

COMPANY REGISTRATION NUMBER: SC318321

J. & R. Group Limited
Financial Statements
31 March 2017

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 2017

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J. & R. Group Limited
Officers and Professional Advisers

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

J. & R. Group Limited

Strategic Report

Year ended 31 March 2017

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 11% to £3.9m. 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 2017.

Future developments

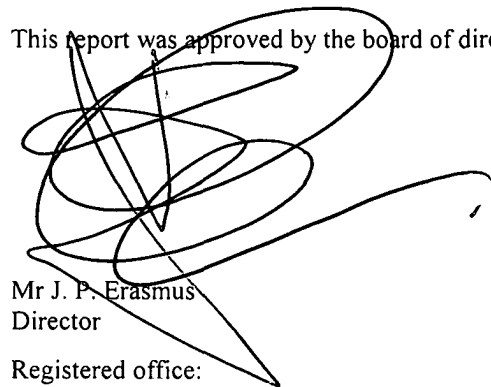
The group intends to continue to focus on its activities in the hospitality and leisure industry and does not envisage any significant changes to the operations of the group over the next 12 months.

J. & R. Group Limited

Strategic Report *(continued)*

Year ended 31 March 2017

This report was approved by the board of directors on 8 December 2017 and signed on behalf of the board by:

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long trailing stroke.

Mr J. P. Erasmus
Director

Registered office:
113 Atholl Road
Pitlochry
Perthshire
PH16 5AG

J. & R. Group Limited

Directors' Report

Year ended 31 March 2017

The directors present their report and the financial statements of the group for the year ended 31 March 2017.

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.

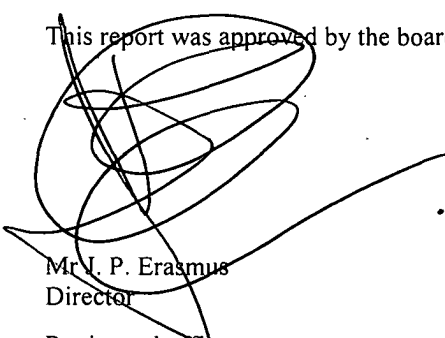
Auditor

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 8 December 2017 and signed on behalf of the board by:



Mr J. P. Erasmus
Director

Registered office:
113 Atholl Road
Pitlochry
Perthshire
PH16 5AG

J. & R. Group Limited
Directors' Responsibilities Statement
Year ended 31 March 2017

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 2017

We have audited the financial statements of J. & R. Group Limited for the year ended 31 March 2017, on pages 8 to 25. The financial reporting framework that has been applied in their preparation is applicable law and the 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 members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and 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 2017 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.

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 in note 3 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 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.

J. & R. Group Limited

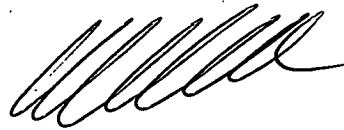
Independent Auditor's Report to the Members of J. & R. Group Limited *(continued)*

Year ended 31 March 2017

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 Accountants & Statutory Auditor

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

8 December 2017

J. & R. Group Limited
Consolidated Statement of Comprehensive Income
Year ended 31 March 2017

		2017	2016
	Note	£	£
Turnover	4	3,863,942	3,472,587
Cost of sales		2,435,819	1,933,349
Gross profit		1,428,123	1,539,238
Administrative expenses		1,176,347	1,226,053
Other operating income	5	25,555	25,566
Operating profit	6	277,331	338,751
Interest payable and similar expenses	10	92,098	107,242
Profit before taxation		185,233	231,509
Tax on profit	11	39,533	49,763
Profit for the financial year and total comprehensive income		145,700	181,746

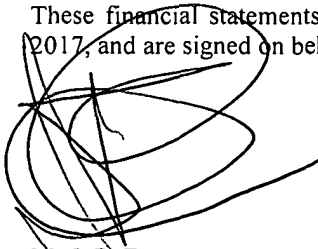
All the activities of the group are from continuing operations.

The notes on pages 14 to 25 form part of these financial statements.

