

**GOLF RECREATION SCOTLAND  
LIMITED**

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**



FRIDAY



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30/09/2016  
COMPANIES HOUSE

# GOLF RECREATION SCOTLAND LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	D Trump E Trump	(Appointed 29 September 2015)
<b>Secretary</b>	R Graff-Riccio	
<b>Company number</b>	SC469689	
<b>Registered office</b>	Bishops Court 29 Albyn Place ABERDEEN AB10 1YL	
<b>Auditor</b>	Johnston Carmichael LLP 227 West George Street GLASGOW G2 2ND	

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# **GOLF RECREATION SCOTLAND LIMITED**

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# **GOLF RECREATION SCOTLAND LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present the strategic report and financial statements for the year ended 31 December 2015.

### **Fair review of the business**

During the year, the implementation of significant improvements to the luxury hotel and long awaited enhancements to the world renowned Ailsa Course continued. The hotel and Ailsa Course re-opened in June 2016 following its closure in September 2015. The Trump Organisation remain fully committed to reviving the resort, including the transformation of the iconic Turnberry Lighthouse into golf's most impressive halfway house.

The changes to the course include redesign of several holes and a lengthening of the course, which will help ensure the course evolves to meet the modern standard of championship golf, whilst being sensitive to the history and scenic beauty of this famous course. All proposed changes have been carefully considered in conjunction with the R&A and we firmly believe the changes will be embraced by both amateur and professional players alike, as well as the wider golfing community. We were delighted to welcome the Women's Open to Turnberry in July 2015 and look forward to welcoming many more championships in the years to come.

### **Principal risks and uncertainties**

The directors have undertaken a comprehensive review of the risks facing the company.

The group operates in an industry which is both competitive and challenging, factors which can be heightened by adverse weather conditions.

The directors have detailed knowledge and experience of the sector, and have established business policies and an organisation structure to limit these risks, which are regularly reviewed and reassessed to proactively limit their impact.

### **Development and performance**

The profit and loss account and balance sheet are set out on pages 6 and 7. The operating loss before depreciation and foreign exchange for the nine months pre closure period ended 30 September 2015 was £254k, and the loss for the financial year before depreciation, amortisation and foreign exchange amounted to £1,650k (2014: £303k profit). Total equity at the year-end was a deficit of £13,682k (2014: deficit of £6,727k).

Significant capital expenditure has taken place in 2015 which is reflected in the current year results and this spend will continue during 2016. Fixed asset additions in 2015 amounted to £17,502k (2014: £1,401k), with £16,221k being in relation to the renovations of the hotel and golf course.

# GOLF RECREATION SCOTLAND LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

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### Key performance indicators

Management of the group provide the directors with a suite of KPI's at the end of each month. These include a month on month and year on year changes in revenue, costs and operating profit for each department.

Turnover for the group increased by 24% due to a full year's trading in the Turnberry resort being recognised, however turnover for the resort has reduced by 13% from 2014 to 2015, as a result of the closure of the hotel and Ailsa course during the final quarter of 2015. Upon completion of the construction project, it is expected that revenue will increase as the property is re-established as an industry-leading resort. The directors believe that the resort will return to profitability in the short to medium term.

Non-financial KPI's include the number of repeat customers to the resort and guest satisfaction. We strive to ensure that Turnberry remains established as a world-leading destination golf resort and are confident that the work currently being undertaken will encourage new visitors to experience the resort, as well as driving repeat custom from our previous guests.

On behalf of the board

  
.....  
E Trump

Director

29/9/16  
.....

# **GOLF RECREATION SCOTLAND LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present their annual report and financial statements for the year ended 31 December 2015.

