

**GOLF RECREATION SCOTLAND
LIMITED**

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2018

COMPANIES HOUSE
30 SEP 2019
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GOLF RECREATION SCOTLAND LIMITED

COMPANY INFORMATION

Director	E Trump
Company number	SC469689
Registered office	Bishop's Court 29 Albyn Place ABERDEEN AB10 1YL
Auditor	Johnston Carmichael LLP 227 West George Street GLASGOW G2 2ND

GOLF RECREATION SCOTLAND LIMITED

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GOLF RECREATION SCOTLAND LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The director presents the strategic report for the year ended 31 December 2018.

Fair review of the business

Trump Turnberry achieved tremendous success in 2018 as the property recorded its highest annual revenue (turnover) in the resort's storied 113-year history. Now in its fifth full operating year under Trump Hotels ownership, Trump Turnberry has established itself as Scotland's premier destination for luxury travel, championship golf and special events. As part of an ongoing multi-million-pound renovation, ownership continues to improve and modernize the property's facilities including newly upgraded villas, enhanced spa and wellness offerings and an outdoor guest activity centre which will be fully completed in 2020.

The recent addition of the main ballroom offers unparalleled facilities in the Scottish wedding, social banqueting, conference and incentive market. In November 2018 the evolution of the famed Ailsa golf course continued with an annualised rolling program to ensure that it remains the number one course in the UK and Ireland. In addition, King Robert the Bruce golf course provides a perfect accompaniment to the Ailsa course.

The Trump Organisation remains fully committed to the resort and additional planning for further redevelopment is ongoing. We are proud of the work undertaken to date and look forward to welcoming our guests to Turnberry and to experience this unique resort for themselves.

Principal risks and uncertainties

The directors and group management have undertaken a comprehensive review of the risks facing the resort. The resort operates in an industry which is both competitive and challenging, factors which can be heightened by adverse weather conditions. The directors and group management consider that the principal risk factor that could materially affect the company's future operating profit or financial position is customer demand for luxury travel. Such customer demand is largely influenced by macroeconomic conditions.

The directors and resort management have detailed knowledge and experience of the sector and are continuously working on strategies and product enhancement to mitigate these risks.

GOLF RECREATION SCOTLAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Development and performance

The profit and loss account and balance sheet are set out on pages 8 and 10. Now in the second full year of operations since the successful refurbishment and re-opening of the main hotel and golf courses, for 2018, the group is reporting an operating loss before depreciation, foreign exchange and exceptional items, however this is an improvement over last year's results by £757k. The property while still undergoing refurbishment and development will continue to drive financial performance improvement and build on the 2018 results.

Significant capital expenditure, including investment in energy-efficient assets, continued through 2018 albeit not to the extent of 2016/17, with major refurbishment having been completed in 2016. Fixed Asset Additions in 2018 amounted to £2,254k (2017: £4,433k).

Further assets were transferred from 'assets under construction' as the individual phases of the ongoing refurbishment are completed. This has resulted in a depreciation charge of £4,446 (2017: £4,530).

	2018 £000	2017 £000	Variance £000
Turnover	18,484	15,342	3,142
Cost of Sales	(11,528)	(9,729)	(1,799)
Gross Profit	6,956	5,613	1,343
Administrative Expenses	(7,166)	(6,580)	(586)
Operating loss before depreciation, foreign exchange and exceptional items	(210)	(967)	757

Key performance indicators

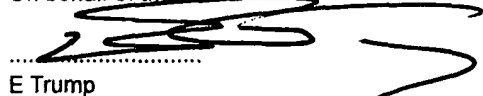
Management of the group provide the directors with management information at the end of each month. The KPIs assessed by the director are changes in revenue, costs and operating profit before depreciation, amortisation and foreign exchange.

2017 posted an increase in turnover of 70% over 2016, because the resort was closed for 6 months due to the refurbishment in 2016. 2018 saw an increase of 20% in turnover over 2017, delivering the highest turnover ever for the property. It is expected that revenue will continue to increase in subsequent years as the property continues to confirm its position as an industry-leading resort. Turnberry won Scottish Hotel of the Year at the Scottish Hotel Awards 2018 and more recently was voted best golf resort in Europe 2019 by Leading Courses and number one golf course in the UK and Ireland by Golf Monthly. In addition to these top accolades, the property also won Best Hotel in the over 200 rooms category at the 2019 Prestige Hotel awards and Events Hotel of the Year at the 2019 Scottish Hotel Awards.