J. & R. Group Limited
Consolidated Statement of Financial Position
31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	12	123,750	175,750
Tangible assets	13	4,994,531	4,961,775
		<u>5,118,281</u>	<u>5,137,525</u>
Current assets			
Stocks	15	41,813	53,612
Debtors	16	176,531	290,985
Cash at bank and in hand		3,981	3,344
		<u>222,325</u>	<u>347,941</u>
Creditors: amounts falling due within one year	18	953,895	1,482,432
Net current liabilities		<u>731,570</u>	<u>1,134,491</u>
Total assets less current liabilities		<u>4,386,711</u>	<u>4,003,034</u>
Creditors: amounts falling due after more than one year	19	2,858,913	2,633,143
Provisions			
Deferred tax	20	99,598	102,604
Net assets		<u>1,428,200</u>	<u>1,267,287</u>
Capital and reserves			
Called up share capital	23	16	16
Share premium account	24	299,988	299,988
Revaluation reserve	24	849,501	834,288
Profit and loss account	24	278,695	132,995
Members funds		<u>1,428,200</u>	<u>1,267,287</u>

These financial statements were approved by the board of directors and authorised for issue on 8 December 2017, and are signed on behalf of the board by:


Mr. J. P. Erasmus
Director

Company registration number: SC318321

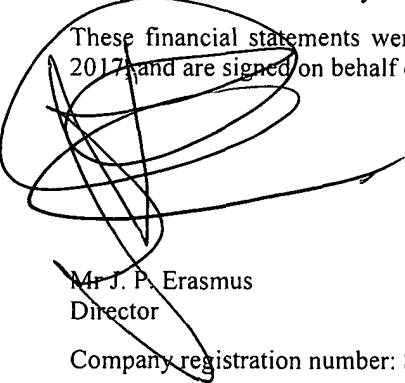
The notes on pages 14 to 25 form part of these financial statements.

J. & R. Group Limited
Company Statement of Financial Position
31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	12	123,750	175,750
Tangible assets	13	4,771,445	4,769,679
Investments	14	208,005	208,005
		<u>5,103,200</u>	<u>5,153,434</u>
Current assets			
Stocks	15	2,762	19,506
Debtors	16	309,027	362,199
Cash at bank and in hand		31	394
		<u>311,820</u>	<u>382,099</u>
Creditors: amounts falling due within one year	18	<u>1,326,496</u>	<u>1,851,489</u>
Net current liabilities		<u>1,014,676</u>	<u>1,469,390</u>
Total assets less current liabilities		<u>4,088,524</u>	<u>3,684,044</u>
Creditors: amounts falling due after more than one year	19	2,799,761	2,568,657
Provisions			
Deferred tax	20	88,340	102,604
Net assets		<u><u>1,200,423</u></u>	<u><u>1,012,783</u></u>
Capital and reserves			
Called up share capital	23	16	16
Share premium account	24	299,988	299,988
Revaluation reserve	24	849,501	834,288
Profit and loss account	24	50,918	(121,509)
Members funds		<u><u>1,200,423</u></u>	<u><u>1,012,783</u></u>

The profit for the financial year of the parent company was £172,427 (2016: £78,252 loss).

These financial statements were approved by the board of directors and authorised for issue on 8 December 2017 and are signed on behalf of the board by:


Mr J. P. Erasmus
Director

Company registration number: SC318321

The notes on pages 14 to 25 form part of these financial statements.

J. & R. Group Limited
Consolidated Statement of Changes in Equity
Year ended 31 March 2017

	Called up share capital £	Share premium account £	Revaluation reserve £	Profit and loss account £	Total £
At 1 April 2015 (as previously reported)	16	299,988	831,321	(48,751)	1,082,574
Deferred tax movement	—	—	2,967	—	2,967
At 1 April 2015 (restated)	<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
Total comprehensive income for the year	—	—	—	181,746	181,746
At 31 March 2016 (as previously reported)	16	299,988	834,288	132,995	1,267,287
Deferred tax movement	—	—	15,213	—	15,213
At 31 March 2016 (restated)	<u>16</u>	<u>299,988</u>	<u>849,501</u>	<u>132,995</u>	<u>1,282,500</u>
Profit for the year	—	—	—	145,700	145,700
Total comprehensive income for the year	—	—	—	145,700	145,700
At 31 March 2017	<u>16</u>	<u>299,988</u>	<u>849,501</u>	<u>278,695</u>	<u>1,428,200</u>

The notes on pages 14 to 25 form part of these financial statements.