### **Principal activities**

The principal activity of the group continued to be that of the operation of the Turnberry Resort and associated leisure facilities.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D Trump

E Trump

(Appointed 29 September 2015)

### **Results and dividends**

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### **Auditor**

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual 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 company, and of 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

**GOLF RECREATION SCOTLAND LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

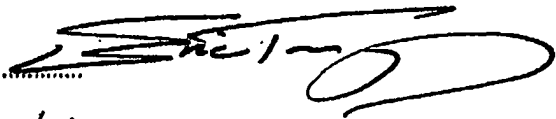
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

  
.....  
E Trump  
Director 29/9/16  
.....

# **GOLF RECREATION SCOTLAND LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF GOLF RECREATION SCOTLAND LIMITED**

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We have audited the financial statements of Golf Recreation Scotland Limited for the year ended 31 December 2015 set out on pages 7 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 - 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



# GOLF RECREATION SCOTLAND LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF GOLF RECREATION SCOTLAND LIMITED

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Johnston Carmichael LLP*

**Barry Masson (Senior Statutory Auditor)  
for and on behalf of Johnston Carmichael LLP**

*29 September 2016*

**Chartered Accountants  
Statutory Auditor**

227 West George Street  
GLASGOW  
G2 2ND

# GOLF RECREATION SCOTLAND LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015

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		31 December	Period ended
	Notes	2015	31 December
		£000	2014
			£000
Turnover	3	11,410	9,209
Cost of sales		(7,685)	(5,755)
<b>Gross profit</b>		<b>3,725</b>	<b>3,454</b>
Administrative expenses		(5,375)	(3,151)
<b>Operating (loss)/profit before depreciation, amortisation and foreign exchange</b>		<b>(1,650)</b>	<b>303</b>
Depreciation and amortisation		(5,701)	(3,861)
Loss on foreign exchange		(1,045)	(30)
<b>Operating loss</b>	4	<b>(8,396)</b>	<b>(3,588)</b>
Interest payable and similar charges	7	-	(15)
<b>Loss before taxation</b>		<b>(8,396)</b>	<b>(3,603)</b>
Taxation	8	-	-
<b>Loss for the financial year</b>	18	<b>(8,396)</b>	<b>(3,603)</b>

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The profit and loss account has been prepared on the basis that all operations are continuing operations.

# GOLF RECREATION SCOTLAND LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

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	31 December 2015 £000	Period ended 31 December 2014 £000
<b>Loss for the year</b>	(8,396)	(3,603)
<b>Other comprehensive expenditure</b>	-	-
Currency translation differences	(2,082)	(3,124)
<b>Total comprehensive expenditure for the year</b>	<u>(10,478)</u>	<u>(6,727)</u>

# GOLF RECREATION SCOTLAND LIMITED

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015		2014	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Goodwill	9		8,308		10,899
Tangible assets	10		39,069		24,678
			<u>47,377</u>		<u>35,577</u>
<b>Current assets</b>					
Stocks	13	354		234	
Debtors	14	2,730		672	
Cash at bank and in hand		1,826		747	
		<u>4,910</u>		<u>1,653</u>	
<b>Creditors: amounts falling due within one year</b>	15	(3,238)		(43,857)	
<b>Net current assets/(liabilities)</b>			1,672		(42,304)
<b>Total assets less current liabilities</b>			<u>49,049</u>		<u>(6,727)</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(62,731)		-
<b>Net liabilities</b>			<u>(13,682)</u>		<u>(6,727)</u>
<b>Capital and reserves</b>					
Called up share capital	17		1,014		-
Other reserves	18		(2,697)		(3,124)
Profit and loss reserves	18		(11,999)		(3,603)
<b>Equity attributable to owners of the parent company</b>			<u>(13,682)</u>		<u>(6,727)</u>

The financial statements were approved by the board of directors and authorised for issue on 29/9/16 and are signed on its behalf by:

  
 .....  
 E Trump  
 Director

# GOLF RECREATION SCOTLAND LIMITED

## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £000	2014 £000	2014 £000
<b>Fixed assets</b>				
Investments	11		45,516	41,677
<b>Current assets</b>				
Debtors	14	19,579		257
Cash at bank and in hand		13		7
		<u>19,592</u>		<u>264</u>
<b>Creditors: amounts falling due within one year</b>	15	-		(42,015)
<b>Net current assets/(liabilities)</b>			<u>19,592</u>	<u>(41,751)</u>
<b>Total assets less current liabilities</b>			<u>65,107</u>	<u>(74)</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(62,731)	-
<b>Net assets/(liabilities)</b>			<u>2,376</u>	<u>(74)</u>
<b>Capital and reserves</b>				
Called up share capital	17		1,014	-
Other reserves	18		2,467	(1)
Profit and loss reserves	18		(1,105)	(73)
<b>Total equity</b>			<u>2,376</u>	<u>(74)</u>

The financial statements were approved by the board of directors and authorised for issue on 29/9/16 and are signed on its behalf by:

  
 .....  
 E Trump  
 Director

Company Registration No. SC469689

# GOLF RECREATION SCOTLAND LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £000	Other reserves £000	Profit and loss reserves £000	Total £000
<b>Balance at 11 February 2014</b>		-	-	-	-
<b>Period ended 31 December 2014:</b>					
Loss and total comprehensive expenditure for the year		-	(3,124)	(3,603)	(6,727)
<b>Balance at 31 December 2014</b>		-	(3,124)	(3,603)	(6,727)
<b>Year ended 31 December 2015:</b>					
Loss and total comprehensive expenditure for the year		-	(2,082)	(8,396)	(10,478)
Issue of share capital	17	1,014	-	-	1,014
Equity component of financing loans		-	2,509	-	2,509
<b>Balance at 31 December 2015</b>		<u>1,014</u>	<u>(2,697)</u>	<u>(11,999)</u>	<u>(13,682)</u>

# GOLF RECREATION SCOTLAND LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

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	Notes	Share capital £000	Other reserves £000	Profit and loss reserves £000	Total £000
<b>Balance at 11 February 2014</b>		-	-	-	-
<b>Period ended 31 December 2014:</b>					
Loss and total comprehensive expenditure for the year		-	(1)	(73)	(74)
<b>Balance at 31 December 2014</b>		-	(1)	(73)	(74)
<b>Year ended 31 December 2015:</b>					
Loss and total comprehensive expenditure for the year		-	(41)	(1,032)	(1,073)
Issue of share capital	17	1,014	-	-	1,014
Equity component of financing loans		-	2,509	-	2,509
<b>Balance at 31 December 2015</b>		<u>1,014</u>	<u>2,467</u>	<u>(1,105)</u>	<u>2,376</u>

# GOLF RECREATION SCOTLAND LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

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	Notes	2015 £000	£000	2014 £000	£000
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	24		(2,572)		(453)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(17,503)		(1,082)	
Purchase of subsidiaries		-		(39,718)	
<b>Net cash used in investing activities</b>			(17,503)		(40,800)
<b>Financing activities</b>					
Interest paid		-		(15)	
Proceeds from borrowings		21,154		42,015	
<b>Net cash generated from financing activities</b>			21,154		42,000
<b>Net increase in cash and cash equivalents</b>			1,079		747
Cash and cash equivalents at beginning of year			747		-
<b>Cash and cash equivalents at end of year</b>			<u>1,826</u>		<u>747</u>

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# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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### 1 Accounting policies

#### Company information

Golf Recreation Scotland Limited ("the Company") is a limited company domiciled and incorporated in Scotland. The registered office is Bishops Court, 29 Albyn Place, ABERDEEN, AB10 1YL.

The Group consists of Golf Recreation Scotland Limited and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in Sterling, however the functional currency of the company is US Dollars. The functional currency of other group companies is Sterling. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's loss for the year was £1,032k (2014 - £73k loss).

#### 1.2 Basis of consolidation

The consolidated financial statements incorporate those of Golf Recreation Scotland Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2015.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

#### 1.3 Going concern

These financial statements are prepared on the going concern basis.

