

Company Registration No. SC177810 (Scotland)

**SLC TURNBERRY LIMITED**  
**ANNUAL REPORT AND FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**COMPANIES HOUSE**  
**EDINBURGH**

**28 SEP 2018**

**FRONT DESK**

FRIDAY



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28/09/2018  
COMPANIES HOUSE

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# SLC TURNBERRY LIMITED

## COMPANY INFORMATION

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

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# **SLC TURNBERRY LIMITED**

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# **SLC TURNBERRY LIMITED**

## **STRATEGIC REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2017***

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The directors present the strategic report for the year ended 31 December 2017.

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

2017 was the first full year of operations of Turnberry under Trump Hotels ownership. The resort was comprehensively redeveloped, but 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.

The addition of a 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. Fresh off the successful opening of both the luxury hotel and world renowned Ailsa course in June 2016, the new 'King Robert the Bruce' golf course opened in June 2017. 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 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 director and group management have undertaken a comprehensive review of the risks facing the group.

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

The director considers that the principal risk factor that could materially affect the group's future operating profit or financial position is customer demand for luxury travel.

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

#### **Development and performance**

The profit and loss account and balance sheet are set out on pages 8 and 9. In the first full year of operations since the successful refurbishment and re-opening of the property, Turnberry managed to post one of the most robust financial results in a decade. The property will continue to drive financial performance improvement and build on the 2017 result.

Significant capital expenditure, including investment in energy efficient assets, continued through 2017 albeit not to the extent of 2016, with major refurbishment having been completed in 2016. Fixed Asset Additions in 2017 amounted to £4,433k (2016: £31,915k).

However, a significant amount of capital expenditure that were deemed as 'assets under construction' at the end of 2016 were brought into Fixed Assets in 2017 and as such, there was increased depreciation charge (2017: £2,289 and 2016: £1,140).

# SLC TURNBERRY LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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	2017 £000	2016 £000	Variance £000
Turnover	15,237	8,854	6,383
Cost of Sales	(9,510)	(6,892)	(2,618)
Gross Profit	5,727	1,962	3,765
Administrative expenses	(6,479)	(5,641)	(838)
Operating loss before depreciation and foreign exchange	(752)	(3,679)	2,927

### Key performance indicators

Management of the group provides the director 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.

Having seen a decline in turnover of 22% in 2016 due to the resort only being open for 6 months, 2017 saw an increase in revenue year over year of 70%. It is expected that revenue will continue to increase in subsequent years as the property is re-established as an industry-leading resort. Turnberry already won Scottish Hotel of the Year at the recent Scottish Hotel Awards 2018 and in addition to the top accolade, the property also received national awards for Luxury Hotel, Golf Hotel and Events Hotel of the Year.

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 9.0 out of 10 (2016: 8.6)

On behalf of the board

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E Trump

Director

24 SEPTEMBER 2018

# **SLC TURNBERRY LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present their annual report and financial statements for the year ended 31 December 2017.

#### **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 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 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 2017**

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### 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;
- 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 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



E Trump

Director

24 SEPTEMBER 2018

# **SLC TURNBERRY LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF SLC TURNBERRY LIMITED**

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#### **Opinion**

We have audited the financial statements of SLC Turnberry Limited (the 'company') for the year ended 31 December 2017 set out on pages 8 to 21. 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 company's affairs as at 31 December 2017 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.

#### **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 company 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 directors are 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.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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



# **SLC TURNBERRY LIMITED**

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

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### **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.

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 - 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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.

# SLC TURNBERRY LIMITED

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

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### 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 company'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 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 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.

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

Chartered Accountants  
Statutory Auditor

*26 September 2018*

227 West George Street  
GLASGOW  
G2 2ND

# SLC TURNBERRY LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £000	2016 £000
Turnover	3	15,237	8,854
Cost of sales		(9,510)	(6,892)
<b>Gross profit</b>		<b>5,727</b>	<b>1,962</b>
Administrative expenses		(6,479)	(5,641)
<b>Operating loss before depreciation and foreign exchange</b>	4	<b>(752)</b>	<b>(3,679)</b>
Depreciation		(2,289)	(1,140)
Loss on foreign exchange		(21)	(25)
<b>Operating loss</b>		<b>(3,062)</b>	<b>(4,844)</b>
Taxation	7	96	28
<b>Total comprehensive expenditure for the year</b>		<b>(2,966)</b>	<b>(4,816)</b>

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.

