

COMPANY REGISTRATION NUMBER: SC318321

J. & R. Group Limited
Financial Statements
31 March 2024



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 2024

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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

Virgin Money UK PLC
7/8 High Street
Dundee
DD1 1SS

Solicitors

Stronachs
Camas House
Fairways Business Park
Inverness
IV2 6AA

J. & R. Group Limited

Strategic Report

Year ended 31 March 2024

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 group has seen an anticipated improved profit from trading over the 2023/24 financial year mainly as a result of having more bedroom capacity for visitors following the completion of hotel renovations, plus as a consequence of a significant investment in tailored tourism marketing. The directors are satisfied with the results for the year and are confident that the group will sustain and improve its profits from trading in 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

Group sales income increased by 10% to £5.78m (2023 - £5.23m). Aside from the effect of inflation-based price increases to customers, the improvement in trading income is a direct result of the group's development investment into its hotels and restaurants, specifically through hotel refurbishments completed in August 2022 which have added rooms capacity and the continual monitoring and development of their menus.

The directors anticipate that sales revenues will rise again in 2024/25 and future years, as the increased number of guests able to be accommodated in the hotels drives further increases in accommodation revenue as well as associated food and beverage revenue.

The group's cashflow reflects the seasonal nature of hospitality and leisure-based business activities in the Scottish Highlands and is consistent with other competitors in the industry. The group's businesses' trading results and cashflows are monitored closely by management using management accounts and other financial control tools and the directors are pleased that both profitability and cashflows have been aided and put on an improved footing as a result of the improved trading profits.

J. & R. Group Limited

Strategic Report *(continued)*

Year ended 31 March 2024

Development and performance of the business over the year

The group continued with its principal activities based around the hospitality and leisure industry, and invested further in maintaining and upgrading its facilities to ensure a high standard of accommodation and a positive customer experience.

Position after the year end

The group intends to continue to focus on its activities in the hospitality and leisure industry.

There are currently challenges for the group to deal with in the hospitality and leisure business environment due mainly to inflationary pressures which have resulted in significantly increased costs of the group's main expenditure items, such as staff costs and food and beverage costs, as well as significantly increased debt servicing cost due to interest rate rises.

Similar to almost all similar businesses in the hospitality sector, these increased costs have compelled the group to seek to pass on the cost increases to customers through increased prices as well as seeking ways in which to improve efficiencies by controlling costs, in order to sustain and grow profitability.

While these cost inflation and interest cost challenges are real and have an impact on the group's potential profitability and cashflow, the directors consider that the additional sales income flowing from the increased accommodation capacity should ensure that the group continues to grow its sales, and trade profitably over the full year, and generate positive cashflow.

The directors acknowledge the support of the group's bank in providing funding which facilitated the investment in the hotels to provide additional accommodation capacity, as well as the ongoing assistance of the bank in providing flexible long and short-term finance.

The directors believe that the main challenges to the group's businesses from rising inflation and related high interest rates should start to reduce in mid-2025. With the group's improving and strong profitability from trading, as well as a reduction in its long-term borrowing levels over that period, the group is ideally placed to significantly increase its profits and cashflows further from 2025. Consequently, the directors will continue to monitor and review the performance of the group's hotels businesses, as well as what is changing and developing in the Scottish Highlands hotels business sector, to help them identify further opportunities to grow the trade and value of the Group.

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 2024.

Future developments

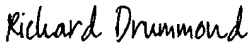
The group intends to continue to focus on its activities in the hospitality and leisure industry and does not envisage any significant changes to the operations of the group over the next 12 months.

J. & R. Group Limited

Strategic Report *(continued)*

Year ended 31 March 2024

This report was approved by the board of directors on 20 December 2024 and signed on behalf of the board by:

DocuSigned by:

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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 2024

The directors present their report and the financial statements of the group for the year ended 31 March 2024.

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 13 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.

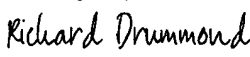
Auditor

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 20 December 2024 and signed on behalf of the board by:

DocuSigned by:

61180DDEEC0349B...