J. & R. Group Limited
Company Statement of Changes in Equity
Year ended 31 March 2017

	Called up share capital £	Share premium account £	Revaluation reserve £	Profit and loss account £	Total £
At 1 April 2015 (as previously reported)	16	299,988	831,321	(43,257)	1,088,068
Deferred tax movement	—	—	2,967	—	2,967
At 1 April 2015 (restated)	<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)
Total comprehensive income for the year	—	—	—	(78,252)	(78,252)
At 31 March 2016 (as previously reported)	16	299,988	834,288	(121,509)	1,012,783
Deferred tax movement	—	—	15,213	—	15,213
At 31 March 2016 (restated)	<u>16</u>	<u>299,988</u>	<u>849,501</u>	<u>(121,509)</u>	<u>1,027,996</u>
Profit for the year	—	—	—	172,427	172,427
Total comprehensive income for the year	—	—	—	172,427	172,427
At 31 March 2017	<u>16</u>	<u>299,988</u>	<u>849,501</u>	<u>50,918</u>	<u>1,200,423</u>

The notes on pages 14 to 25 form part of these financial statements.

J. & R. Group Limited
Consolidated Statement of Cash Flows
Year ended 31 March 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the financial year		145,700	181,746
<i>Adjustments for:</i>			
Depreciation of tangible assets		83,508	66,321
Amortisation of intangible assets		52,000	64,651
Interest payable and similar expenses		92,098	107,242
Loss on disposal of tangible assets		6,467	1,700
Tax on profit		39,533	49,763
Accrued expenses		14,183	7,595
<i>Changes in:</i>			
Stocks		11,799	(13,561)
Trade and other debtors		114,454	(80,408)
Trade and other creditors		(104,515)	122,611
Cash generated from operations		455,227	507,660
Interest paid		(92,098)	(107,242)
Tax paid		(82,952)	–
Net cash from operating activities		<u>280,177</u>	<u>400,418</u>
Cash flows from investing activities			
Purchase of tangible assets		(140,749)	(1,030,853)
Proceeds from sale of tangible assets		18,018	132
Purchase of intangible assets		–	(150,000)
Net cash used in investing activities		<u>(122,731)</u>	<u>(1,180,721)</u>
Cash flows from financing activities			
Proceeds from borrowings		400,000	942,005
Repayments of borrowings		(235,659)	(298,286)
Net cash from financing activities		<u>164,341</u>	<u>643,719</u>
Net increase/(decrease) in cash and cash equivalents		321,787	(136,584)
Cash and cash equivalents at beginning of year		(543,868)	(407,284)
Cash and cash equivalents at end of year	17	<u>(222,081)</u>	<u>(543,868)</u>

The notes on pages 14 to 25 form part of these financial statements.

J. & R. Group Limited
Notes to the Financial Statements
Year ended 31 March 2017

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is 113 Atholl Road, Pitlochry, Perthshire, PH16 5AG.

2. 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'.

3. 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 £185,233 (2016 - £231,509) and has shareholders' funds of £1,428,200 (2016 - £1,267,287).

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 and meet its obligations as they fall due.

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.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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.

J. & R. Group Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2017

3. Accounting policies *(continued)*

Corporation 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.

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

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

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 2017

3. 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 and straight line
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 2017

3. 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.

Financial instruments

A financial asset or a financial liability is recognised only when the entity 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.

4. Turnover

Turnover arises from:

	2017	2016
	£	£
Sale of hospitality, catering services and accommodation	<u>3,863,942</u>	<u>3,472,587</u>

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

5. Other operating income

	2017	2016
	£	£
Rental income	25,555	25,316
Other operating income	–	250
	<u>25,555</u>	<u>25,566</u>

6. Operating profit

Operating profit or loss is stated after charging:

	2017	2016
	£	£
Amortisation of intangible assets	52,000	64,651
Depreciation of tangible assets	83,508	66,321
Loss on disposal of tangible assets	6,467	1,700
Impairment of trade debtors	<u>354</u>	<u>7</u>

J. & R. Group Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2017

7. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>16,800</u>	<u>20,500</u>
Fees payable to the company's auditor and its associates for other services: Other non-audit services	<u>11,572</u>	<u>12,946</u>

8. Staff costs

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

	2017	2016
	No.	No.
Catering staff	79	68
Administrative staff	17	2
Management staff	4	6
	<u>100</u>	<u>76</u>

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

	2017	2016
	£	£
Wages and salaries	1,429,196	1,251,271
Social security costs	101,340	82,011
	<u>1,530,536</u>	<u>1,333,282</u>

9. Directors' remuneration

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

	2017	2016
	£	£
Remuneration	<u>30,340</u>	<u>30,300</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2017	2016
	No.	No.
Defined contribution plans	<u>2</u>	<u>2</u>

There is no distinction between directors and key management personnel.