The directors believe that the profitability of the resort will continue to grow over 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 undertaken will encourage new visitors to experience the resort, as well as driving repeat custom from our previous guests. In the period since opening, we have received excellent reviews from our guests, with the resort recording an overall satisfaction level of 8.9 out of 10 in 2018.

On behalf of the board



E Trump
Director

26 September 2019

GOLF RECREATION SCOTLAND LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The director presents his annual report and financial statements for the year ended 31 December 2018.

Principal activities

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

Director

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

E Trump

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Auditor

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

GOLF RECREATION SCOTLAND LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Statement of director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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. He is 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.

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 auditor of the company 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 auditor of the company is aware of that information.

Items included in the strategic report

Disclosure in respect of the future developments of the group has been included within the strategic report.

On behalf of the board


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E Trump

Director

Date: ~~26 September~~ 2019

GOLF RECREATION SCOTLAND LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GOLF RECREATION SCOTLAND LIMITED

Opinion

We have audited the financial statements of Golf Recreation Scotland Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the group profit and loss account, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, 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 the parent company's affairs as at 31 December 2018 and of the group's 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.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

GOLF RECREATION SCOTLAND LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GOLF RECREATION SCOTLAND LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

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.

Responsibilities of director

As explained more fully in the Director's Responsibilities Statement set out on page 4, the director is 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 director is 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 director either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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.

GOLF RECREATION SCOTLAND LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GOLF RECREATION SCOTLAND LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

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.

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.

Johnston Carmichael LLP

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

30 September 2019

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 2018

	Notes	Continuing Discontinued operations £000	31 December 2018 £000	Continuing operations £000	Discontinued operations £000	31 December 2017 £000
Turnover	3	18,415	18,484	15,209	133	15,342
Cost of sales		(11,338)	(11,528)	(9,511)	(218)	(9,729)
Gross profit		<u>7,077</u>	<u>6,956</u>	<u>5,698</u>	<u>(85)</u>	<u>5,613</u>
Administrative expenses		(7,063)	(7,166)	(6,452)	(128)	(6,580)
Operating profit/(loss) before depreciation, foreign exchange and exceptional items	5	<u>14</u>	<u>(210)</u>	<u>(754)</u>	<u>(213)</u>	<u>(967)</u>
Depreciation and amortisation		(6,821)	(6,859)	(6,893)	(50)	(6,943)
Profit on foreign exchange		(3,235)	(3,235)	4,431	-	4,431
Exceptional item - loss on disposal of fixed asset		-	(471)	-	-	-
Loss before taxation		<u>(10,042)</u>	<u>(10,775)</u>	<u>(3,216)</u>	<u>(263)</u>	<u>(3,479)</u>
Taxation	9	-	-	96	-	96
Loss for the financial year	22	<u>(10,042)</u>	<u>(10,775)</u>	<u>(3,120)</u>	<u>(263)</u>	<u>(3,383)</u>

Loss for the financial year is all attributable to the owners of the parent company.

GOLF RECREATION SCOTLAND LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	31 December 2018 £000	31 December 2017 £000
Loss for the year	(10,775)	(3,383)
Other comprehensive expenditure		
Currency translation differences	(3,060)	5,428
Total comprehensive (expenditure)/income for the year	<u>(13,835)</u>	<u>2,045</u>