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 2024

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 2024

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 2024 which comprise the consolidated statement of income and retained earnings, company statement of income and retained earnings, consolidated statement of financial position, company statement of financial position, 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 2024 and of the group's profit 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 2024

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 2024

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:

In identifying and assessing the risk of material misstatement due to non-compliance with laws and regulations we have carried out the following:

- Ensured that the engagement team have the appropriate competence, capabilities and skills to identify or recognise non-compliance with laws and regulations;
- Identified the specific laws and regulations applicable to the entity through discussions with directors and management and through our own knowledge of the sector;
- Focused on the laws and regulations we consider may have a direct effect on the financial statements, including FRS 102, the Companies Act 2006 and tax compliance legislation;
- Reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations;
- Made enquiries of management;
- Reviewed minutes of meetings of those charged with governance; and
- Ensured the engagement team remained alert to instances of non-compliance throughout the audit.

In identifying and assessing the risk of material misstatement due to irregularities, including fraud and how it may occur, the potential for management bias and the override of controls we have:

- Obtained an understanding of the entity's operations, including the nature of its sources of revenue to understand the types of transactions, account balances, financial disclosures and business risks that may result in risk of material misstatement;
 - Vouched balances and reconciling items in key control account reconciliations to supporting documentation;
 - Carried out detailed testing, on a sample basis, to verify the completeness, existence and accuracy of transactions and balances;
 - Made enquiries of management as to where they consider there was a susceptibility to fraud, and their knowledge of any actual, suspected or alleged fraud;
 - Performed analytical procedures to identify any significant or unusual transactions;
 - Performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, and evaluated the business rationale behind any significant or unusual transactions.
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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 2024

We did not identify any matters relating to non-compliance with laws and regulations, or relating to fraud. Because of the inherent limitations of an audit, there is an unavoidable risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk of not detecting a material misstatement due to fraud is inherently more difficult than detecting those that result from error as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. In addition, the further removed any non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.
- 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.

J. & R. Group Limited

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

Year ended 31 March 2024

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.

Signed 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

20 December 2024

J. & R. Group Limited
Consolidated Statement of Income and Retained Earnings
Year ended 31 March 2024

	Note	2024 £	2023 £
Turnover	4	5,785,699	5,229,423
Cost of sales		3,354,742	3,118,239
Gross profit		<u>2,430,957</u>	<u>2,111,184</u>
Administrative expenses		1,785,192	1,694,207
Other operating income	5	86,372	77,615
Operating profit	6	<u>732,137</u>	<u>494,592</u>
Other interest receivable and similar income	10	405	—
Interest payable and similar expenses	11	312,381	207,421
Profit before taxation		<u>420,161</u>	<u>287,171</u>
Tax on profit	12	85,924	82,878
Profit for the financial year and total comprehensive income		<u>334,237</u>	<u>204,293</u>
Dividends paid and payable	13	(200,000)	(360,000)
Retained earnings at the start of the year		<u>830,966</u>	<u>986,673</u>
Retained earnings at the end of the year		<u>965,203</u>	<u>830,966</u>

All the activities of the group are from continuing operations.

The notes on pages 17 to 30 form part of these financial statements.

J. & R. Group Limited

Company Statement of Income and Retained Earnings

Year ended 31 March 2024

		2024	2023
	Note	£	£
Profit for the financial year and total comprehensive income		471,369	365,120
Dividends paid and payable	13	(200,000)	(360,000)
Retained earnings at the start of the year		<u>8,477</u>	<u>3,355</u>
Retained earnings at the end of the year		<u><u>279,846</u></u>	<u><u>8,475</u></u>

The notes on pages 17 to 30 form part of these financial statements.