10. Interest payable and similar expenses

	2017	2016
	£	£
Interest on banks loans and overdrafts	88,673	100,451
Other interest payable and similar charges	3,425	6,791
	<u>92,098</u>	<u>107,242</u>

J. & R. Group Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2017

11. Tax on profit

Major components of tax expense

	2017	2016
	£	£
Current tax:		
UK current tax expense	27,326	39,934
Deferred tax:		
Origination and reversal of timing differences	12,207	9,829
Tax on profit	<u>39,533</u>	<u>49,763</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 20% (2016: 20%).

	2017	2016
	£	£
Profit on ordinary activities before taxation	<u>185,233</u>	<u>231,509</u>
Profit on ordinary activities by rate of tax	37,046	46,302
Effect of expenses not deductible for tax purposes	119	3,481
Effect of capital allowances and depreciation	2,368	(20)
Tax on profit	<u>39,533</u>	<u>49,763</u>

12. Intangible assets

Group	Goodwill
	£
Cost	
At 1 Apr 2016 and 31 Mar 2017	<u>744,007</u>
Amortisation	
At 1 April 2016	568,257
Charge for the year	<u>52,000</u>
At 31 March 2017	<u>620,257</u>
Carrying amount	
At 31 March 2017	<u>123,750</u>
At 31 March 2016	<u>175,750</u>

J. & R. Group Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2017

12. Intangible assets *(continued)*

Company	Goodwill £
Cost	
At 1 Apr 2016 and 31 Mar 2017	<u>520,000</u>
Amortisation	
At 1 April 2016	344,250
Charge for the year	52,000
At 31 March 2017	<u>396,250</u>
Carrying amount	
At 31 March 2017	<u>123,750</u>
At 31 March 2016	<u>175,750</u>

13. Tangible assets

Group	Freehold property £	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
Cost					
At 1 April 2016	4,628,547	113,409	667,836	67,267	5,477,059
Additions	–	–	93,209	47,540	140,749
Disposals	–	–	(54,359)	(10,770)	(65,129)
At 31 March 2017	<u>4,628,547</u>	<u>113,409</u>	<u>706,686</u>	<u>104,037</u>	<u>5,552,679</u>
Depreciation					
At 1 April 2016	–	15,122	453,807	46,355	515,284
Charge for the year	–	7,610	60,055	15,843	83,508
Disposals	–	–	(35,327)	(5,317)	(40,644)
At 31 March 2017	<u>–</u>	<u>22,732</u>	<u>478,535</u>	<u>56,881</u>	<u>558,148</u>
Carrying amount					
At 31 March 2017	<u>4,628,547</u>	<u>90,677</u>	<u>228,151</u>	<u>47,156</u>	<u>4,994,531</u>
At 31 March 2016	<u>4,628,547</u>	<u>98,287</u>	<u>214,029</u>	<u>20,912</u>	<u>4,961,775</u>

J. & R. Group Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2017

13. Tangible assets *(continued)*

Company	Freehold property £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 April 2016	4,628,547	452,302	12,471	5,093,320
Additions	–	–	35,380	35,380
Disposals	–	–	(8,145)	(8,145)
At 31 March 2017	4,628,547	452,302	39,706	5,120,555
Depreciation				
At 1 April 2016	–	316,623	7,018	323,641
Charge for the year	–	20,351	9,190	29,541
Disposals	–	–	(4,072)	(4,072)
At 31 March 2017	–	336,974	12,136	349,110
Carrying amount				
At 31 March 2017	4,628,547	115,328	27,570	4,771,445
At 31 March 2016	4,628,547	135,679	5,453	4,769,679

Included within the above is investment property as follows:

	Group £	Company £
At 1 April 2016 and 31 March 2017	–	4,628,547
At 1 April 2016	–	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 2017.

Tangible assets held at valuation

Included in the carrying value above, are revalued properties held at a value of £3,690,000.

