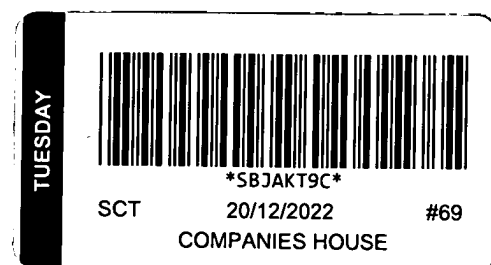


COMPANY REGISTRATION NUMBER: SC318321

J. & R. Group Limited
Financial Statements
31 March 2022

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 2022

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	4
Directors' responsibilities statement	5
Independent auditor's report to the members of J. & R. Group Limited	6
Consolidated statement of comprehensive income	10
Consolidated statement of financial position	11
Company statement of financial position	12
Consolidated statement of changes in equity	13
Company statement of changes in equity	14
Consolidated statement of cash flows	15
Notes to the financial statements	16

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 Plc 7/8 High Street Dundee DD1 1SS
Solicitors	J & H Mitchell WS 51 Atholl Road Pitlochry PH16 5BU

J. & R. Group Limited

Strategic Report

Year ended 31 March 2022

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

The subsidiary, Strathgarry Hotels & Leisure Limited, was not trading 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 hospitality trade with the majority of income generated from tourism in the areas where the group operates. 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.

Political Risk

The group continues to monitor the implications of the UK's exit from the European Union, especially in regard to the access of both EU residents seeking work and overseas visitors.

Results for the year

Sales for the year have increased by 128% to £4.71m (2021 - £2.07m). The directors consider this to be a direct result of the ending of the coronavirus pandemic and the effect it has had on the hospitality industry. The directors expect sales to rise again in future years now that restrictions relating to the pandemic have been loosened.

The group's cash position remains strong with lower debt servicing costs, putting the group in a good position to take advantage of changes to travel restrictions.

Development and performance of the 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 intends to continue to focus on its activities in the hospitality and leisure industry. Restrictions have been lifted in April and we have seen a more normalised trading pattern return. The group remains in a strong position to trade profitably.

J. & R. Group Limited

Strategic Report *(continued)*

Year ended 31 March 2022

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 2022.

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.

This report was approved by the board of directors on 16 December 2022 and signed on behalf of the board by:

DocuSigned by:

Richard Drummond

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Mr R. W. Drummond
Director

Registered office:
113 Atholl Road
Pitlochry
Perthshire
PH16 5AG

J. & R. Group Limited

Directors' Report

Year ended 31 March 2022

The directors present their report and the financial statements of the group for the year ended 31 March 2022.

Directors

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

Mr J. P. Erasmus
Mr R. W. Drummond

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

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.

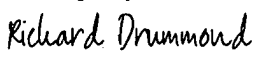
Auditor

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 16 December 2022 and signed on behalf of the board by:

DocuSigned by:

61190DDEEC0349B...

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 2022

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 2022

Opinion

We have audited the financial statements of J. & R. Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

J. & R. Group Limited

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

Year ended 31 March 2022

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

J. & R. Group Limited

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

Year ended 31 March 2022

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

At the planning stage, we assess the risk of material misstatement and any such irregularities and design audit procedures tailored to these risks which will be followed to ensure that we are capable of meeting our responsibilities in this area. Factors relevant to our assessment, which have a positive impact on the capability of our procedures to detect such irregularities, are the size of the entity, the complexity of the entity's operations and our understanding of their regulatory and control environments.

The staff working on this audit assignment have been fully briefed in relation to the company's activities, including the regulatory regime in which they operate.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
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J. & R. Group Limited

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

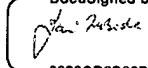
Year ended 31 March 2022

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Iain McBride MA 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

16 December 2022

J. & R. Group Limited
Consolidated Statement of Comprehensive Income
Year ended 31 March 2022

	Note	2022 £	2021 £
Turnover	4	4,718,823	2,070,468
Cost of sales		2,771,413	1,643,316
Gross profit		1,947,410	427,152
Administrative expenses		1,534,828	939,412
Other operating income	5	192,988	869,491
Related party loan write off		581,796	–
Operating profit	6	23,774	357,231
Interest payable and similar expenses	10	93,179	73,065
(Loss)/profit before taxation		(69,405)	284,166
Tax on (loss)/profit	11	23,782	47,847
(Loss)/profit for the financial year		(93,187)	236,319
Revaluation of tangible assets		616,394	–
Tax relating to components of other comprehensive income		(149,200)	(45,835)
Other comprehensive income for the year		467,194	(45,835)
Total comprehensive income for the year		374,007	190,484

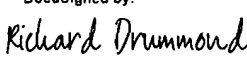
All the activities of the group are from continuing operations.

