | –                         | (97,629)                  | (97,629)                   | –                         | (95,742)                  | (95,742)                   |
| Net assets                                              | 1,081,618                 | (292,732)                 | 788,886                    | 1,331,810                 | (243,742)                 | 1,088,068                  |
| Capital and reserves                                    | 1,081,618                 | (292,732)                 | 788,886                    | 1,331,810                 | (243,742)                 | 1,088,068                  |

#### Reconciliation of Group profit or loss for the year

|                                              | Year ended 31 March 2015  |                           |                            |
|----------------------------------------------|---------------------------|---------------------------|----------------------------|
|                                              | As previously stated<br>£ | Effect of transition<br>£ | FRS 102 (as restated)<br>£ |
| Turnover                                     | 2,862,545                 | –                         | 2,862,545                  |
| Cost of sales                                | (1,546,132)               | –                         | (1,546,132)                |
| Gross profit                                 | 1,316,413                 | –                         | 1,316,413                  |
| Administrative expenses                      | (1,030,666)               | (26,700)                  | (1,057,366)                |
| Other operating income                       | 144,428                   | –                         | 144,428                    |
| Operating profit                             | 430,175                   | (26,700)                  | 403,475                    |
| Other interest receivable and similar income | 17,667                    | –                         | 17,667                     |
| Interest payable and similar charges         | (97,432)                  | –                         | (97,432)                   |
| Tax on profit on ordinary activities         | (43,018)                  | –                         | (43,018)                   |
| Profit for the financial year                | 307,392                   | (26,700)                  | 280,692                    |

# **J. & R. Group Limited**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 March 2016**

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**28. Transition to FRS 102** *(continued)*

In line with the previous UK accounting standards, goodwill was being amortised over 20 years. On the adoption of the requirements of FRS 102, the maximum term over which goodwill can be amortised is 10 years. This has resulted in an additional amortisation charge of £195,103 being recognised at the transition date of 1 April 2014, and an additional £26,700 amortisation charge being recognised at 31 March 2015 in order to restate the 2015 figures in accordance with FRS 102.

In line with the previous UK accounting standards, the properties held were classified as freehold property. On adoption of the requirements of FRS 102 the properties have been reclassified from freehold property to investment property. FRS 102 requires deferred tax on the potential chargeable gain, after available allowances, to be provided. This has resulted in a deferred tax charge of £97,629 being recognised at the transition date of 1 April 2014, and a deferred tax credit of £1,887 being recognised at 31 March 2015 in order to restate the 2015 figures in accordance with FRS 102.