

**GOLF RECREATION SCOTLAND  
LIMITED**

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

COMPANIES HOUSE

**23 DEC 2020**

EDINBURGH MAILBOX



# GOLF RECREATION SCOTLAND LIMITED

## COMPANY INFORMATION

---

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

---

# **GOLF RECREATION SCOTLAND LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Strategic report	1 - 3
Director's report	4 - 5
Independent auditor's report	6 - 8
Profit and loss account	9
Statement of comprehensive income	10
Group balance sheet	11
Company balance sheet	12
Group statement of changes in equity	13
Company statement of changes in equity	14
Consolidated statement of cash flows	15
Notes to the financial statements	16 - 31

---

# **GOLF RECREATION SCOTLAND LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2019**

---

The director presents the strategic report for the year ended 31 December 2019.

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

The Directors are pleased to report continued growth in 2019 for Trump Turnberry, which achieved strong year-over-year increases in both revenue (turnover) and operating profit. Under the ownership of the Trump Organization, Trump Turnberry has clearly established itself as Scotland's premier destination for luxury travel, championship golf and special events.

As part of an ongoing multi-million-pound renovation, ownership continues to improve and modernize the property's facilities including newly upgraded villas on a rolling programme and enhanced spa and wellness offerings completed in 2020. Planning continues on additional improvements to enhance the guest experience.

The resort's main ballroom offers unparalleled facilities in the Scottish wedding, social banqueting, conference and incentive market. Ownership continues to invest in an annualised rolling program of improvements to the world-renowned Ailsa golf course to ensure that it remains the number one course in the UK and Ireland. In addition, the King Robert the Bruce golf course revenues grew 18% over 2018.

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

#### **Principal risks and uncertainties**

The emergence of the COVID-19 virus has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand, lockdown of economic activity and general market uncertainty. Government mandates resulted in two separate closure periods for the resort during 2020: March - July 2020 (16 weeks) and Nov-Dec 2020 (3 weeks). Resort operations have also been limited as a result of mandatory social distancing measures, restaurant curfews and alcohol sales restrictions.

The severity of the impact on the golf, leisure and hospitality industry is unprecedented and was not foreseen at the beginning of the pandemic. The extent of the impact of COVID-19 on the company's business and financial results will depend on the duration and spread of the outbreak and the related impact on consumer confidence and spending, all of which are highly uncertain in the current environment. Compounded by uncertainty of Brexit anticipated in 2021, the hospitality sector globally is facing unprecedented challenges.

The Directors have detailed knowledge and experience of the sector, and have established business policies and an organisation structure to limit these risks, which are regularly reviewed and reassessed to proactively limit their impact. Management has monitored the situation closely and adjusted consumer package offerings to attract 'staycations' from UK guests impacted by foreign travel restrictions. The Directors believe that the resort's profitability will be positively impacted in the long-term as a result of operational adjustments enacted to address these risks.

#### **Development and performance**

The profit and loss account and balance sheet are set out on pages 9 and 11. Now in the third full year of operations since the successful refurbishment and re-opening of the main hotel and golf courses, for 2019, the company is reporting an operating profit before depreciation, foreign exchange and exceptional items of £321k (2018: operating loss of £210k). The property while still undergoing refurbishment and development will continue to drive financial performance improvement and build on the 2019 results.

Significant capital expenditure, including investment in energy-efficient assets, continued through 2019. Fixed Asset Additions in 2019 amounted to £2,689k (2018: £2,254k).

Further assets were transferred from 'assets under construction' as the individual phases of the ongoing refurbishment are completed. This has resulted in a depreciation charge of £3,796k (2018: £4,446k).

# GOLF RECREATION SCOTLAND LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 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.

For 2019, the resort achieved a 6.4% increase in turnover over 2018, delivering the highest turnover ever for the property. Non-financial KPI's include the number of repeat customers to the resort and guest satisfaction. We strive to ensure that Turnberry remains established as a world-leading destination golf resort and are confident that the work undertaken will encourage new visitors to experience the resort, as well as driving repeat custom from our previous guests. In the period since opening, we have received excellent reviews from our guests, with the resort recording an overall satisfaction level of 8.9 out of 10 (2018: 8.9).