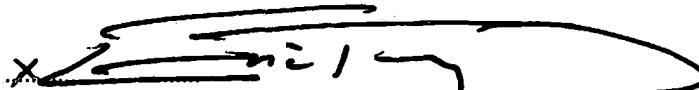
# SLC TURNBERRY LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £000	2016 £000
<b>Fixed assets</b>			
Tangible assets	8	55,123	53,000
<b>Current assets</b>			
Stocks	10	334	343
Debtors	11	2,599	1,994
Cash at bank and in hand		213	289
		3,146	2,626
<b>Creditors: amounts falling due within one year</b>	12	(3,327)	(3,036)
<b>Net current liabilities</b>		(181)	(410)
<b>Total assets less current liabilities</b>		54,942	52,590
<b>Creditors: amounts falling due after more than one year</b>	13	(56,289)	(51,176)
<b>Net (liabilities)/assets</b>		(1,347)	1,414
<b>Capital and reserves</b>			
Called up share capital	15	39,568	39,568
Other reserves	16	58,793	58,588
Capital redemption reserve	16	18,374	18,374
Profit and loss reserves	16	(118,082)	(115,116)
<b>Total equity</b>		(1,347)	1,414

The financial statements were approved by the board of directors and authorised for issue on 24 SEPTEMBER 2018 and are signed on its behalf by:

  
 E Trump  
 Director

Company Registration No. SC177810

# SLC TURNBERRY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital £000	Capital redemption reserve £000	Other reserves £000	Profit and loss reserves £000	Total £000
<b>Balance at 1 January 2016</b>	39,568	18,374	57,323	(110,300)	4,965
<b>Period ended 31 December 2016:</b>					
Loss and total comprehensive expenditure for the year	-	-	-	(4,816)	(4,816)
Equity component of financing loans	-	-	1,265	-	1,265
<b>Balance at 31 December 2016</b>	39,568	18,374	58,588	(115,116)	1,414
<b>Period ended 31 December 2017:</b>					
Loss and total comprehensive expenditure for the year	-	-	-	(2,966)	(2,966)
Equity component of financing loans	-	-	205	-	205
<b>Balance at 31 December 2017</b>	39,568	18,374	58,793	(118,082)	(1,347)

# SLC TURNBERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1 Accounting policies

##### Company information

SLC Turnberry Limited is a private company limited by shares incorporated in Scotland. The registered office and trading address is Turnberry Hotel, AYRSHIRE, KA26 9LT.

##### 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 2017 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 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.

# SLC TURNBERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 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	15-40 years
Fixtures, fittings and equipment	2-10 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.

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.

#### 1.6 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.

# SLC TURNBERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1 Accounting policies

(Continued)

##### 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.

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. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

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

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the 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.



# SLC TURNBERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1 Accounting policies

(Continued)

##### **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.

##### **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.

# SLC TURNBERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

(Continued)

#### 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.

### 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 as set out in note 8.

#### 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.

#### *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.

# SLC TURNBERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 3 Turnover and other revenue

	2017 £000	2016 £000
<b>Turnover</b>		
Sale of goods	5,949	3,372
Provision of services	9,288	5,482
	<u>15,237</u>	<u>8,854</u>

Turnover is fully derived in the United Kingdom.