The group is dependent on continuing finance being made available by its ultimate owner to enable it to continue operating and to meet its liabilities as they fall due.

The Trump Organisation have confirmed that it will ensure all necessary financial support is provided to the group for the foreseeable future to enable it to meet its financial obligations as they fall due for at least a period of 12 months from the date of signing the financial statements.

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

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### 1 Accounting policies

(Continued)

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of discounts and VAT.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the provision of services is recognised at the point that the service is provided.

#### 1.5 Intangible fixed assets

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Other intangible assets relate to advance bookings. These are written off over a period of 1 year.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	10 - 40 years
Aircraft	25 years
Fixtures, fittings and equipment	2 - 20 years

Assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.7 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

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### 1 Accounting policies

(Continued)

#### 1.8 Stocks

Stocks are valued on a first in, first out basis and are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Provision is made for obsolete, slow-moving or defective items where appropriate.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 1 Accounting policies

(Continued)

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

##### ***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs.

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

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### 1 Accounting policies

(Continued)

#### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 1.14 Foreign exchange

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

The functional currency of Golf Recreation Scotland Limited is US Dollars and the presentational currency is Sterling. Foreign exchange differences arising upon presentation are taken to other reserves.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### *Assets held as construction in progress*

Due to the resort-wide renovation, certain fixed asset additions have been categorised as 'construction in progress'. As work remains on-going at the balance sheet date, no depreciation charge has been recognised in the current year for such assets. An assessment is made on the completion status of these assets and, when considered complete, the asset is re-categorised based on its type and depreciated accordingly.

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 2 Judgements and key sources of estimation uncertainty

(Continued)

##### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### **Useful life of goodwill**

The group establishes a reliable estimate of the useful life of goodwill arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business and the expected useful life of the cash generating units to which the goodwill is attributed.

##### **Fixed asset investments**

Fixed asset investments are measured at cost, less any impairment. The investments are assessed for any indicators of impairment, based on the assets acquired as part of the investment.

##### **Intercompany loans**

Loans advanced from the parent and to subsidiaries are financing transactions attracting no interest and are repayable one year and one day after the end of the financial period. As such the directors are required to assess a market rate of interest for similar borrowing that may be available from lenders at arms length, in order to quantify the carrying amount upon initial recognition at fair value, and the corresponding equity component. Market rates of interest are estimated by the directors by comparison with interest rates offered by banks for lending of comparable risk profile.

#### 3 Turnover and other revenue

	2015 £000	2014 £000
<b>Turnover</b>		
Sale of goods	4,300	3,547
Provision of services	7,110	5,662
	<u>11,410</u>	<u>9,209</u>
<b>Turnover analysed by geographical market</b>		
	2015 £000	2014 £000
United Kingdom	<u>11,410</u>	<u>9,209</u>

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 4 Operating loss

	2015	2014
	£000	£000
Operating loss is stated after charging:		
Exchange losses	1,045	30
Depreciation of owned tangible fixed assets	3,111	2,296
Amortisation of intangible assets	2,591	1,564
Cost of stocks recognised as an expense	1,315	1,664
Operating lease charges	408	187
	<u>          </u>	<u>          </u>

### 5 Auditors' remuneration

	2015	2014
	£000	£000
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	5	9
Audit of the company's subsidiaries	21	26
	<u>          </u>	<u>          </u>
	28	35
	<u>          </u>	<u>          </u>

### 6 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2015	2014
	Number	Number
Operating	297	305
Administrative	40	39
	<u>          </u>	<u>          </u>
	337	344
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2015	2014
	£000	£000
Wages and salaries	5,606	6,336
Social security costs	414	460
	<u>          </u>	<u>          </u>
	6,020	6,796
	<u>          </u>	<u>          </u>

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 7 Interest payable and similar charges

	2015 £000	2014 £000
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on finance leases and hire purchase contracts	-	15
	<u>          </u>	<u>          </u>

### 8 Taxation

The charge for the year can be reconciled to the loss per the profit and loss account as follows:

	2015 £000	2014 £000
Loss before taxation	(8,396)	(3,603)
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.21% (2014: 21.49%)	(1,697)	(774)
Tax effect of expenses that are not deductible in determining taxable profit	1	1
Deferred tax movement not recognised	564	259
Depreciation and amortisation permanent differences	1,132	514
	<u>          </u>	<u>          </u>
Tax expense for the year	-	-
	<u>          </u>	<u>          </u>

The group has a deferred tax asset of £7.9m (2014: £8.4m) that has not been recognised as there is no certainty of taxable profits in the future.