Additional 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."

### 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.

# **GOLF RECREATION SCOTLAND LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

---

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

#### **(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.

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

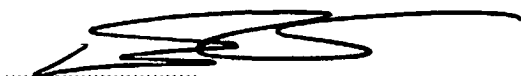
One of the key commitments asked of each employee is to have integrity. The company and its affiliates are subject to significant scrutiny. All decisions and actions are made in line with the Code of Conduct and Ethics policies.

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**

21 December 2020  
.....

# **GOLF RECREATION SCOTLAND LIMITED**

## **DIRECTOR'S REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2019***

---

The director presents his annual report and financial statements for the year ended 31 December 2019.

### **Principal activities**

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

### **Director**

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

E Trump

### **Results and dividends**

The results for the year are set out on page 9.

No ordinary dividends were paid.

### **Disabled persons**

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

### **Employee involvement**

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

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

### **Auditor**

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

# GOLF RECREATION SCOTLAND LIMITED

## DIRECTOR'S REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2019**

---

### **Statement of director's responsibilities**

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

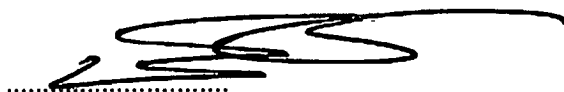
### **Statement of disclosure to auditor**

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

### **Items included in the strategic report**

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

On behalf of the board



.....  
E Trump

**Director**

Date: 21 December 2020



# **GOLF RECREATION SCOTLAND LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

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

---

#### **Opinion**

We have audited the financial statements of Golf Recreation Scotland Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2019 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

#### **Other information**

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **GOLF RECREATION SCOTLAND LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

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

---

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

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

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

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

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

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

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

#### **Responsibilities of director**

As explained more fully in the Director's Responsibilities Statement set out on page 5, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# GOLF RECREATION SCOTLAND LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF GOLF RECREATION SCOTLAND LIMITED

---

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

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



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

22 December 2020  
.....

**Chartered Accountants**  
**Statutory Auditor**

227 West George Street  
GLASGOW  
G2 2ND

# GOLF RECREATION SCOTLAND LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Continuing operations £000	Discontinued operations £000	31 December 2019 £000
Turnover	3	19,667	-	19,667
Cost of sales		(12,243)	-	(12,243)
<b>Gross profit</b>		<b>7,424</b>	<b>-</b>	<b>7,424</b>
Administrative expenses		(7,103)	-	(7,103)
<b>Operating profit/(loss) before depreciation, foreign exchange and exceptional items</b>	<b>5</b>	<b>321</b>	<b>-</b>	<b>321</b>
Depreciation and amortisation		(4,865)	-	(4,865)
Profit/(loss) on foreign exchange		2,237	-	2,237
Exceptional item - loss on disposal of fixed asset		-	-	-
<b>Loss before taxation</b>		<b>(2,307)</b>	<b>-</b>	<b>(2,307)</b>
Taxation	9	-	-	-
<b>Loss for the financial year</b>	<b>21</b>	<b>(2,307)</b>	<b>-</b>	<b>(2,307)</b>

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

# **GOLF RECREATION SCOTLAND LIMITED**

## **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019**

---

	<b>31 December 2019 £000</b>	<b>31 December 2018 £000</b>
<b>Loss for the year</b>	(2,307)	(10,775)
<b>Other comprehensive expenditure</b>		
Currency translation differences	2,065	(3,060)
<b>Total comprehensive expenditure for the year</b>	<u>(242)</u>	<u>(13,835)</u>