The notes on pages 16 to 30 form part of these financial statements.

J. & R. Group Limited
Consolidated Statement of Financial Position
31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	30,250	45,250
Tangible assets	14	7,318,677	6,270,011
		<u>7,348,927</u>	<u>6,315,261</u>
Current assets			
Stocks	16	39,187	40,229
Debtors	17	118,729	894,842
Cash at bank and in hand		535,294	422,968
		<u>693,210</u>	<u>1,358,039</u>
Creditors: amounts falling due within one year	18	<u>1,202,642</u>	<u>2,016,077</u>
Net current liabilities		<u>509,432</u>	<u>658,038</u>
Total assets less current liabilities		<u>6,839,495</u>	<u>5,657,223</u>
Creditors: amounts falling due after more than one year	19	3,444,254	2,626,946
Provisions			
Deferred taxation	21	469,326	268,369
Net assets		<u><u>2,925,915</u></u>	<u><u>2,761,908</u></u>
Capital and reserves			
Called up share capital	26	16	16
Share premium account	27	299,988	299,988
Revaluation reserve	27	1,639,238	1,172,044
Profit and loss account	27	986,673	1,289,860
Shareholders funds		<u><u>2,925,915</u></u>	<u><u>2,761,908</u></u>

These financial statements were approved by the board of directors and authorised for issue on 16 December 2022, and are signed on behalf of the board by:

DocuSigned by:

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Mr R. W. Drummond
Director

Company registration number: SC318321

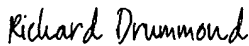
The notes on pages 16 to 30 form part of these financial statements.

J. & R. Group Limited
Company Statement of Financial Position
31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	30,250	45,250
Tangible assets	14	6,979,067	5,897,192
Investments	15	208,004	208,004
		<u>7,217,321</u>	<u>6,150,446</u>
Current assets			
Debtors	17	402,348	1,403,516
Cash at bank and in hand		360,982	202,449
		<u>763,330</u>	<u>1,605,965</u>
Creditors: amounts falling due within one year	18	<u>2,201,150</u>	<u>2,787,829</u>
Net current liabilities		<u>1,437,820</u>	<u>1,181,864</u>
Total assets less current liabilities		<u>5,779,501</u>	<u>4,968,582</u>
Creditors: amounts falling due after more than one year	19	3,444,254	2,626,527
Provisions			
Deferred taxation	21	392,648	203,388
Net assets		<u><u>1,942,599</u></u>	<u><u>2,138,667</u></u>
Capital and reserves			
Called up share capital	26	16	16
Share premium account	27	299,988	299,988
Revaluation reserve	27	1,639,238	1,172,044
Profit and loss account	27	3,357	666,619
Shareholders funds		<u><u>1,942,599</u></u>	<u><u>2,138,667</u></u>

The profit for the financial year of the parent company was £163,132 (2021: £191,499).

These financial statements were approved by the board of directors and authorised for issue on 16 December 2022, and are signed on behalf of the board by:

DocuSigned by:

61190DDEEC0349B...

Mr R. W. Drummond
Director

Company registration number: SC318321

The notes on pages 16 to 30 form part of these financial statements.

J. & R. Group Limited
Consolidated Statement of Changes in Equity
Year ended 31 March 2022

	Note	Called up share capital £	Share premium account £	Revaluation reserve £	Profit and loss account £	Total £
At 1 April 2020		16	299,988	1,217,879	1,153,541	2,671,424
Profit for the year					236,319	236,319
Other comprehensive income for the year:						
Tax relating to components of other comprehensive income	11	—	—	(45,835)	—	(45,835)
Total comprehensive income for the year		—	—	(45,835)	236,319	190,484
Dividends paid and payable	12	—	—	—	(100,000)	(100,000)
Total investments by and distributions to owners		—	—	—	(100,000)	(100,000)
At 31 March 2021		16	299,988	1,172,044	1,289,860	2,761,908
Loss for the year					(93,187)	(93,187)
Other comprehensive income for the year:						
Revaluation of tangible assets	14	—	—	616,394	—	616,394
Tax relating to components of other comprehensive income	11	—	—	(149,200)	—	(149,200)
Total comprehensive income for the year		—	—	467,194	(93,187)	374,007
Dividends paid and payable	12	—	—	—	(210,000)	(210,000)
Total investments by and distributions to owners		—	—	—	(210,000)	(210,000)
At 31 March 2022		16	299,988	1,639,238	986,673	2,925,915

The notes on pages 16 to 30 form part of these financial statements.