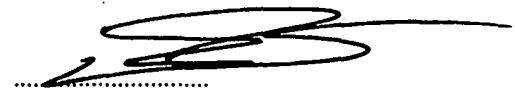
GOLF RECREATION SCOTLAND LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018		2017	
		£000	£000	£000	£000
Fixed assets					
Goodwill	10		1,069		3,482
Tangible assets	11		64,201		67,465
			<u>65,270</u>		<u>70,947</u>
Current assets					
Stocks	15	385		334	
Debtors	16	2,712		1,394	
Cash at bank and in hand		115		577	
		<u>3,212</u>		<u>2,305</u>	
Creditors: amounts falling due within one year	17	<u>(4,469)</u>		<u>(3,331)</u>	
Net current liabilities			<u>(1,257)</u>		<u>(1,026)</u>
Total assets less current liabilities			<u>64,013</u>		<u>69,921</u>
Creditors: amounts falling due after more than one year	18		<u>(115,013)</u>		<u>(107,152)</u>
Net liabilities			<u>(51,000)</u>		<u>(37,231)</u>
Capital and reserves					
Called up share capital	21		1,014		1,014
Other reserves	22		(8,237)		(5,242)
Profit and loss reserves	22		(43,777)		(33,003)
Total equity			<u>(51,000)</u>		<u>(37,231)</u>

The financial statements were approved and signed by the director and authorised for issue on 26 September 2019



 E Trump
 Director

GOLF RECREATION SCOTLAND LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £000	2017 £000
Fixed assets			
Investments	12	53,291	51,471
Current assets			
Debtors	16	57,835	56,493
Cash at bank and in hand		5	1
		<u>57,840</u>	<u>56,494</u>
Creditors: amounts falling due within one year	17	-	-
Net current assets		<u>57,840</u>	<u>56,494</u>
Total assets less current liabilities		<u>111,131</u>	<u>107,965</u>
Creditors: amounts falling due after more than one year	18	(114,926)	(107,152)
Net (liabilities)/assets		<u>(3,795)</u>	<u>813</u>
Capital and reserves			
Called up share capital	21	1,014	1,014
Other reserves	22	4,369	4,401
Profit and loss reserves	22	(9,178)	(4,602)
Total equity		<u>(3,795)</u>	<u>813</u>

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 £4,576k (2017 - £4,453k profit), primarily as a result of foreign currency movements.

The financial statements were approved and signed by the director and authorised for issue on 26 September 2019



E Trump
Director

Company Registration No. SC469689

GOLF RECREATION SCOTLAND LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital	Other reserves	Profit and loss reserves	Total
	£000	£000	£000	£000
Balance at 1 January 2017	1,014	(10,864)	(29,619)	(39,469)
Year ended 31 December 2017:				
Profit and total comprehensive income for the year	-	5,428	(3,383)	2,045
Equity component of financing loan	-	194	-	194
Balance at 31 December 2017	1,014	(5,242)	(33,002)	(37,230)
Year ended 31 December 2018:				
Loss and total comprehensive expenditure for the year	-	(3,060)	(10,775)	(13,835)
Equity component of financing loan	-	65	-	65
Balance at 31 December 2018	1,014	(8,237)	(43,777)	(51,000)

GOLF RECREATION SCOTLAND LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital	Other reserves	Profit and loss reserves	Total
	£000	£000	£000	£000
Balance at 1 January 2017	1,014	3,618	(9,054)	(4,422)
Year ended 31 December 2017:				
Profit and total comprehensive income for the year	-	590	4,452	5,042
Equity component of financing loans	-	193	-	193
Balance at 31 December 2017	1,014	4,401	(4,602)	813
Year ended 31 December 2018:				
Loss and total comprehensive expenditure for the year	-	(97)	(4,576)	(4,673)
Equity component of financing loans	-	65	-	65
Balance at 31 December 2018	1,014	4,369	(9,178)	(3,795)

GOLF RECREATION SCOTLAND LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £000	£000	2017 £000	£000
Cash flows from operating activities					
Cash absorbed by operations	26		(38)		(1,009)
Income taxes refunded			96		28
			<u> </u>		<u> </u>
Net cash inflow/(outflow) from operating activities			58		(981)
Investing activities					
Purchase of tangible fixed assets		(2,254)		(4,433)	
Proceeds on disposal of tangible fixed assets		-		21	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(2,254)		(4,412)
Financing activities					
Proceeds from borrowings from related party		1,601		5,269	
Payment of finance leases obligations		133		-	
		<u> </u>		<u> </u>	
Net cash generated from financing activities			1,734		5,269
			<u> </u>		<u> </u>
Net decrease in cash and cash equivalents			(462)		(124)
Cash and cash equivalents at beginning of year			577		701
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u>115</u>		<u>577</u>

