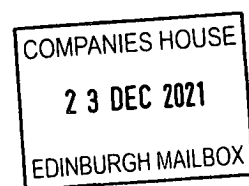


Company Registration No. SC177810 (Scotland)

SLC TURNBERRY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



SLC TURNBERRY LIMITED

COMPANY INFORMATION

Directors	D Trump Jnr E Trump
Company number	SC177810
Registered office	Turnberry Hotel AYRSHIRE KA26 9LT
Auditor	Johnston Carmichael LLP 227 West George Street Glasgow G2 2ND

SLC TURNBERRY LIMITED

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SLC TURNBERRY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

Fair review of the business

During the year ended 31 December 2020, the property was closed for long periods due to the impact of COVID-19 and operational and travel restrictions imposed by the UK Government. This has had a direct impact on the Company's results for 2020 as reported in these financial statements. The restrictions continued post year end; however, the property reopened in April 2021 and has returned to pre-COVID levels of trading since. Nonetheless the ongoing impact of COVID-19 will continue to present challenges and risks for the property and the hospitality sector as a whole. The directors will continue to monitor these risks on an ongoing basis.

The resort was closed from 23 March through to 15 July and again from 20 November through to 26 April 2021. Ownership and management implemented strategies to ensure the resort and its stakeholders were supported throughout the pandemic. Government support was helpful to retain as many jobs as possible, however uncertainty of the duration of support and the pandemic's sustained impact meant that redundancies were required to prepare the business for the long term effects to the hospitality industry. Furthermore, the resort redevelopment program was put on hold in April 2020 to be revisited at a later date.

Upon reopening, there was a significant increase in 'staycation' bookings driven by the outbound travel restrictions in place during that period. This allowed more of the UK market to experience the resort and management are confident that this will help grow the domestic market segment across future years.

Demand has been strong in 2021 despite restrictions on inbound travel and with many weddings and functions rescheduling to 2021 and 2022 there is confidence that the future of the resort is strong. Ownership remains fully committed to the resort and future plans are set to enhance the resort further maintaining Trump Turnberry as Scotland's premier destination for luxury travel, championship golf and special events.

Principal risks and uncertainties

The most significant event affecting the business post year-end has been the extended lockdown period lasting until 26 April 2021. The continued varying travel restrictions have impacted performance across the summer months with very limited inbound travel from the key US market.

Whilst there is confidence that with the easing of restrictions there is a pent up demand from both leisure and business markets, it is clear that there is still a threat of further restrictions being imposed as COVID-19 case levels rise.

Brexit has also impacted our business as supply chains have been impacted by availability of drivers and staff, reducing deliveries and the availability of certain product lines. Prices have increased from additional freight and import duty charges.

Staff availability has been a challenge from a combination of wage inflation with retail and logistic sectors increasing wages to attract staff due to increased business levels. Indirectly the staffing pool has been reduced with lack of access to European staff for businesses in general resulting in greater demand for the individuals previously available to the resort.

Rising inflation is a key focus as supply prices rise, and selling prices are being monitored closely to ensure sufficient margins are being maintained.

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

SLC TURNBERRY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Development and performance

The profit and loss account and balance sheet are set out on pages 11 and 12. The impact from COVID-19 and the related measures imposed by the UK government had a significant impact on the operational performance of the resort. The company is reporting an operating loss before depreciation, foreign exchange and exceptional items of (£3,086k) (2019: operating profit of £318k). When the resort was able to reopen in the summer there was a significant increase in 'staycation' bookings showcasing the resort to a different demographic which will form part of the 2021 and beyond rebound strategy.

Significant capital expenditure, including investment in energy-efficient assets, took place early 2020 before the COVID-19 pandemic took hold. The spa and gym were fully refurbished alongside the ongoing refurbishment of the accommodation. Fixed Asset Additions in 2020 amounted to £1,537k (2019: £2,584k).

Further assets were transferred from 'assets under construction' as the individual phases of the ongoing refurbishment were completed in early 2020. This has resulted in an increased depreciation charge of £2,484k (2019: £2,395k).

	2020 £000	2019 £000	Variance £000
Turnover	6,727	19,667	(12,940)
Cost of sales	(7,278)	(12,243)	4,965
Gross (loss)/profit	(551)	7,424	(7,975)
Administrative expenses	(4,882)	(7,106)	2,224
Other operating income	2,347	-	2,347
Exceptional item	(324)	-	(324)
Operating profit before depreciation, foreign exchange and exceptional items	(3,410)	318	(3,728)

Key performance indicators

Management provides the directors with certain monthly key performance indicators (KPIs) including changes in revenue, costs and operating profit before depreciation, amortisation and foreign exchange.