J. & R. Group Limited
Company Statement of Changes in Equity
Year ended 31 March 2022

	Called up share capital £	Share premium account £	Revaluation reserve £	Profit and loss account £	Total £
At 1 April 2020	16	299,988	1,217,879	575,120	2,093,003
Profit for the year				191,499	191,499
Other comprehensive income for the year:					
Tax relating to components of other comprehensive income	11	—	(45,835)	—	(45,835)
Total comprehensive income for the year		—	(45,835)	191,499	145,664
Dividends paid and payable	12	—	—	(100,000)	(100,000)
Total investments by and distributions to owners		—	—	(100,000)	(100,000)
At 31 March 2021	16	299,988	1,172,044	666,619	2,138,667
Profit for the year				163,132	163,132
Other comprehensive income for the year:					
Reclassification of Revaluation surplus from Comprehensive income to Revaluation reserve		—	616,394	(616,394)	—
Tax on Comprehensive income amount reclassified to Revaluation reserve	11	—	(149,200)	—	(149,200)
Total comprehensive income for the year		—	467,194	(453,262)	13,932
Dividends paid and payable	12	—	—	(210,000)	(210,000)
Total investments by and distributions to owners		—	—	(210,000)	(210,000)
At 31 March 2022	<u>16</u>	<u>299,988</u>	<u>1,639,238</u>	<u>3,357</u>	<u>1,942,599</u>

The notes on pages 16 to 30 form part of these financial statements.

J. & R. Group Limited
Consolidated Statement of Cash Flows
Year ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(93,187)	236,319
<i>Adjustments for:</i>		
Depreciation of tangible assets	156,419	124,765
Amortisation of intangible assets	15,000	15,000
Interest payable and similar expenses	93,179	73,065
Loss on disposal of tangible assets	3,475	–
Tax on profit	23,782	47,847
Accrued expenses/(income)	13,852	(66,970)
<i>Changes in:</i>		
Stocks	1,042	(4,219)
Trade and other debtors	776,113	(41,158)
Trade and other creditors	269,856	(287,677)
Cash generated from operations	1,259,531	96,972
Interest paid	(93,179)	(73,065)
Tax (paid)/received	(67,257)	6,287
Net cash from operating activities	<u>1,099,095</u>	<u>30,194</u>
Cash flows from investing activities		
Purchase of tangible assets	(599,205)	(25,459)
Proceeds from sale of tangible assets	7,040	3,413
Net cash used in investing activities	<u>(592,165)</u>	<u>(22,046)</u>
Cash flows from financing activities		
Net (payments)/receipts from borrowings	(244,789)	636,022
Proceeds from loans from participating interests	(3,147)	(8,347)
Net proceeds of finance lease liabilities	63,332	–
Dividends paid	(210,000)	(100,000)
Net cash (used in)/from financing activities	<u>(394,604)</u>	<u>527,675</u>
Net increase in cash and cash equivalents	112,326	535,823
Cash and cash equivalents at beginning of year	422,968	(112,855)
Cash and cash equivalents at end of year	<u>535,294</u>	<u>422,968</u>

The notes on pages 16 to 30 form part of these financial statements.

J. & R. Group Limited
Notes to the Financial Statements
Year ended 31 March 2022

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's directors consider that, after taking account of reasonable changes in trading performance, the group will operate within cash generated from group operations and facilities agreed with and provided by the group's bank. The directors confirm that, after making appropriate enquiries, they have reasonable expectation that the group will have adequate resources from trading and from agreed bank borrowing facilities to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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.

J. & R. Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Revenue recognition

The turnover 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.

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.

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.

J. & R. Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

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.

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 Consolidated Statement of Comprehensive Income.

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.