### 4 Operating loss

	2017 £000	2016 £000
Operating loss for the year is stated after charging:		
Exchange losses	21	25
Depreciation of tangible fixed assets	2,289	1,140
Cost of stocks recognised as an expense	1,852	1,333
Operating lease charges	386	393
	<u></u>	<u></u>

### 5 Auditor's remuneration

	2017 £000	2016 £000
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	19	19
	<u></u>	<u></u>
<b>For other services</b>		
Taxation compliance services	4	4
Other taxation services	-	12
	<u>4</u>	<u>16</u>

### 6 Employees

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

	2017 Number	2016 Number
Operating	343	265
Administrative	52	48
	<u>395</u>	<u>313</u>

# SLC TURNBERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 6 Employees

(Continued)

Their aggregate remuneration comprised:

	2017 £000	2016 £000
Wages and salaries	7,036	5,335
Social security costs	514	372
Pension costs	142	116
	<u>7,692</u>	<u>5,823</u>

#### 7 Taxation

	2017 £000	2016 £000
Current tax		
Adjustments in respect of prior periods	(96)	(28)
	<u></u>	<u></u>

The actual credit 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:

	2017 £000	2016 £000
Loss before taxation	(3,062)	(4,844)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	(589)	(969)
Tax effect of expenses that are not deductible in determining taxable profit	5	1
Adjustments in respect of prior years	(96)	(28)
Group relief	3	-
Other permanent differences	-	102
Movement on deferred tax not recognised	327	723
Depreciation and amortisation permanent differences	254	143
Taxation credit for the year	<u>(96)</u>	<u>(28)</u>

The company has a deferred tax asset of £11.5m (2016: £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 2017

### 8 Tangible fixed assets

	Land and buildings	Assets under construction	Fixtures, fittings and equipment	Total
	£000	£000	£000	£000
<b>Cost</b>				
At 1 January 2017	116,846	1,077	19,711	137,634
Additions	56	3,998	379	4,433
Disposals	-	-	(21)	(21)
Transfers from assets under construction	4,497	(4,868)	371	-
At 31 December 2017	121,399	207	20,440	142,046
<b>Depreciation and impairment</b>				
At 1 January 2017	71,561	-	13,073	84,634
Depreciation charged in the year	1,463	-	826	2,289
At 31 December 2017	73,024	-	13,899	86,923
<b>Carrying amount</b>				
At 31 December 2017	48,375	207	6,541	55,123
At 31 December 2016	45,285	1,077	6,638	53,000

The carrying value of land comprises:

	2017 £000	2016 £000
Freehold	4,836	4,836

# SLC TURNBERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 9 Fixed asset investments

	Shares in subsidiary undertaking £000
<b>Cost</b>	
At 1 January 2017 and 31 December 2017	3,331
<b>Impairment</b>	
At 1 January 2017 and 31 December 2017	(3,331)
<b>Net book value</b>	
At 31 December 2016 and 31 December 2017	-

#### 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	%
<b>Subsidiary undertakings</b>			
Nitto World Co., Limited	UK	Ordinary	100

### 10 Stocks

	2017 £000	2016 £000
Consumables	334	343

### 11 Debtors

	2017 £000	2016 £000
<b>Amounts falling due within one year:</b>		
Trade debtors	822	439
Corporation tax recoverable	96	28
Amounts due from group undertakings	1,245	1,055
Other debtors	95	263
Prepayments and accrued income	341	209
	<u>2,599</u>	<u>1,994</u>

# SLC TURNBERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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

	2017 £000	2016 £000
Trade creditors	652	714
Other taxation and social security	439	120
Accruals and deferred income	2,236	2,202
	<u>3,327</u>	<u>3,036</u>

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

	2017 £000	2016 £000
Amounts due to parent	<u>56,289</u>	<u>51,176</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

	2017 £000	2016 £000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>142</u>	<u>116</u>

### 15 Share capital

	2017 £000	2016 £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 reserves

Other reserves represent 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 2017

### 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:

	2017 £000	2016 £000
Within one year	358	324
Between two and five years	136	479
In over five years	1,756	-
	<u>2,250</u>	<u>803</u>

### 18 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2017 £000	2016 £000
Acquisition of tangible fixed assets	-	22
	<u>-</u>	<u>22</u>

### 19 Related party transactions

None of the directors are remunerated through the company.

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.