# GOLF RECREATION SCOTLAND LIMITED

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £000	2018 £000
<b>Fixed assets</b>			
Goodwill	10	-	1,069
Tangible assets	11	63,094	64,201
		<u>63,094</u>	<u>65,270</u>
<b>Current assets</b>			
Stocks	14	482	385
Debtors	15	2,602	2,712
Cash at bank and in hand		147	115
		<u>3,231</u>	<u>3,212</u>
<b>Creditors: amounts falling due within one year</b>	16	(4,034)	(4,469)
<b>Net current liabilities</b>		<u>(803)</u>	<u>(1,257)</u>
<b>Total assets less current liabilities</b>		<u>62,291</u>	<u>64,013</u>
<b>Creditors: amounts falling due after more than one year</b>	17	(113,425)	(115,013)
<b>Net liabilities</b>		<u>(51,134)</u>	<u>(51,000)</u>
<b>Capital and reserves</b>			
Called up share capital	20	1,014	1,014
Other reserves	21	(6,064)	(8,237)
Profit and loss reserves	21	(46,084)	(43,777)
<b>Total equity</b>		<u>(51,134)</u>	<u>(51,000)</u>

The financial statements were approved and signed by the director and authorised for issue on 21 December 2020



E Trump  
Director

# GOLF RECREATION SCOTLAND LIMITED

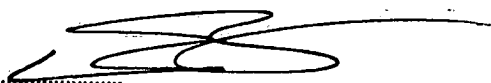
## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £000	2018 £000
<b>Fixed assets</b>			
Investments	12	52,513	53,291
<b>Current assets</b>			
Debtors	15	60,604	57,835
Cash at bank and in hand		-	5
		<u>60,604</u>	<u>57,840</u>
<b>Creditors: amounts falling due within one year</b>	16	-	-
<b>Net current assets</b>		<u>60,604</u>	<u>57,840</u>
<b>Total assets less current liabilities</b>		<u>113,117</u>	<u>111,131</u>
<b>Creditors: amounts falling due after more than one year</b>	17	(113,369)	(114,926)
<b>Net liabilities</b>		<u>(252)</u>	<u>(3,795)</u>
<b>Capital and reserves</b>			
Called up share capital	20	1,014	1,014
Other reserves	21	5,656	4,369
Profit and loss reserves	21	(6,922)	(9,178)
<b>Total equity</b>		<u>(252)</u>	<u>(3,795)</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £2,256k (2018 - £4,576k loss), primarily as a result of foreign currency movements.

The financial statements were approved and signed by the director and authorised for issue on 21 December 2020



E Trump  
Director

Company Registration No. SC469689

# GOLF RECREATION SCOTLAND LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Other reserves	Profit and loss reserves	Total
	£000	£000	£000	£000
<b>Balance at 1 January 2018</b>	1,014	(5,242)	(33,002)	(37,230)
<b>Year ended 31 December 2018:</b>				
Loss and total comprehensive expenditure for the year	-	(3,060)	(10,775)	(13,835)
Equity component of financing loan	-	65	-	65
<b>Balance at 31 December 2018</b>	1,014	(8,237)	(43,777)	(51,000)
<b>Year ended 31 December 2019:</b>				
Loss and total comprehensive expenditure for the year	-	2,065	(2,307)	(242)
Equity component of financing loan	-	108	-	108
<b>Balance at 31 December 2019</b>	1,014	(6,064)	(46,084)	(51,134)



# GOLF RECREATION SCOTLAND LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Other reserves	Profit and loss reserves	Total
	£000	£000	£000	£000
<b>Balance at 1 January 2018</b>	1,014	4,401	(4,602)	813
<b>Year ended 31 December 2018:</b>				
Loss and total comprehensive expenditure for the year	-	(97)	(4,576)	(4,673)
Equity component of financing loans	-	65	-	65
<b>Balance at 31 December 2018</b>	1,014	4,369	(9,178)	(3,795)
<b>Year ended 31 December 2019:</b>				
Profit and total comprehensive income for the year	-	1,173	2,256	3,429
Equity component of financing loans	-	115	-	115
<b>Balance at 31 December 2019</b>	1,014	5,656	(6,922)	(252)