J. & R. Group Limited
Consolidated Statement of Financial Position
31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	14	—	15,250
Tangible assets	15	8,298,297	8,359,879
		<u>8,298,297</u>	<u>8,375,129</u>
Current assets			
Stocks	17	44,496	50,850
Debtors	18	396,822	360,212
Cash at bank and in hand		101,454	46,933
		<u>542,772</u>	<u>457,995</u>
Creditors: amounts falling due within one year	19	<u>1,774,934</u>	<u>1,531,110</u>
Net current liabilities		<u>1,232,162</u>	<u>1,073,115</u>
Total assets less current liabilities		<u>7,066,135</u>	<u>7,302,014</u>
Creditors: amounts falling due after more than one year	20	3,628,738	3,979,602
Provisions			
Deferred taxation	22	532,952	552,204
Net assets		<u>2,904,445</u>	<u>2,770,208</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	1,639,238
Profit and loss account	27	965,203	830,966
Shareholders funds		<u>2,904,445</u>	<u>2,770,208</u>

These financial statements were approved by the board of directors and authorised for issue on 20 December 2024, and are signed on behalf of the board by:

DocuSigned by:

Richard Drummond

61190DDEEC0349B...

Mr R. W. Drummond
Director

Company registration number: SC318321

The notes on pages 17 to 30 form part of these financial statements.

J. & R. Group Limited
Company Statement of Financial Position
31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	14	–	15,250
Tangible assets	15	8,016,673	8,038,664
Investments	16	208,004	208,004
		<u>8,224,677</u>	<u>8,261,918</u>
Current assets			
Debtors	18	470,968	470,223
Creditors: amounts falling due within one year	19	<u>2,375,464</u>	<u>2,324,015</u>
Net current liabilities		1,904,496	1,853,792
Total assets less current liabilities		<u>6,320,181</u>	<u>6,408,126</u>
Creditors: amounts falling due after more than one year	20	3,628,738	3,979,602
Provisions			
Deferred taxation	22	472,355	480,807
Net assets		<u>2,219,088</u>	<u>1,947,717</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	1,639,238
Profit and loss account	27	279,846	8,475
Shareholders funds		<u>2,219,088</u>	<u>1,947,717</u>

The profit for the financial year of the parent company was £471,369 (2023: £365,120).

These financial statements were approved by the board of directors and authorised for issue on 20 December 2024, 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 17 to 30 form part of these financial statements.

J. & R. Group Limited
Consolidated Statement of Cash Flows
Year ended 31 March 2024

	2024 £	2023 £
Cash flows from operating activities		
Profit for the financial year	334,237	204,293
<i>Adjustments for:</i>		
Depreciation of tangible assets	128,489	154,989
Amortisation of intangible assets	15,250	15,000
Other interest receivable and similar income	(405)	–
Interest payable and similar expenses	312,381	207,421
Gains on disposal of tangible assets	(8,508)	(6,913)
Tax on profit	85,924	82,878
Accrued expenses	29,044	12,895
<i>Changes in:</i>		
Stocks	6,354	(11,663)
Trade and other debtors	(36,610)	(241,483)
Trade and other creditors	(19,645)	332,576
Cash generated from operations	846,511	749,993
Interest paid	(312,381)	(207,421)
Interest received	405	–
Tax paid	–	(33,212)
Net cash from operating activities	<u>534,535</u>	<u>509,360</u>
Cash flows from investing activities		
Purchase of tangible assets	(122,249)	(1,199,427)
Proceeds from sale of tangible assets	63,850	10,149
Net cash used in investing activities	<u>(58,399)</u>	<u>(1,189,278)</u>
Cash flows from financing activities		
Net (payments)/receipts from borrowings	(171,237)	556,707
Proceeds from loans from participating interests	7,804	–
Net payments of finance lease liabilities	(58,182)	(5,150)
Dividends paid	(200,000)	(360,000)
Net cash (used in)/from financing activities	<u>(421,615)</u>	<u>191,557</u>
Net increase/(decrease) in cash and cash equivalents	54,521	(488,361)
Cash and cash equivalents at beginning of year	46,933	535,294
Cash and cash equivalents at end of year	<u>101,454</u>	<u>46,933</u>

The notes on pages 17 to 30 form part of these financial statements.