GOLF RECREATION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Golf Recreation Scotland Limited ("the company") is a private limited company domiciled and incorporated in Scotland. The registered office is Bishop's 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 due to the majority of company transactions being in US Dollars, 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 under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- from the requirements to present a statement of cashflows.
- from the requirements of FRS 102 Section 11 paragraphs 11.39 to 11.48A relating to certain financial instrument disclosures as equivalent disclosures are included within the consolidated financial statements;
- from the requirements of FRS102 Section 33 paragraph 33.7 relating to the disclosure of key management personnel compensation.

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 2018.

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.

GOLF RECREATION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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.

1.4 Turnover

Turnover is derived from the operation of the Turnberry hotel and golf resort and 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.

Room revenue is recognised at the point at which the rooms are occupied, whilst food and beverage sales are recognised at the point of sale. Revenue from the provision of services is recognised at the point that the service is provided.

Golf green fees and golf membership income are recognised in the period to which they relate.

1.5 Intangible fixed assets - goodwill

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.

Goodwill is reviewed at each reporting date for any indicators of impairment, as explained more fully in note 1.8.

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:

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.

GOLF RECREATION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Equity investments are measured at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 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.

1.10 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and 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.

1.11 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 balance sheet 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.

GOLF RECREATION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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.

Impairment of financial assets

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 the profit and loss account.

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 the profit and loss account.

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 parent 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 payments 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.

GOLF RECREATION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.12 Equity instruments

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

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 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.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

GOLF RECREATION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

1.17 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.

1.18 Exceptional items

Exceptional items are identified by the directors as transactions through profit or loss out with the normal course of business and which are considered material to the financial statements, and as such require separate identification in order to provide necessary explanation to the results of the group.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is 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 as set out in note 9.

GOLF RECREATION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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.

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.

In addition, the directors review goodwill at each balance sheet date for indicators of impairment. Given the recent nature of the acquisition which gave rise to the goodwill included in the accounts, and also the fact that there remains assets under construction in the resort, it is the director's view that no indicators of impairment exist at this time.

At 31 December 2018, the Group had goodwill of £1,069k (2017: £3,482k).

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.

At 31 December 2018, the Company had fixed asset investments of £53,291k (2017: £51,471k).

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.

At 31 December 2018, the Company had loans to subsidiaries of £57,235k (2017: 56,493k) and a loan from the parent of £114,926k (2017: £107,152k).

Tangible assets

Fixed asset are measured at cost, less any impairment. The assets are assessed for any indicators of impairment, based on the economic viability and expected future financial performance of the assets. The net book value of fixed assets at 31 December 2018 is £64.2m (2017: £67.5m).

3 Turnover and other revenue

	2018	2017
	£000	£000
Turnover analysed by class of business		
Sale of goods	7,506	5,949
Provision of services	10,978	9,393
	<u>18,484</u>	<u>15,342</u>

GOLF RECREATION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3	Turnover and other revenue	(Continued)	
		2018	2017
		£000	£000
	Turnover analysed by geographical market		
	United Kingdom	18,484	15,342
		<u>18,484</u>	<u>15,342</u>
4	Exceptional costs	2018	2017
		£000	£000
	Exceptional item - loss on disposal of fixed asset	471	-
		<u>471</u>	<u>-</u>
5	Operating loss	2018	2017
		£000	£000
	Operating loss for the year is stated after charging/(crediting):		
	Exchange losses/(gains)	3,235	(4,431)
	Depreciation of owned tangible fixed assets	4,437	4,530
	Depreciation of tangible fixed assets held under finance leases	9	-
	Amortisation of intangible assets	2,413	2,413
	Cost of stocks recognised as an expense	2,254	1,852
	Operating lease charges	366	386
		<u>366</u>	<u>386</u>
6	Auditor's remuneration	2018	2017
		£000	£000
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the group and company	8	8
	Audit of the financial statements of the company's subsidiaries	22	22
		<u>30</u>	<u>30</u>
	For other services		
	Taxation compliance services	8	8
	Other taxation services	19	-
		<u>27</u>	<u>8</u>