2020 KPIs both financial and non-financial have been impacted by the closure periods, restricted operations and UK government relief measures. These KPIs are not comparable to prior years as the operating environment and global economic conditions were unprecedented.

Despite the challenging economic environment, the property continues to be recognized as Scotland's premier destination for luxury travel. Accolades include Turnberry being named the Scottish Hotel Awards "Events Hotel of the Year" for 2018, 2019, 2020 and Conde Nast Traveller Readers' Choice Awards, Top 30 Resorts In Europe, 2020. Our famed Ailsa golf course also recently ranked #1 in Golf World's "Top 100: The UK and Ireland's Best Golf Courses & Resorts 2020."

The unpredictable nature of the COVID-19 pandemic makes it difficult to predict how the company's business and operations will be affected in the long-term. In the short-term, management anticipates an increase in 2021 turnover compared to 2020, however, not back to the pre-COVID-19 levels of 2019. However, the directors believe that the resort's profitability will be positively impacted as a result of strategies put in place and actions taken during the pandemic over the short to medium term. This is dependent on the level of COVID-19 restrictions remaining at current levels or reduced for the remainder of 2021 and into 2022.

SLC TURNBERRY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Section 172 Statement - Impact of decisions on stakeholders

The Directors delegate day-to-day management of the resort to the corporate management team and the resort executive team. There are clear guidelines on the levels of delegation and escalation between the tiers of management. The Directors are regularly apprised on all key decisions and retain ultimate responsibility.

Key stakeholders:

Ultimate Parent Trustees	Guests	Employees / Trade Union	Suppliers	Government / Regulators	Golf Club / Local Community
Regular reporting	Customer feedback questionnaires Social media GM greeting	Engagement survey Recognition program	Meetings with key suppliers	ONS reporting EHO	Social media Meetings

(a) the likely consequences of any decision in the long term

The Directors and Trump Organization have demonstrated a commitment to the long-term sustainability of the resort. This is evidenced by the significant capital investment to significantly restore and improve the resort.

All major decisions regarding the resort are carefully considered in order to preserve the resort and relationships with key stakeholders for the long-term viability and profitability of the resort and subsequently the surrounding areas.

(b) the interests of the company's employees

The Directors recognise the crucial role the employees play in delivering five-star service to the guests through not only customer-facing roles, but also in back-office administration and maintenance of the buildings and grounds.

Key decisions affecting employees consider the impact to remuneration, benefits, health and safety, well-being, fairness and equality across the workforce.

(c) the need to foster the company's business relationships with suppliers, customers and others

There are a number of key suppliers that maintain engagement with the resort directly. The Directors promote use of local suppliers where reasonably practicable in their drive to deliver a unique indigenous experience to each and every guest.

Guest feedback is always sought by way of satisfaction questionnaires and KPIs, as this helps inform decisions to realise the vision of unparalleled service and experiences.

(d) the impact of the company's operations on the community and the environment

The resort is a principal employer within the local community and a well-known landmark. The resort team regularly engages key stakeholders within the community to update them on matters of relevance.

Appropriate professionals are engaged to report and advise on matters with an environmental impact or related to historical preservation. The relevant regulator is then notified or consulted as required.

SLC TURNBERRY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Section 172 Statement - Impact of decisions on stakeholders (continued)

(e) the desirability of the company maintaining a reputation for high standards of business conduct

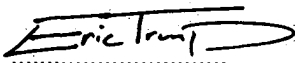
One of the key commitments asked of each employee is to have integrity. The company and its affiliates are subject to significant scrutiny. All decisions and actions are made in line with the Code of Conduct and Ethics policies.

The Directors have reporting lines and policies in place to ensure appropriate review and escalation of matters affecting conduct. There are clear whistleblowing guidelines and procedures should any employee wish to make a report.

(f) the need to act fairly between members of the company.

The relevant simplicity of the corporate structure enables the members to be consulted on the decisions that affect them. This enables the Directors to consider the views of members when determining a course of action.

On behalf of the board



E Trump

Director

22 December 2021

SLC TURNBERRY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

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.

Results and dividends

The results for the year are set out on page 11.

No ordinary dividends were paid.

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 Jnr
E Trump

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.

SLC TURNBERRY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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.

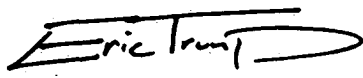
Statement of disclosure to auditor

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

Date: 22 December 2021.....