J. & R. Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

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.

Stocks

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

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Revenue grants are recognised in the Consolidated Statement of Comprehensive Income in the period to which they relate.

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.

J. & R. Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2022	2021
	£	£
Sale of hospitality, catering services and accommodation	<u>4,718,823</u>	<u>2,070,468</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

	2022	2021
	£	£
Rental income	30,693	32,308
Government grant income	<u>162,295</u>	<u>837,183</u>
	<u>192,988</u>	<u>869,491</u>

6. Operating profit

Operating profit or loss is stated after charging:

	2022	2021
	£	£
Amortisation of intangible assets	15,000	15,000
Depreciation of tangible assets	156,419	124,765
Loss on disposal of tangible assets	<u>3,475</u>	<u>-</u>

7. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	<u>15,300</u>	<u>14,000</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>13,850</u>	<u>11,320</u>

J. & R. Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

8. Staff costs

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

	2022	2021
	No.	No.
Production staff	82	78
Administrative staff	2	2
Management staff	7	7
	<u>91</u>	<u>87</u>

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

	2022	2021
	£	£
Wages and salaries	1,726,193	1,322,155
Social security costs	140,099	93,384
Other pension costs	65,808	57,098
	<u>1,932,100</u>	<u>1,472,637</u>

9. Directors' remuneration

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

	2022	2021
	£	£
Remuneration	63,443	52,154
Company contributions to defined contribution pension plans	40,000	40,000
	<u>103,443</u>	<u>92,154</u>

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

	2022	2021
	No.	No.
Defined contribution plans	<u>1</u>	<u>1</u>

There is no distinction between directors and key management personnel.

10. Interest payable and similar expenses

	2022	2021
	£	£
Interest on banks loans and overdrafts	90,841	71,289
Other interest payable and similar charges	2,338	1,776
	<u>93,179</u>	<u>73,065</u>

J. & R. Group Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2022

11. Tax on profit**Major components of tax expense**

	2022 £	2021 £
Current tax:		
UK current tax expense	–	70,648
Adjustments in respect of prior periods	(27,974)	(6,288)
Total current tax	<u>(27,974)</u>	<u>64,360</u>
Deferred tax:		
Origination and reversal of timing differences	51,756	(16,513)
Tax on profit	<u>23,782</u>	<u>47,847</u>

Tax recognised as other comprehensive income or equity

The aggregate current and deferred tax relating to items recognised as other comprehensive income or equity for the year was £149,200 (2021: £45,835).

Reconciliation of tax expense

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022 £	2021 £
(Loss)/profit on ordinary activities before taxation	(69,405)	284,166
(Loss)/profit on ordinary activities by rate of tax	(13,187)	53,992
Adjustment to tax charge in respect of prior periods	27,974	6,288
Effect of expenses not deductible for tax purposes	4,990	17
Effect of capital allowances and depreciation	4,005	(12,450)
Tax on profit	<u>23,782</u>	<u>47,847</u>

12. Dividends

	2022 £	2021 £
Dividends paid during the year	<u>210,000</u>	<u>100,000</u>

J. & R. Group Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2022****13. Intangible assets**

Group	Goodwill £
Cost	
At 1 April 2021 and 31 March 2022	<u>744,007</u>
Amortisation	
At 1 April 2021	698,757
Charge for the year	<u>15,000</u>
At 31 March 2022	<u>713,757</u>
Carrying amount	
At 31 March 2022	<u>30,250</u>
At 31 March 2021	<u>45,250</u>
Company	Goodwill £
Cost	
At 1 April 2021 and 31 March 2022	<u>520,000</u>
Amortisation	
At 1 April 2021	474,750
Charge for the year	<u>15,000</u>
At 31 March 2022	<u>489,750</u>
Carrying amount	
At 31 March 2022	<u>30,250</u>
At 31 March 2021	<u>45,250</u>