GOLF RECREATION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

7 Employees

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

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Operating	422	343	-	-
Administrative	55	52	-	-
	<u>477</u>	<u>395</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2018 £000	2017 £000	Company 2018 £000	2017 £000
Wages and salaries	8,224	7,114	-	-
Social security costs	563	514	-	-
Pension costs	171	142	-	-
	<u>8,958</u>	<u>7,770</u>	<u>-</u>	<u>-</u>

8 Discontinued operations

Helicopter rentals

During the year, the subsidiary company DT Connect Europe Limited sold its main asset to a company under common control for £600,000 and as such, no further revenue is expected to be generated by the company. As such, this operation has been presented as discontinued.

9 Taxation

	2018 £000	2017 £000
Current tax		
Adjustments in respect of prior periods	-	(96)
	<u>-</u>	<u>(96)</u>

GOLF RECREATION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9 Taxation (Continued)

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2018 £000	2017 £000
Loss before taxation	(10,775)	(3,479)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	(2,047)	(670)
Tax effect of expenses that are not deductible in determining taxable profit	876	5
Adjustments in respect of prior years	-	(96)
Rate adjustment on deferred tax	63	327
Deferred tax movement not recognised	540	(803)
Losses eliminated	323	-
Depreciation and amortisation permanent differences	245	1,141
Taxation charge/(credit)	-	(96)

The group has a deferred tax asset of £9.1m (2017: £8.5m) that has not been recognised as there is no certainty of taxable profits in the future.

10 Intangible fixed assets

Group	Goodwill £000
Cost	
At 1 January 2018 and 31 December 2018	12,063
Amortisation and impairment	
At 1 January 2018	8,581
Amortisation charged for the year	2,413
At 31 December 2018	10,994
Carrying amount	
At 31 December 2018	1,069
At 31 December 2017	3,482

The company had no intangible fixed assets at 31 December 2018 or 31 December 2017.

GOLF RECREATION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

11 Tangible fixed assets

Group	Land and buildings	Assets under construction	Aircraft	Fixtures, fittings and equipment	Total
	£000	£000	£000	£000	£000
Cost					
At 1 January 2018	70,074	207	1,260	9,241	80,782
Additions	260	1,396	-	598	2,254
Disposals	-	-	(1,260)	-	(1,260)
Transfers from assets under construction	271	(819)	-	548	-
At 31 December 2018	70,605	784	-	10,387	81,776
Depreciation and impairment					
At 1 January 2018	10,148	-	150	3,019	13,317
Depreciation charged in the year	3,478	-	38	930	4,446
Eliminated in respect of disposals	-	-	(188)	-	(188)
At 31 December 2018	13,626	-	-	3,949	17,575
Carrying amount					
At 31 December 2018	56,979	784	-	6,438	64,201
At 31 December 2017	59,926	207	1,110	6,222	67,465

The company had no tangible fixed assets assets at 31 December 2018 or 31 December 2017.

The carrying value of land comprises:

	Group 2018 £000	2017 £000	Company 2018 £000	2017 £000
Freehold	9,674	9,674	-	-
Fixtures, fittings and equipment	150	-	-	-

12 Fixed asset investments

	Notes	Group 2018 £000	2017 £000	Company 2018 £000	2017 £000
Investments in subsidiaries	13	-	-	53,291	51,471

GOLF RECREATION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

12 Fixed asset investments (Continued)

Movements in fixed asset investments

Company

Cost

	Shares in group undertakings £000
At 1 January 2018	51,471
Additions	41
Effect of foreign exchange	2,963
	54,475

At 31 December 2018 54,475

Impairment

At 1 January 2018	-
Impairment losses	1,184
	1,184

At 31 December 2018 1,184

Carrying amount

At 31 December 2018	53,291
At 31 December 2017	51,471

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
DT Connect Europe Limited	See below	Helicopter operations	Ordinary	100.00	
Nitto World Co., Limited	C/O Johnston Carmichael Llp Birchin Court, 20 Birchin Lane, London, United Kingdom, EC3V 9DU	Dormant	Ordinary		100.00
SLC Turnberry Limited	See below	Golf and leisure facilities	Ordinary	100.00	

The registered address of the above subsidiaries is as follows, Trump Turnberry Resort, Maidens Road, Turnberry, Ayrshire, United Kingdom, KA26 9LT.