SLC TURNBERRY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SLC TURNBERRY LIMITED

Opinion

We have audited the financial statements of SLC Turnberry Limited (the 'company') for the year ended 31 December 2020 which comprise the profit and loss account, the balance sheet, the statement of changes in equity 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 company's affairs as at 31 December 2020 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

SLC TURNBERRY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SLC TURNBERRY 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 in relation to which 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 statement of directors' responsibilities set out on page 6, 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.

SLC TURNBERRY LIMITED

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

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.

Extent to which the audit is considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- UK GAAP
- Companies Act 2006
- Corporation and Income Tax legislation
- Health & safety related legislation
- VAT legislation

We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management. We corroborated these enquiries through review of board minutes, submitted returns and company filings as well as a review of financial statement disclosures for compliance with applicable law and the financial reporting framework.

SLC TURNBERRY LIMITED

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

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following additional procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Inspection of the appropriateness and testing of the application of the company's revenue recognition policy.
- Reviewing the level of and reasoning behind the company's procurement of legal and professional services.
- Consultation with our internal specialists around Employment tax, Corporate Tax and VAT matters.
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

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

23 December 2021
.....

Chartered Accountants
Statutory Auditor

227 West George Street
Glasgow
G2 2ND

SLC TURNBERRY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £000	2019 £000
Turnover	3	6,727	19,667
Cost of sales		(7,278)	(12,243)
Gross (loss)/profit		(551)	7,424
Administrative expenses		(4,882)	(7,106)
Other operating income	3	2,347	-
Exceptional item	4	(324)	-
Operating profit before depreciation, foreign exchange and exceptional items	5	(3,410)	318
Depreciation		(2,484)	(2,411)
Loss on foreign exchange		(4)	(19)
Operating loss		(5,898)	(2,112)
Taxation	8	-	-
Total comprehensive expenditure for the year		(5,898)	(2,112)

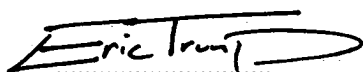
SLC TURNBERRY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020	2019
	Notes	£000	£000
Fixed assets			
Tangible assets	9	54,490	55,438
Current assets			
Stocks	10	468	482
Debtors	11	1,057	2,022
Cash at bank and in hand		397	147
		1,922	2,651
Creditors: amounts falling due within one year	12	(4,669)	(4,033)
Net current liabilities		(2,747)	(1,382)
Total assets less current liabilities		51,743	54,056
Creditors: amounts falling due after more than one year	13	(63,527)	(60,081)
Net liabilities		(11,784)	(6,025)
Capital and reserves			
Called up share capital	16	39,568	39,568
Capital redemption reserve	17	18,374	18,374
Other reserves	17	59,090	58,951
Profit and loss reserves	17	(128,816)	(122,918)
Total equity		(11,784)	(6,025)

The financial statements were approved by the board of directors and authorised for issue on 22 December 2021 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 2020

	Share capital £000	Capital redemption reserve £000	Other reserves £000	Profit and loss reserves £000	Total £000
Balance at 1 January 2019	39,568	18,374	58,839	(120,806)	(4,025)
Year ended 31 December 2019:					
Loss and total comprehensive expenditure for the year	-	-	-	(2,112)	(2,112)
Equity component of financing loans	-	-	112	-	112
Balance at 31 December 2019	39,568	18,374	58,951	(122,918)	(6,025)
Year ended 31 December 2020:					
Loss and total comprehensive expenditure for the year	-	-	-	(5,898)	(5,898)
Equity component of financing loans	-	-	139	-	139
Balance at 31 December 2020	39,568	18,374	59,090	(128,816)	(11,784)

SLC TURNBERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 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 directors have assessed the company's anticipated cash flow forecasts through to the end of 2022. There remains uncertainty in the economy and hospitality sector whilst the Covid-19 pandemic is on-going. Loans from the company's parent are only payable after 12 months and one day after the provision of notice and Golf Recreation Scotland Limited has confirmed that no such notice has been given. The Donald J Trump Revocable Trust has also 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 shop 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.

SLC TURNBERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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

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

Freehold land and 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 2020

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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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 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.

SLC TURNBERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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 transaction costs.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

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. 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

SLC TURNBERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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

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 asset's 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.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants are recognised in accordance with the accruals model. Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

SLC TURNBERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.15 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 in the period are included in profit or loss.

1.16 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 company.

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.

Key sources of estimation uncertainty

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 2020 is £54.5m (2019: 55.4m).

3 Turnover and other revenue

	£000	£000
Turnover		
Sale of goods	2,539	7,944
Provision of services	4,188	11,723
	<u>6,727</u>	<u>19,667</u>
Turnover is fully derived in the United Kingdom.		
Other significant revenue		
Grants received	<u>2,347</u>	<u>-</u>

Grants received above represents amounts received by the company under the Government's coronavirus job retention scheme.