J. & R. Group Limited
Notes to the Financial Statements
Year ended 31 March 2024

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.

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.

J. & R. Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

3. Accounting policies *(continued)*

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 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.

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
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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 2024

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 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 2024

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.

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.

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.

J. & R. Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

3. Accounting policies *(continued)*

Defined contribution plans *(continued)*

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:

	2024	2023
	£	£
Sale of hospitality, catering services and accommodation	<u>5,785,699</u>	<u>5,229,423</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

	2024	2023
	£	£
Rental income	86,072	77,615
Other operating income	300	–
	<u>86,372</u>	<u>77,615</u>

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2024	2023
	£	£
Amortisation of intangible assets	15,250	15,000
Depreciation of tangible assets	128,489	154,989
Gains on disposal of tangible assets	(8,508)	(6,913)
Impairment of trade debtors	<u>4,287</u>	<u>4,123</u>

7. Auditor's remuneration

	2024	2023
	£	£
Fees payable for the audit of the financial statements	<u>17,500</u>	<u>17,500</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>11,043</u>	<u>14,190</u>

J. & R. Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

8. Staff costs

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

	2024	2023
	No.	No.
Production staff	82	75
Administrative staff	2	2
Management staff	7	7
	<u>91</u>	<u>84</u>

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

	2024	2023
	£	£
Wages and salaries	2,014,220	1,832,937
Social security costs	184,732	178,145
Other pension costs	34,070	66,031
	<u>2,233,022</u>	<u>2,077,113</u>

9. Directors' remuneration

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

	2024	2023
	£	£
Remuneration	85,167	83,347
Company contributions to defined contribution pension plans	—	40,000
	<u>85,167</u>	<u>123,347</u>

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

	2024	2023
	No.	No.
Defined contribution plans	<u>—</u>	<u>1</u>

There is no distinction between directors and key management personnel.

10. Other interest receivable and similar income

	2024	2023
	£	£
Interest on cash and cash equivalents	<u>405</u>	<u>—</u>

11. Interest payable and similar expenses

	2024	2023
	£	£
Interest on banks loans and overdrafts	310,620	202,177
Other interest payable and similar charges	1,761	5,244
	<u>312,381</u>	<u>207,421</u>

J. & R. Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

12. Tax on profit

Major components of tax (income)/expense

	2024	2023
	£	£
Current tax:		
UK current tax income	105,176	–
Deferred tax:		
Origination and reversal of timing differences	(19,252)	82,878
Tax on profit	<u>85,924</u>	<u>82,878</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2023: higher than) the standard rate of corporation tax in the UK of 25% (2023: 19%).

	2024	2023
	£	£
Profit on ordinary activities before taxation	420,161	287,171
Profit on ordinary activities by rate of tax	105,040	54,562
Effect of expenses not deductible for tax purposes	231	4,267
Effect of capital allowances and depreciation	(13,731)	82,879
Utilisation of tax losses	(5,616)	(54,796)
Enhanced deductions	–	(4,034)
Tax on profit	<u>85,924</u>	<u>82,878</u>

13. Dividends

	2024	2023
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>200,000</u>	<u>360,000</u>

J. & R. Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

14. Intangible assets

Group	Goodwill £
Cost	
At 1 April 2023 and 31 March 2024	<u>744,007</u>
Amortisation	
At 1 April 2023	728,757
Charge for the year	<u>15,250</u>
At 31 March 2024	<u>744,007</u>
Carrying amount	
At 31 March 2024	<u>–</u>
At 31 March 2023	<u>15,250</u>
 Company	 Goodwill £
Cost	
At 1 April 2023 and 31 March 2024	<u>520,000</u>
Amortisation	
At 1 April 2023	504,750
Charge for the year	<u>15,250</u>
At 31 March 2024	<u>520,000</u>
Carrying amount	
At 31 March 2024	<u>–</u>
At 31 March 2023	<u>15,250</u>