# GOLF RECREATION SCOTLAND LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £000	£000	2018 £000	£000
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	26		(199)		(38)
Income taxes (paid)/refunded			-		96
			<u>          </u>		<u>          </u>
<b>Net cash (outflow)/inflow from operating activities</b>			(199)		58
<b>Investing activities</b>					
Purchase of tangible fixed assets		(2,691)		(2,254)	
		<u>          </u>		<u>          </u>	
<b>Net cash used in investing activities</b>			(2,691)		(2,254)
<b>Financing activities</b>					
Proceeds from borrowings from related party		2,959		1,601	
Payment of finance leases obligations		(37)		133	
		<u>          </u>		<u>          </u>	
<b>Net cash generated from financing activities</b>			2,922		1,734
			<u>          </u>		<u>          </u>
<b>Net increase/(decrease) in cash and cash equivalents</b>			32		(462)
Cash and cash equivalents at beginning of year			115		577
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			147		115
			<u>          </u>		<u>          </u>

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2019

---

#### 1 Accounting policies

##### Company information

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

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

##### 1.1 Accounting convention

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

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

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

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

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

##### 1.2 Basis of consolidation

The consolidated financial statements incorporate those of Golf Recreation Scotland Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2019.

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

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

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

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

---

### 1 Accounting policies

(Continued)

#### 1.3 Going concern

These financial statements are prepared on the going concern basis.

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

The director has assessed the group's anticipated cash flow forecasts through to the end of 2021. There remains significant uncertainty in the economy and hospitality sector whilst the COVID-19 pandemic is ongoing, however The Trump Organisation has confirmed that loans from the group's parent are only payable after 12 months and one day after the provision of notice and no such notice has been given. The Trump Organisation has also confirmed that it will ensure all necessary financial support is provided to the group for the foreseeable future to enable it to meet its financial obligations as they fall due for at least a period of 12 months from the date of signing the financial statements.

#### 1.4 Turnover

Turnover is derived from the operation of the Turnberry hotel and golf resort and is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of discounts and VAT.

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

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

#### 1.5 Intangible fixed assets - goodwill

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

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

#### 1.6 Tangible fixed assets

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

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

Land and buildings	10 - 40 years
Fixtures, fittings and equipment	2 - 20 years

Assets in the course of construction are not depreciated.

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

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

---

### 1 Accounting policies

(Continued)

#### 1.7 Fixed asset investments

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

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

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

#### 1.8 Impairment of fixed assets

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

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

#### 1.9 Stocks

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

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

#### 1.10 Cash and cash equivalents

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

#### 1.11 Financial instruments

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

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

---

#### 1 Accounting policies

(Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

---

### 1 Accounting policies

(Continued)

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

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

#### **1.12 Equity instruments**

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

#### **1.13 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.

#### **1.14 Retirement benefits**

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

#### **1.15 Leases**

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

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

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

#### **1.16 Foreign exchange**

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

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

#### **1.17 Exceptional items**

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

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 2 Judgements and key sources of estimation uncertainty

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

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

#### **Fixed asset investments**

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

At 31 December 2019, the Company had fixed asset investments of £52,513k (2018: £53,291k).

#### **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 for the Group at 31 December 2019 is £62.3m (2018: £64.2m).

### 3 Turnover and other revenue

	2019 £000	2018 £000
<b>Turnover analysed by class of business</b>		
Sale of goods	7,944	7,506
Provision of services	11,723	10,978
	<u>19,667</u>	<u>18,484</u>

	2019 £000	2018 £000
<b>Turnover analysed by geographical market</b>		
United Kingdom	<u>19,667</u>	<u>18,484</u>

	2019 £000	2018 £000
<b>4 Exceptional costs/(income)</b>		
Exceptional item - loss on disposal of fixed asset	<u>-</u>	<u>471</u>



# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 5 Operating loss

	2019 £000	2018 £000
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(2,237)	3,235
Depreciation of owned tangible fixed assets	3,780	4,437
Depreciation of tangible fixed assets held under finance leases	16	9
Amortisation of intangible assets	1,069	2,413
Operating lease charges	221	366
	<u>          </u>	<u>          </u>

### 6 Auditor's remuneration

	2019 £000	2018 £000
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	8	8
Audit of the financial statements of the company's subsidiaries	25	22
	<u>          </u>	<u>          </u>
	33	30
	<u>          </u>	<u>          </u>
<b>For other services</b>		
Taxation compliance services	4	8
Other taxation services	2	19
	<u>          </u>	<u>          </u>
	6	27
	<u>          </u>	<u>          </u>