The grant proceeds were utilised by the company in order to support the maintenance of jobs for many of the company's employees while the resort was closed or at a reduced capacity due to the impact of the Covid-19 pandemic during the year.

SLC TURNBERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Exceptional costs

	2020 £000	2019 £000
Exceptional item	324	-

The above relates to redundancy payments made during the period.

5 Operating loss

	2020 £000	2019 £000
Operating loss for the year is stated after charging:		
Exchange losses	4	19
Depreciation of tangible fixed assets	2,484	2,395
Depreciation of tangible fixed assets held under finance leases	32	16
Operating lease charges	244	221

6 Auditor's remuneration

	2020 £000	2019 £000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	32	25
For other services		
Taxation compliance services	4	4
Other taxation services	2	2
	6	6

7 Employees

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

	2020 Number	2019 Number
Operating	271	467
Administrative	18	74
Total	289	541

SLC TURNBERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

7 Employees

(Continued)

Their aggregate remuneration comprised:

	2020 £000	2019 £000
Wages and salaries	6,858	8,951
Social security costs	488	619
Pension costs	201	219
	<u>7,547</u>	<u>9,789</u>

8 Taxation

The actual 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:

	2020 £000	2019 £000
Loss before taxation	(5,898)	(2,112)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(1,121)	(401)
Tax effect of expenses that are not deductible in determining taxable profit	-	7
Movement on deferred tax not recognised	(1,338)	(36)
Deferred tax movement not recognised	2,004	-
Depreciation and amortisation permanent differences	455	430
Taxation charge for the year	<u>-</u>	<u>-</u>

The company has a deferred tax asset of £13.4m (2019: £11.4m) 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 2020

9 Tangible fixed assets

	Land and buildings £000	Assets under construction £000	Fixtures, fittings and equipment £000	Total £000
Cost				
At 1 January 2020	124,000	618	22,371	146,988
Additions	867	554	116	1,537
Transfers from assets under construction	1,134	(1,134)	-	-
At 31 December 2020	126,001	37	22,487	148,525
Depreciation and impairment				
At 1 January 2020	75,780	-	15,771	91,551
Depreciation charged in the year	1,491	-	993	2,484
At 31 December 2020	77,271	-	16,764	94,035
Carrying amount				
At 31 December 2020	48,730	37	5,723	54,490
At 31 December 2019	48,220	618	6,600	55,438

The carrying value of land comprises:

	2020 £000	2019 £000
Freehold	4,836	4,836

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases.

	2020 £000	2019 £000
Fixtures, fittings and equipment	134	134
Depreciation charge for the year in respect of leased assets	32	16

10 Stocks

	2020 £000	2019 £000
Consumables	468	482

SLC TURNBERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11 Debtors

	2020	2019
	£000	£000
Amounts falling due within one year:		
Trade debtors	916	1,608
Other debtors	49	184
Prepayments and accrued income	92	230
	<u>1,057</u>	<u>2,022</u>

12 Creditors: amounts falling due within one year

	Notes	2020	2019
		£000	£000
Obligations under finance leases	14	40	40
Trade creditors		531	757
Taxation and social security		185	181
Accruals and deferred income		3,913	3,055
		<u>4,669</u>	<u>4,033</u>

Amounts due under finance lease leases are secured on the assets to which they relate.

13 Creditors: amounts falling due after more than one year

	Notes	2020	2019
		£000	£000
Obligations under finance leases	14	36	56
Amounts due to parent		63,491	60,025
		<u>63,527</u>	<u>60,081</u>

Amounts due under finance lease leases are secured on the assets to which they relate.

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 Finance lease obligations

	2020	2019
	£000	£000
Future minimum lease payments due under finance leases:		
Within one year	40	40
In two to five years	36	56
	<u>76</u>	<u>96</u>

SLC TURNBERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

14 Finance lease obligations

(Continued)

Finance lease payments represent rentals payable by the company 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.

Amounts due under finance lease leases are secured on the assets to which they relate.

15 Retirement benefit schemes

	2020 £000	2019 £000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	201	219

16 Share capital

	2020 £000	2019 £000
Ordinary share capital Issued and fully paid		
39,567,729 Ordinary shares of £1 each	39,568	39,568

17 Reserves

Capital redemption reserve

The 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.

18 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:

	2020 £000	2019 £000
Within one year	266	258
Between two and five years	432	543
In over five years	1,693	1,739
	2,391	2,540

SLC TURNBERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

19 Related party transactions

Remuneration of key management personnel

None of the directors are remunerated through the company.

Other information

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 Ultimate 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 Florida state grantor trust registered in Florida, 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.