15. Tangible assets

Group	Investment property £	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
Cost					
At 1 April 2023	7,781,930	113,410	1,377,912	235,879	9,509,131
Additions	35,905	–	43,021	43,323	122,249
Disposals	–	–	(4,771)	(102,146)	(106,917)
At 31 March 2024	<u>7,817,835</u>	<u>113,410</u>	<u>1,416,162</u>	<u>177,056</u>	<u>9,524,463</u>
Depreciation					
At 1 April 2023	–	68,397	947,295	133,560	1,149,252
Charge for the year	–	7,610	98,052	22,827	128,489
Disposals	–	–	(4,134)	(47,441)	(51,575)
At 31 March 2024	<u>–</u>	<u>76,007</u>	<u>1,041,213</u>	<u>108,946</u>	<u>1,226,166</u>
Carrying amount					
At 31 March 2024	<u>7,817,835</u>	<u>37,403</u>	<u>374,949</u>	<u>68,110</u>	<u>8,298,297</u>
At 31 March 2023	<u>7,781,930</u>	<u>45,013</u>	<u>430,617</u>	<u>102,319</u>	<u>8,359,879</u>

J. & R. Group Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2024

15. Tangible assets (continued)

Company	Investment property £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 April 2023	7,781,930	592,302	172,267	8,546,499
Additions	35,905	–	41,423	77,328
Disposals	–	–	(102,146)	(102,146)
At 31 March 2024	7,817,835	592,302	111,544	8,521,681
Depreciation				
At 1 April 2023	–	429,806	78,029	507,835
Charge for the year	–	24,375	20,239	44,614
Disposals	–	–	(47,441)	(47,441)
At 31 March 2024	–	454,181	50,827	505,008
Carrying amount				
At 31 March 2024	7,817,835	138,121	60,717	8,016,673
At 31 March 2023	7,781,930	162,496	94,238	8,038,664

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 plus the cost of additions during the year, are a fair representation of the market value of the property held by the company at the year-end.

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	Investment property £
At 31 March 2024	
Aggregate cost	5,988,326
Aggregate depreciation	–
Carrying value	5,988,326
At 31 March 2023	
Aggregate cost	5,952,421
Aggregate depreciation	–
Carrying value	5,952,421

J. & R. Group Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2024

16. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 April 2023 and 31 March 2024	208,004
Impairment	
At 1 April 2023 and 31 March 2024	—
Carrying amount	
At 1 April 2023 and 31 March 2024	208,004
At 31 March 2023	208,004

Subsidiaries, associates and other investments

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

Subsidiary undertakings	Class of share	Percentage of shares held
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.

17. Stocks

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Raw materials and consumables	44,496	50,850	—	—

J. & R. Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

18. Debtors

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	12,458	29,896	–	–
Amounts owed by group undertakings	–	–	215,102	228,832
Amounts owed by related parties	14,078	250,804	9,545	196,847
Prepayments and accrued income	28,332	27,116	11,321	16,570
Other debtors	341,954	52,396	235,000	27,974
	<u>396,822</u>	<u>360,212</u>	<u>470,968</u>	<u>470,223</u>

19. Creditors: amounts falling due within one year

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Bank loans and overdrafts	683,958	557,306	683,958	557,306
Trade creditors	287,638	203,765	1,435	13,620
Amounts owed to group undertakings	–	–	1,483,773	1,397,908
Amounts owed to related parties	7,804	–	7,804	–
Accruals and deferred income	105,371	76,327	17,349	6,017
Corporation tax	105,176	–	–	–
Social security and other taxes	412,612	527,494	161,795	325,250
Obligations under finance leases and hire purchase contracts	–	5,207	–	5,207
Other creditors	172,375	161,011	19,350	18,707
	<u>1,774,934</u>	<u>1,531,110</u>	<u>2,375,464</u>	<u>2,324,015</u>

Included within creditors: amounts falling due within one year, are secured creditors of £683,958 (2023: £557,306).

As security for all sums due by the group to it, Virgin Money UK 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.