J. & R. Group Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2022

14. Tangible assets

Group	Freehold property £	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
Cost or valuation					
At 1 April 2021	5,829,988	113,409	1,150,009	97,690	7,191,096
Additions	353,618	–	72,709	172,879	599,206
Disposals	–	–	(58,959)	(23,484)	(82,443)
Revaluations	616,394	–	–	–	616,394
At 31 March 2022	6,800,000	113,409	1,163,759	247,085	8,324,253
Depreciation					
At 1 April 2021	–	53,175	787,468	80,442	921,085
Charge for the year	–	7,611	101,966	46,842	156,419
Disposals	–	–	(52,933)	(18,995)	(71,928)
At 31 March 2022	–	60,786	836,501	108,289	1,005,576
Carrying amount					
At 31 March 2022	6,800,000	52,623	327,258	138,796	7,318,677
At 31 March 2021	5,829,988	60,234	362,541	17,248	6,270,011
Company	Investment property £	Fixtures and fittings £	Equipment £	Total £	
Cost or valuation					
At 1 April 2021	5,829,988	452,302	29,805	6,312,095	
Additions	353,618	–	167,173	520,791	
Disposals	–	–	(13,506)	(13,506)	
Revaluations	616,394	–	–	616,394	
At 31 March 2022	6,800,000	452,302	183,472	7,435,774	
Depreciation					
At 1 April 2021	–	392,100	22,803	414,903	
Charge for the year	–	9,031	42,762	51,793	
Disposals	–	–	(9,989)	(9,989)	
At 31 March 2022	–	401,131	55,576	456,707	
Carrying amount					
At 31 March 2022	6,800,000	51,171	127,896	6,979,067	
At 31 March 2021	5,829,988	60,202	7,002	5,897,192	

The group's property assets were valued in February 2022 by Colliers International Property Consultants Limited. The valuations were on the basis of open market valuation and in accordance with RICS appraisal and valuation standards. As the total of these valuations exceeded the total of the carrying values of the underlying assets, the assets have been revalued and the surplus arising has been recognised in the Consolidated Statement of Comprehensive Income, along with associated deferred taxation on the surplus. The directors consider that the revalued amounts are a fair representation of the market value of the property held by the company at the year-end.

J. & R. Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

14. Tangible assets *(continued)*

Tangible assets held at valuation

Included in the carrying value above, are revalued properties held at value of £6,800,000.

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 2022	
Aggregate cost	4,970,491
Aggregate depreciation	—
Carrying value	<u>4,970,491</u>
At 31 March 2021	
Aggregate cost	4,722,273
Aggregate depreciation	—
Carrying value	<u>4,722,273</u>

Capital commitments

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Contracted for but not provided for in the financial statements	<u>699,454</u>	<u>788,582</u>	<u>699,454</u>	<u>788,582</u>

15. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 April 2021 and 31 March 2022	<u>208,004</u>
Impairment	
At 1 April 2021 and 31 March 2022	<u>—</u>
Carrying amount	
At 1 April 2021 and 31 March 2022	<u>208,004</u>
At 31 March 2021	<u>208,004</u>

J. & R. Group Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2022

15. Investments (continued)

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
Subsidiary undertakings		
Mckays Hotel Bar and Restaurant Limited	Ordinary	100
The Boat of Garten Hotel Limited	Ordinary	100
Strathgarry Hotels & Leisure Ltd	Ordinary	100

The registered address for all subsidiaries is 113 Atholl Road, Pitlochry, Perthshire, PH16 5AG.

16. Stocks

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Raw materials and consumables	39,187	40,229	—	—

17. Debtors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	57,176	44,878	26,785	24,963
Amounts owed by group undertakings	—	—	335,980	635,890
Amounts owed by related parties	5,904	572,211	4,537	572,211
Prepayments and accrued income	13,269	59,767	1,047	49,330
Other debtors	42,380	217,986	33,999	121,122
	<u>118,729</u>	<u>894,842</u>	<u>402,348</u>	<u>1,403,516</u>

18. Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts	541,154	1,545,488	541,154	1,545,488
Trade creditors	379,499	40,816	11,488	15,202
Amounts owed to group undertakings	—	—	1,568,287	1,055,244
Amounts owed to related parties	—	3,147	—	—
Accruals and deferred income	63,432	49,580	22,320	12,751
Corporation tax	33,212	128,443	29,240	80,290
Social security and other taxes	30,311	77,657	3,142	76,010
Obligations under finance leases and hire purchase contracts	5,150	—	5,150	—
Other creditors	149,884	170,946	20,369	2,844
	<u>1,202,642</u>	<u>2,016,077</u>	<u>2,201,150</u>	<u>2,787,829</u>

J. & R. Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

18. Creditors: amounts falling due within one year *(continued)*

Included within creditors: amounts falling due within one year, are secured creditors of £541,154 (2021: £1,545,488).