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

GOLF RECREATION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

14 Financial instruments

	Group 2018 £000	2017 £000	Company 2018 £000	2017 £000
Carrying amount of financial assets				
Cash and cash equivalents	115	577	5	1
Debt instruments measured at amortised cost	2,300	917	57,835	56,493
Equity instruments measured at cost less impairment	-	-	53,291	51,471
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at amortised cost	119,070	110,041	114,926	107,152
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

15 Stocks

	Group 2018 £000	2017 £000	Company 2018 £000	2017 £000
Goods for resale	385	334	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

16 Debtors

	Group 2018 £000	2017 £000	Company 2018 £000	2017 £000
Amounts falling due within one year:				
Trade debtors	1,519	822	-	-
Corporation tax recoverable	-	96	-	-
Other debtors	782	106	600	-
Prepayments and accrued income	411	370	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2,712	1,394	600	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Amounts falling due after more than one year:				
Amounts due from subsidiary undertakings	-	-	57,235	56,493
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total debtors	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2,712	1,394	57,835	56,493
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

GOLF RECREATION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

17 Creditors: amounts falling due within one year

	Notes	Group 2018 £000	2017 £000	Company 2018 £000	2017 £000
Obligations under finance leases	19	40	-	-	-
Trade creditors		695	652	-	-
Other taxation and social security		411	439	-	-
Accruals and deferred income		3,323	2,240	-	-
		<u>4,469</u>	<u>3,331</u>	<u>-</u>	<u>-</u>

18 Creditors: amounts falling due after more than one year

	Notes	Group 2018 £000	2017 £000	Company 2018 £000	2017 £000
Obligations under finance leases	19	93	-	-	-
Amount due to parent		114,920	107,152	114,926	107,152
		<u>115,013</u>	<u>107,152</u>	<u>114,926</u>	<u>107,152</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, and are interest free.

19 Finance lease obligations

	Group 2018 £000	2017 £000	Company 2018 £000	2017 £000
Future minimum lease payments due under finance leases:				
Within one year	40	-	-	-
In two to five years	93	-	-	-
	<u>133</u>	<u>-</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

GOLF RECREATION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

20 Retirement benefit schemes

	2018	2017
	£000	£000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	171	142
	<u>171</u>	<u>142</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

21 Share capital

	Group and company	
	2018	2017
	£000	£000
Ordinary share capital Issued and fully paid		
1,013,515 Ordinary shares of £1 each	1,014	1,014
	<u>1,014</u>	<u>1,014</u>

22 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. Certain currency translation differences are also included in other reserves.

Profit and loss reserves

The profit and loss reserves account represents the accumulated comprehensive loss for the period and from prior periods, excluding certain currency translation differences which are included in other reserves.

23 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	
	2018	2017	2018	2017
	£000	£000	£000	£000
Within one year	128	358	-	-
Between two and five years	237	136	-	-
In over five years	1,724	1,756	-	-
	<u>2,089</u>	<u>2,250</u>	<u>-</u>	<u>-</u>

24 Related party transactions

Remuneration of key management personnel

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

GOLF RECREATION SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

24 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2018 £000	2017 £000
Group and company		
Parent	114,926	107,152
	<u>114,926</u>	<u>107,152</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.

25 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 parties are the Trustees of The Donald J. Trump Revocable Trust.

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

26 Cash generated from operations

	2018 £000	2017 £000
Loss for the year after tax	(10,775)	(3,383)
Adjustments for:		
Taxation charged/(credited)	-	(96)
Fair value gains and losses on foreign exchange contracts and investment properties	471	-
Amortisation and impairment of intangible assets	2,413	2,413
Depreciation and impairment of tangible fixed assets	4,446	4,530
(Gain)/loss on foreign exchange	3,235	(4,431)
Movements in working capital:		
(Increase)/decrease in stocks	(51)	9
(Increase) in debtors	(814)	(321)
Increase in creditors	1,037	270
Cash absorbed by operations	<u>(38)</u>	<u>(1,009)</u>