### 9 Intangible fixed assets

Group	Goodwill £000	Other Intangibles £000	Total £000
<b>Cost</b>			
At 1 January 2015 and 31 December 2015	12,063	400	12,463
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Amortisation</b>			
At 1 January 2015	1,342	222	1,564
Amortisation charged for the year	2,413	178	2,591
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2015	3,755	400	4,155
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount</b>			
At 31 December 2015	8,308	-	8,308
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2014	10,721	178	10,899
	<u>          </u>	<u>          </u>	<u>          </u>



# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 9 Intangible fixed assets

(Continued)

The company had no intangible fixed assets at 31 December 2015 or 31 December 2014.

### 10 Tangible fixed assets

Group	Freehold land and buildings	Assets under construction	Aircraft	Fixtures, fittings and equipment	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 January 2015	24,165	1,401	-	1,408	26,974
Additions	-	16,176	269	43	16,488
Business combinations	-	-	1,014	-	1,014
Transfers from assets under construction	3,294	(4,044)	-	750	-
At 31 December 2015	27,459	13,533	1,283	2,201	44,476
<b>Depreciation and impairment</b>					
At 1 January 2015	1,336	-	-	980	2,296
Depreciation charged in the year	2,251	-	51	809	3,111
At 31 December 2015	3,587	-	51	1,769	5,407
<b>Carrying amount</b>					
At 31 December 2015	23,872	13,533	1,232	432	39,069
At 31 December 2014	22,829	1,401	-	448	24,678

The company had no tangible fixed assets assets at 31 December 2015 or 31 December 2014.

### 11 Fixed asset investments

	Notes	Group 2015 £000	2014 £000	Company 2015 £000	2014 £000
Investments in subsidiaries	23	-	-	45,515	41,677

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 11 Fixed asset investments

(Continued)

#### Movements in fixed asset investments

Company	Shares £000
<b>Cost or valuation</b>	
At 31 December 2014	41,677
Additions	2,810
Effect of foreign exchange	2,042
Disposals	(1,014)
	<u>45,515</u>
<b>Carrying amount</b>	
At 31 December 2015	<u>45,515</u>
At 31 December 2014	<u>41,677</u>

During the year, the company acquired 100% of the membership interests of DT Connect LLC, a limited liability company registered in Delaware, for a consideration of £1,013,514 of share capital in the company. The value in DT Connect LLC related solely to fixed assets.

The company disposed of the investment in DT Connect LLC to its subsidiary DT Connect Europe Limited, in exchange for £1,013,514 of share capital. There was no gain or loss arising from the transaction.

### 12 Financial instruments

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
<b>Carrying amount of financial assets</b>				
Cash and cash equivalents	1,826	747	13	7
Debt instruments measured at amortised cost	748	446	19,579	257
Equity instruments measured at cost less impairment		-	45,515	41,677
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	65,759	42,898	62,731	42,015
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 13 Stocks

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Raw materials and consumables	354	234	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 14 Debtors

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year:</b>				
Trade debtors	749	446	-	-
Amounts due from subsidiary undertakings	-	-	-	257
Other debtors	1,665	-	-	-
Prepayments and accrued income	316	226	-	-
	<u>2,730</u>	<u>672</u>	<u>-</u>	<u>257</u>
<b>Amounts falling due after one year:</b>				
Amounts due from subsidiary undertakings	-	-	19,579	-
	<u>-</u>	<u>-</u>	<u>19,579</u>	<u>-</u>
<b>Total debtors</b>	<u>2,730</u>	<u>672</u>	<u>19,579</u>	<u>257</u>