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

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Bank loans and overdrafts	3,628,738	3,926,627	3,628,738	3,926,627
Obligations under finance leases and hire purchase contracts	–	52,975	–	52,975
	<u>3,628,738</u>	<u>3,979,602</u>	<u>3,628,738</u>	<u>3,979,602</u>

Included within creditors: amounts falling due after more than one year, are secured creditors of £3,628,738 (2023: £3,926,627).

J. & R. Group Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2024

21. Finance leases and hire purchase contracts

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

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Not later than 1 year	–	5,207	–	5,207
Later than 1 year and not later than 5 years	–	52,975	–	52,975
	<u>–</u>	<u>58,182</u>	<u>–</u>	<u>58,182</u>

22. Provisions

Group	Deferred tax (note 23) £
At 1 April 2023	552,204
Charge against provision	(19,252)
At 31 March 2024	<u>532,952</u>
Company	Deferred tax (note 23) £
At 1 April 2023	480,807
Charge against provision	(8,452)
At 31 March 2024	<u>472,355</u>

23. Deferred tax

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

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Included in provisions (note 22)	<u>532,952</u>	<u>552,204</u>	<u>472,355</u>	<u>480,807</u>

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

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Accelerated capital allowances	242,733	261,152	180,356	188,575
Revaluation of tangible assets	292,459	292,459	292,459	292,459
Pension plan obligations	(2,240)	(1,407)	(460)	(227)
	<u>532,952</u>	<u>552,204</u>	<u>472,355</u>	<u>480,807</u>

J. & R. Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

24. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £34,070 (2023: £66,031).

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 £7,996 (2023 - £5,202) were payable to the scheme at the year end and are included in Other Creditors in Creditors: amounts falling due within one year.

25. Financial instruments

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

Financial liabilities measured at amortised cost

	Group	
	2024	2023
	£	£
Financial liabilities measured at amortised cost	<u>3,628,738</u>	<u>3,926,627</u>

26. Called up share capital

Issued, called up and fully paid

	2024		2023	
	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 2023	Cash flows	At 31 Mar 2024
	£	£	£
Cash at bank and in hand	46,933	54,521	101,454
Debt due within one year	(562,513)	(129,249)	(691,762)
Debt due after one year	(3,979,602)	350,864	(3,628,738)
	<u>(4,495,182)</u>	<u>276,136</u>	<u>(4,219,046)</u>

J. & R. Group Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

29. Directors' advances, credits and guarantees

During the year a net amount of £235,000 (2023 - £Nil) was advanced to directors. The amount owing to the group was cleared shortly after the year end. This amount is included in other debtors which is disclosed within Currents assets: Debtors. This amount is repayable on demand and attracts no interest.

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 including the rental of accommodation to, and was provided with goods and services from, entities associated through common directors and/or owners. The value of goods, services and rent charged was £52,816 (2023 - £42,771) and the value of goods and services received was £Nil (2023 - £40,000). In addition, the company provided net cash repayments to these associated entities during the year to a value of £196,680 (2023 - net cash advances of £182,050 to associated entities).

At the year-end date, the company was due to receive £9,545 (2023 - £196,847) from associated entities and due to pay £7,804 (2023 - £Nil) to associated entities in relation to the disclosed trading transactions as well as cash advances. Balances due by and due to associated entities are unsecured, with no interest charged and have no set repayment terms.

Group

During the year, the other members of the group (out with the company transactions stated above) provided goods and services to entities associated with the group through common directors and owners. The value of goods and services provided was £22,951 (2023 - £3,544) and the value of goods and services received was £63,607 (2023 - £48,156). In addition, the other members of the group (out with the company transactions stated above) provided cash advances to associated entities during the year to a value of £10,000 (2023 - £50,000).

At the year-end date, the other members of the group were due to receive £61,303 (2023 - £53,957) from, these associated entities in relation to the disclosed trading transactions as well as cash advances. Balances due by associated entities are unsecured, with no interest charged and have no set repayment terms.