

Company Registration No. SC177810 (Scotland)

SLC TURNBERRY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016



SLC TURNBERRY LIMITED

COMPANY INFORMATION

Directors	D Trump Jnr E Trump
Secretary	R Graff-Riccio
Company number	SC177810
Registered office	Turnberry Hotel AYRSHIRE KA26 9LT
Auditor	Johnston Carmichael LLP 227 West George Street GLASGOW G2 2ND

SLC TURNBERRY LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 6
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 20

SLC TURNBERRY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present the strategic report for the year ended 31 December 2016.

Fair review of the business

2016 proved to be a landmark year in the history of Turnberry, with the greatly anticipated reopening of both the luxury hotel and world renowned Ailsa course in June 2016, ushering in an exciting new era for the historic resort. We are certain that the vast amount of hard work that has gone into creating this world class and industry leading resort, will exceed the high expectations of both our new and returning guests.

The stunning, yet respectful, changes to the Ailsa course, envisaged by renowned architect Martin Ebert, have been widely welcomed by the golfing community, offering both the amateur and professional player a unique and award winning golfing experience. It is our belief that the Ailsa course has confidently reclaimed its place as one of the truly great golf courses of the world. The exceptional redesign of several holes has complemented the unique history of the course, all set against golf's most inspiring backdrop, offering a truly championship level challenge.

In June 2017, we opened our second course: The King Robert the Bruce. Leading golf architects Mackenzie and Ebert have once again overseen the transformation of this course, which has combined many of the finest holes from the Kintyre and Arran courses, to create an exciting new experience which will prove to be the perfect accompaniment to the Ailsa course.

The redeveloped resort has retained its signature classic style and grandeur, entrenched in over a century of history, whilst being updated to such a standard to meet the requirements of the modern luxury market. Our new ballroom offers unparalleled facilities in the Scottish market, and we feel the venue is well placed to become Scotland's leading destination for weddings, conferences and events.

The Trump Organisation remains fully committed to the resort and further redevelopments are 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 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 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.

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.

SLC TURNBERRY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Development and performance

The profit and loss account and balance sheet are set out on pages 6 and 7. Significant capital expenditure, including investment in energy efficient assets, has taken place in 2016 which is reflected in the current year results and this spend will continue during 2017. Fixed asset additions in 2016 amounted to £31,915k (2015: £16,221k) in relation to the renovations of the hotel and golf course.

The results before depreciation and foreign exchange for the six months pre and post reopening period ended 31 December 2016 are shown below:

	6 months to 30 June 2016	6 months to 31 December 2016	Total
	£000	£000	£000
Turnover	2,200	6,654	8,854
Cost of Sales	(2,712)	(4,180)	(6,892)
Gross Profit	(512)	2,474	1,962
Administrative expenses	(2,599)	(3,042)	(5,641)
Operating loss before depreciation and foreign exchange	(3,111)	(568)	(3,679)

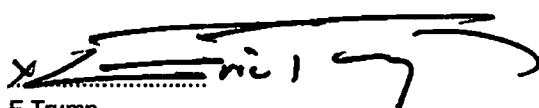
Key performance indicators

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

Turnover for the group decreased by 22% due to the resort only being open for 6 months in the current year. It is expected that revenue will increase in subsequent years 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 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 8.6 out of 10.

On behalf of the board



E Trump

Director

20 SEPTEMBER 2017

SLC TURNBERRY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

Principal activities

The company's principal activity during the year 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	(Resigned 19 January 2017)
D Trump Jnr	
I Trump	(Resigned 19 January 2017)
E Trump	

Results and dividends

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

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 company continues and that the appropriate training is arranged. It is the policy of the company 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 company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of 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 company's performance.

Auditor

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

SLC TURNBERRY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102). 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 company and of the profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors 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.

Items included in the strategic report

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

On behalf of the board

x. 