### 15 Creditors: amounts falling due within one year

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Other taxation and social security	90	237	-	-
Trade creditors	991	341	-	-
Amount due to parent	-	42,015	-	42,015
Accruals and deferred income	2,157	1,364	-	-
	<u>3,238</u>	<u>43,957</u>	<u>-</u>	<u>42,015</u>

Included in trade creditors above are amounts payable in respect of construction costs associated with the on-going renovation of the hotel and golf course.

### 16 Creditors: amounts falling due after more than one year

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Amount due to parent	62,731	-	62,731	-
	<u>62,731</u>	<u>-</u>	<u>62,731</u>	<u>-</u>

Intercompany loans are repayable one year and one day after the financial year end, on a rolling basis in accordance with agreements in place between the two parties.

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 17 Share capital

	Group and company	
	2015	2014
Ordinary share capital issued and fully paid	£000	£000
1,013,515 Ordinary of £1 each	1,014	-

#### Reconciliation of movements during the year:

	Number
At 1 January 2015	100
Issue of fully paid shares	1,013,414
At 31 December 2015	1,013,514

On 31 March 2015, 1,013,414 £1 Ordinary shares were issued in exchange for 100% of the membership interest in DT Connect LLC, a limited liability company registered in Delaware.

### 18 Reserves

#### Other reserves

Other reserves represents amounts taken to equity as a result of the release of inter-company creditors, and the equity component of financing loans received from the parent company.

#### Profit and loss reserves

The profit and loss reserve account represents the accumulated comprehensive loss for the period and from prior periods.

### 19 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Within one year	391	384	-	-
Between two and five years	702	993	-	-
	1,093	1,377	-	-

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

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### 20 Capital commitments

At 31 December 2015 the group had capital commitments as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Contracted for but not provided in the financial statements:				
Acquisition of property, plant and equipment	520	-	-	-
	<u>520</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 21 Related party transactions

#### Remuneration of key management personnel

The directors are considered to be the key management of the group. There is no remuneration of key management personnel from the group.

The following amounts were outstanding at the reporting end date:

	<b>Amounts owed to related parties</b>	
	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
<b>Group</b>		
Parent	63,169	42,015
	<u>63,169</u>	<u>42,015</u>

No guarantees have been given or received.

The group has taken advantage of the exemption within FRS 102 Section 33 paragraph 33.1A from the requirement to disclose transactions with wholly owned companies within the group.

### 22 Controlling party

The ultimate parent undertaking is The Donald J. Trump Revocable Trust, a New York state grantor trust registered in New York, USA.

The ultimate controlling party is Mr Donald J Trump.

Golf Recreation Scotland Limited is the smallest and largest group of companies for which group accounts are prepared.

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 23 Subsidiaries

Details of the company's subsidiaries at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
SLC Turnberry Limited United Kingdom	Golf and leisure facilities	Ordinary	100.00	
DT Connect Europe Limited United Kingdom	Helicopter operations	Ordinary	100.00	
Nitto World Co., Limited United Kingdom	Dormant	Ordinary		100.00

The share capital of Nitto World Co., Limited is 100% owned by SLC Turnberry Limited

24 Cash generated from operations	2015 £000	2014 £000
Loss for the year after tax	(8,396)	(3,603)
Adjustments for:		
Finance costs	-	15
Amortisation and impairment of intangible assets	2,591	1,564
Depreciation and impairment of tangible fixed assets	3,111	2,296
Movements in working capital:		
(Increase)/decrease in stocks	(120)	648
(Increase)/decrease in debtors	(1,034)	176
Increase/(decrease) in creditors	1,276	(1,549)
<b>Cash absorbed by operations</b>	<b>(2,572)</b>	<b>(453)</b>