In respect of tangible assets held at valuation, aggregate cost, depreciation and 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 property £
At 31 March 2017	
Aggregate cost	2,808,693
Aggregate depreciation	–
Carrying value	2,808,693
At 31 March 2016	
Aggregate cost	2,808,693
Aggregate depreciation	–
Carrying value	2,808,693

J. & R. Group Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2017

14. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 Apr 2016 and 31 Mar 2017	<u>208,005</u>
Impairment	
At 1 Apr 2016 and 31 Mar 2017	<u>—</u>
Carrying amount	
At 1 Apr 2016 and 31 Mar 2017	<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

	2017 £	2016 £
Strathgarry Hotels & Leisure Ltd	(71,123)	(66,913)
The Boat of Garten Hotel Limited	(156,398)	(121,636)
McKays Hotel, Bar & Restaurant Limited	663,951	651,708
J&R Projects Limited	-	-

Retained Profit/(Loss) for the year

	2017 £	2016 £
Strathgarry Hotels & Leisure Ltd	(4,210)	110,991
The Boat of Garten Hotel Limited	(34,762)	(45,671)
McKays Hotel, Bar & Restaurant Limited	12,243	211,030
J&R Projects Limited	-	-

15. Stocks

	Group		Company
	2017 £	2016 £	2017 £
Raw materials and consumables	<u>41,813</u>	<u>53,612</u>	<u>2,762</u>
			<u>19,506</u>

J. & R. Group Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2017

16. Debtors

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	19,741	74,939	9,773	42,107
Amounts owed by group undertakings	–	–	204,065	143,540
Prepayments and accrued income	32,622	30,610	7,133	6,923
Other debtors	124,168	185,436	88,056	169,629
	<u>176,531</u>	<u>290,985</u>	<u>309,027</u>	<u>362,199</u>

17. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2017	2016
	£	£
Cash at bank and in hand	3,981	3,344
Bank overdrafts	(226,062)	(547,212)
	<u>(222,081)</u>	<u>(543,868)</u>

18. Creditors: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts	461,820	713,306	443,969	701,897
Trade creditors	193,371	219,705	8,920	19,089
Amounts owed to group undertakings	–	–	781,806	813,564
Accruals and deferred income	78,948	64,765	19,046	23,815
Corporation tax	27,326	82,952	27,326	50,621
Social security and other taxes	90,155	199,457	546	85,299
Director loan accounts	4,583	141,010	4,583	141,010
Other creditors	97,692	61,237	40,300	16,194
	<u>953,895</u>	<u>1,482,432</u>	<u>1,326,496</u>	<u>1,851,489</u>

Included within creditors: amounts falling due within one year, are secured creditors of £461,820 (2016: £713,306).

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts	2,799,761	2,568,657	2,799,761	2,568,657
Other creditors	59,152	64,486	–	–
	<u>2,858,913</u>	<u>2,633,143</u>	<u>2,799,761</u>	<u>2,568,657</u>

Included within creditors: amounts falling due after more than one year, are secured creditors of £2,799,761 (2016: £2,568,657).

The bank loans are repayable in instalments and are expected to be repaid by September 2021.

J. & R. Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

20. Provisions

Group	Deferred tax (note 21) £
At 1 April 2016	102,604
Charge against provision	(3,006)
At 31 March 2017	<u>99,598</u>
Company	Deferred tax (note 21) £
At 1 April 2016	102,604
Charge against provision	(14,264)
At 31 March 2017	<u>88,340</u>

21. Deferred tax

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Included in provisions (note 20)	<u>99,598</u>	<u>102,604</u>	<u>88,340</u>	<u>102,604</u>

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Accelerated capital allowances	22,035	9,829	10,777	9,829
Revaluation of tangible assets	77,563	92,775	77,563	92,775
	<u>99,598</u>	<u>102,604</u>	<u>88,340</u>	<u>102,604</u>

22. Financial instruments

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

Financial liabilities measured at amortised cost

	Group	
	2017	2016
	£	£
Financial liabilities measured at amortised cost	<u>3,261,591</u>	<u>3,346,448</u>

23. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
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 2017

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:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Later than 1 year and not later than 5 years	—	30,061	—	30,061
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

26. Directors' advances, credits and guarantees

At the year end, following repayments, the company was due to repay £4,584 to (2016 - due to receive from £141,009) the directors. This balance is disclosed in the above note Creditors: amounts falling due within one year.

27. Related party transactions

Company

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

During the year, the company provided goods and service, to associated companies, amounting to £910 and received goods and services amounting to £35, all on commercial terms. At the year end, the company was due to pay £3,085 (2016 - due to receive £193,011) to associated companies. There are no set repayment terms and no interest is accruing.

Group

During the year, the group provided goods and services, to associated companies, amounting to £996 and received goods and services amounting to £480. At the year end, the group was due to receive £23,359 (2016 - £190,792) from associated companies. There are no set repayment terms and no interest is accruing.