E Trump

Director

20 SEPTEMBER 2017

SLC TURNBERRY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SLC TURNBERRY LIMITED

We have audited the financial statements of SLC Turnberry Limited for the year ended 31 December 2016 set out on pages 7 to 20. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 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 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 company's affairs as at 31 December 2016 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 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

SLC TURNBERRY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SLC TURNBERRY LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; 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

28 September 2017
.....

Chartered Accountants
Statutory Auditor

227 West George Street
GLASGOW
G2 2ND

SLC TURNBERRY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £000	2015 £000
Turnover	3	8,854	11,410
Cost of sales		(6,892)	(7,304)
Gross profit		<u>1,962</u>	<u>4,106</u>
Administrative expenses		(5,641)	(5,357)
Operating loss before depreciation and foreign exchange	4	(3,679)	(1,251)
Depreciation		(1,140)	(102)
Loss on foreign exchange		(25)	(19)
Operating loss		<u>(4,844)</u>	<u>(1,372)</u>
Taxation	7	28	-
Total comprehensive expenditure for the year		<u><u>(4,816)</u></u>	<u><u>(1,372)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations. The company has no recognised gains or losses other than its profit or loss for the period.

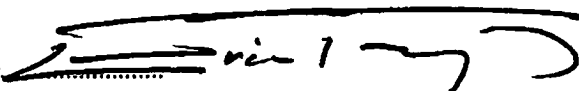
SLC TURNBERRY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £000	2015 £000
Fixed assets			
Tangible assets	8	53,000	22,225
Current assets			
Stocks	10	343	354
Debtors	11	1,994	3,182
Cash at bank and in hand		289	1,813
		<u>2,626</u>	<u>5,349</u>
Creditors: amounts falling due within one year	12	(3,036)	(3,063)
Net current (liabilities)/assets		<u>(410)</u>	<u>2,286</u>
Total assets less current liabilities		<u>52,590</u>	<u>24,511</u>
Creditors: amounts falling due after more than one year	13	(51,176)	(19,546)
Net assets		<u><u>1,414</u></u>	<u><u>4,965</u></u>
Capital and reserves			
Called up share capital	15	39,568	39,568
Other reserves	16	58,588	57,323
Capital redemption reserve	16	18,374	18,374
Profit and loss reserves	16	(115,116)	(110,300)
Total equity		<u><u>1,414</u></u>	<u><u>4,965</u></u>

The financial statements were approved by the board of directors and authorised for issue on 20 September 2017 and are signed on its behalf by:

x 

E Trump
Director

Company Registration No. SC177810

SLC TURNBERRY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital	Capital redemption reserve	Other reserves	Profit and loss reserves	Total
Notes	£000	£000	£000	£000	£000
Balance at 1 January 2015	39,568	18,374	56,541	(108,928)	5,555
Period ended 31 December 2015:					
Loss and total comprehensive expenditure for the year	-	-	-	(1,372)	(1,372)
Equity component of financing loans	-	-	782	-	782
Balance at 31 December 2015	39,568	18,374	57,323	(110,300)	4,965
Period ended 31 December 2016:					
Loss and total comprehensive expenditure for the year	-	-	-	(4,816)	(4,816)
Equity component of financing loans	-	-	1,265	-	1,265
Balance at 31 December 2016	39,568	18,374	58,588	(115,116)	1,414

SLC TURNBERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

SLC Turnberry Limited is a limited company domiciled and incorporated in Scotland. The registered office is disclosed on the company information page.

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 pounds sterling, which is the functional currency of the company. 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 under FRS 102 Section 1.12 on the grounds that its parent company (Golf Recreation Scotland Limited) prepares publicly available consolidated financial statements in which the company's results are included. These financial statements are available from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh EH3 9FF.

The company has therefore taken the following exemptions under the reduced disclosure framework of FRS 102:

- 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 Going concern

These financial statements are prepared on a going concern basis.

The company had net current liabilities at 31 December 2016 and 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 company 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.

1.3 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.

SLC TURNBERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.4 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	40 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 credited or charged to the profit and loss account.

1.5 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible 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.

1.6 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.

1.7 Cash and cash equivalents

Cash and cash equivalents 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.

1.8 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

SLC TURNBERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

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, 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. The impairment loss 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 company 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 company 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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. Amounts 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 company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

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

1.10 Taxation

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

SLC TURNBERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year, adjusted for disallowable items.

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 when the company has 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.

1.11 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.

1.12 Retirement benefits

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

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 pounds sterling 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.

SLC TURNBERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

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.

Intercompany loans

Loans advanced from the parent 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

	2016 £000	2015 £000
Turnover		
Sale of goods	3,372	4,300
Provision of services	5,482	7,110
	<u>8,854</u>	<u>11,410</u>

Turnover is fully derived in the United Kingdom.