As security for all sums due by the group to it, Clydesdale Bank PLC holds standard securities over certain of the company's investment property as well as a bond and floating charge over all the assets and undertaking of all group companies.

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts	3,386,072	2,626,527	3,386,072	2,626,527
Obligations under finance leases and hire purchase contracts	58,182	—	58,182	—
Other creditors	—	419	—	—
	<u>3,444,254</u>	<u>2,626,946</u>	<u>3,444,254</u>	<u>2,626,527</u>

Included within creditors: amounts falling due after more than one year, are secured creditors of £3,386,072 (2021: £2,626,527).

20. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Not later than 1 year	5,150	—	—	—
Later than 1 year and not later than 5 years	58,182	—	—	—
	<u>63,332</u>	<u>—</u>	<u>—</u>	<u>—</u>

21. Provisions

Group	Deferred tax (note 22) £
At 1 April 2021	268,369
Additions	11,696
Charge against provision	189,261
At 31 March 2022	<u>469,326</u>
Company	Deferred tax (note 22) £
At 1 April 2021	203,388
Charge against provision	189,260
At 31 March 2022	<u>392,648</u>

J. & R. Group Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2022

22. Deferred tax

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Included in provisions (note 21)	<u>469,326</u>	<u>268,369</u>	<u>392,648</u>	<u>203,388</u>

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Accelerated capital allowances	178,694	125,937	100,264	60,206
Revaluation of tangible assets	292,459	143,235	292,459	143,235
Pension plan obligations	(1,827)	(803)	(74)	(53)
	<u>469,326</u>	<u>268,369</u>	<u>392,649</u>	<u>203,388</u>

23. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £65,808 (2021: £57,098).

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions totalling £676 (2021 - £4,792) were payable to the scheme at the year end and are included in Other Creditors in Creditors: amounts falling due within one year.

24. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Recognised in other operating income:				
Government grants recognised directly in income	<u>162,295</u>	<u>837,183</u>	<u>19,616</u>	<u>102,940</u>

25. Financial instruments

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

Financial liabilities measured at amortised cost

	Group	
	2022	2021
	£	£
Financial liabilities measured at amortised cost	<u>3,386,072</u>	<u>2,626,527</u>

J. & R. Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

26. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>

27. Reserves

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

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

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 and is not distributable.

28. Analysis of changes in net debt

	At 1 Apr 2021	Cash flows	At 31 Mar 2022
	£	£	£
Cash at bank and in hand	422,968	112,326	535,294
Debt due within one year	(1,548,635)	1,002,331	(546,304)
Debt due after one year	<u>(2,626,527)</u>	<u>(817,727)</u>	<u>(3,444,254)</u>
	<u>(3,752,194)</u>	<u>296,930</u>	<u>(3,455,264)</u>

29. Directors' advances, credits and guarantees

At the year end, following repayments in the year, the company was due £nil (2021 - £100,000) from the directors. There are no set repayment terms and no interest is accruing

J. & R. Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

30. 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 services to, and was provided with goods and services from, entities associated through common directors and/or owners. The value of goods and services provided was £19,177 (2021 - £7,832) and the value of goods and services received was £48,000 (2021 - £48,000).

The company had previously advanced loan funds of £572,211 to HOP Software Limited, to assist that company develop its hotel operations software business. The company's directors are also directors and shareholders in HOP Software Limited. The directors have decided to write off the full balance of the loan due to it becoming clear that HOP Software Limited has not achieved the level of profitable commercial activity which would allow repayment of any of the loan amount over a reasonable future time period.

At the year-end date, the group was due to receive £Nil (2021 - £572,211) from associated entities in relation to the disclosed transactions as well as earlier transactions, including loans from the company. Loans to associated entities were unsecured, with no interest charged and no set repayment terms.

Group

During the year, the group provided goods and services to entities associated with the group through common directors and owners. The value of goods and services provided was £51,138 (2021 - £10,217) and the value of goods and services received was £121,245 (2021 - £73,484). At the year-end date, the group was due to pay £15,064 (2021 - £3,148) to, and receive £Nil (2021 - £571,196) from, these associated entities in relation to the disclosed transactions as well as earlier transactions, including loans from the group. Loans to associated entities were unsecured, with no interest charged and no set repayment terms.