SLC TURNBERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

4 Operating loss

	2016	2015
	£000	£000
Operating loss for the year is stated after charging:		
Exchange losses	25	19
Depreciation of tangible fixed assets	1,140	102
Cost of stocks recognised as an expense	1,333	1,315
Operating lease charges	393	408
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2016	2015
	£000	£000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the company's financial statements	19	21
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	4	4
Other taxation services	12	1
	<u> </u>	<u> </u>
	16	5
	<u> </u>	<u> </u>

6 Employees

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

	2016	2015
	Number	Number
Operating	265	297
Administrative	48	40
	<u> </u>	<u> </u>
	313	337
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2016	2015
	£000	£000
Wages and salaries	5,335	5,511
Social security costs	372	414
Pension costs	116	95
	<u> </u>	<u> </u>
	5,823	6,020
	<u> </u>	<u> </u>

SLC TURNBERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

7 Taxation

	2016 £000	2015 £000
Current tax		
Adjustments in respect of prior periods	(28)	-

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

	2016 £000	2015 £000
Loss before taxation	(4,844)	(1,372)
Expected tax credit based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	(969)	(278)
Tax effect of expenses that are not deductible in determining taxable profit	1	1
Adjustments in respect of prior years	(28)	-
Other permanent differences	102	-
Movement on deferred tax not recognised	723	265
Depreciation and amortisation permanent differences	143	12
Taxation for the year	(28)	-

The company has a deferred tax asset of £11.1m (2015: £11.1m) that has not been recognised as there is no certainty of taxable profits in the future.

SLC TURNBERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

8 Tangible fixed assets

	Land and buildings £000	Assets under construction £000	Fixtures, fittings and equipment £000	Total £000
Cost				
At 1 January 2016	78,784	13,532	13,403	105,719
Additions	-	31,641	274	31,915
Transfers from assets under construction	38,062	(44,096)	6,034	-
At 31 December 2016	116,846	1,077	19,711	137,634
Depreciation and impairment				
At 1 January 2016	70,845	-	12,649	83,494
Depreciation charged in the year	716	-	424	1,140
At 31 December 2016	71,561	-	13,073	84,634
Carrying amount				
At 31 December 2016	45,285	1,077	6,638	53,000
At 31 December 2015	7,939	13,532	754	22,225

SLC TURNBERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

9 Fixed asset investments

	Shares in subsidiary undertaking £000
Cost	
At 1 January 2016 and 31 December 2016	3,331
Impairment	
At 1 January 2016 and 31 December 2016	(3,331)
Net book value	
At 31 December 2015 and 31 December 2016	-

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Nitto World Co., Limited	UK	Ordinary	100

10 Stocks

	2016 £000	2015 £000
Consumables	343	354

11 Debtors

	2016 £000	2015 £000
Amounts falling due within one year:		
Trade debtors	439	748
Corporation tax recoverable	28	-
Amounts due from fellow group undertakings	1,055	765
Other debtors	263	1,353
Prepayments and accrued income	209	316
	1,994	3,182

SLC TURNBERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

12 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	714	991
Other taxation and social security	120	90
Accruals and deferred income	2,202	1,982
	<u>3,036</u>	<u>3,063</u>

13 Creditors: amounts falling due after more than one year

	2016 £000	2015 £000
Amounts due to parent	<u>51,176</u>	<u>19,546</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.

14 Retirement benefit schemes

	2016 £000	2015 £000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>116</u>	<u>95</u>

15 Share capital

	2016 £000	2015 £000
Ordinary share capital		
Issued and fully paid		
39,567,729 Ordinary shares of £1 each	<u>39,568</u>	<u>39,568</u>

16 Reserves

Capital redemption reserve

Capital redemption reserve represents amounts retained as fixed capital following redemptions of share capital under companies legislation.

Other reserve

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

Profit and loss reserves represent accumulated comprehensive income for the year and prior periods less dividends paid.

SLC TURNBERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

17 Operating lease commitments

Lessee

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

	2016 £000	2015 £000
Within one year	324	391
Between two and five years	479	702
	<u>803</u>	<u>1,093</u>

18 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2016 £000	2015 £000
Acquisition of property, plant and equipment	<u>22</u>	<u>520</u>

19 Related party transactions

None of the directors are remunerated through the company.

No guarantees have been given or received.

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

20 Controlling party

The parent company is Golf Recreation Scotland Limited, a company registered in Scotland, which has its registered office at Bishop's Court, 29 Albyn Place, Aberdeen, AB10 1YL. 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 into which the company is consolidated. Group accounts are available from Companies House, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.