### 7 Employees

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

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Operating	467	422	-	-
Administrative	74	55	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	541	477	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 7 Employees

(Continued)

Their aggregate remuneration comprised:

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Wages and salaries	8,951	8,224	-	-
Social security costs	619	563	-	-
Pension costs	219	171	-	-
	<u>9,789</u>	<u>8,958</u>	<u>-</u>	<u>-</u>

### 8 Discontinued operations

#### Helicopter rentals

In the prior year, the subsidiary company DT Connect Europe sold its main asset and as such, no further revenue is expected to be generated by the company. As such, this operation has been presented as discontinued in 2018.

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 9 Taxation

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

	2019 £000	2018 £000
Loss before taxation	(2,307)	(10,775)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(438)	(2,047)
Tax effect of expenses that are not deductible in determining taxable profit	7	876
Rate adjustment on deferred tax	41	63
Deferred tax movement not recognised	351	540
Losses eliminated	-	323
Depreciation and amortisation permanent differences	39	245
Taxation charge	-	-

The group has a deferred tax asset of £9.3m (2018: £9.1m) that has not been recognised as there is no certainty of taxable profits in the future.

#### 10 Intangible fixed assets

Group	Goodwill £000
<b>Cost</b>	
At 1 January 2019 and 31 December 2019	12,063
<b>Amortisation and impairment</b>	
At 1 January 2019	10,994
Amortisation charged for the year	1,069
At 31 December 2019	12,063
<b>Carrying amount</b>	
At 31 December 2019	-
At 31 December 2018	1,069

The company had no intangible fixed assets at 31 December 2019 or 31 December 2018.

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 11 Tangible fixed assets

Group	Land and buildings	Assets under construction	Fixtures, fittings and equipment	Total
	£000	£000	£000	£000
<b>Cost</b>				
At 1 January 2019	70,605	784	10,387	81,776
Additions	504	1,530	655	2,689
Transfers from assets under construction	1,566	(1,696)	130	-
At 31 December 2019	72,675	618	11,172	84,465
<b>Depreciation and impairment</b>				
At 1 January 2019	13,626	-	3,949	17,575
Depreciation charged in the year	2,854	-	942	3,796
At 31 December 2019	16,480	-	4,891	21,371
<b>Carrying amount</b>				
At 31 December 2019	56,195	618	6,281	63,094
At 31 December 2018	56,979	784	6,438	64,201

The company had no tangible fixed assets at 31 December 2019 or 31 December 2018.

The carrying value of land comprises:

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Freehold	4,836	4,836	-	-
Fixtures, fittings and equipment	134	134	-	-

### 12 Fixed asset investments

	Notes	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Investments in subsidiaries	13	-	-	52,513	53,291

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 12 Fixed asset investments

(Continued)

#### Movements in fixed asset investments Company

Shares in  
group  
undertakings  
£000

#### Cost

At 1 January 2019	54,475
Additions	114
Effect of foreign exchange	(892)

At 31 December 2019	53,697
---------------------	--------

#### Impairment

At 1 January 2019 and 31 December 2019	1,184
--	-------

#### Carrying amount

At 31 December 2019	52,513
---------------------	--------

At 31 December 2018	53,291
---------------------	--------

### 13 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
SLC Turnberry Limited	See below	Golf and leisure facilities	Ordinary	100.00-	

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

### 14 Stocks

	Group 2019 £000	2018 £000	Company 2019 £000	2018 £000
Goods for resale	482	385	-	-

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 15 Debtors

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
<b>Amounts falling due within one year:</b>				
Trade debtors	1,608	1,519	-	-
Other debtors	763	782	577	600
Prepayments and accrued income	230	411	-	-
	<u>2,601</u>	<u>2,712</u>	<u>577</u>	<u>600</u>
<b>Amounts falling due after more than one year:</b>				
Amounts due from subsidiary undertakings	-	-	60,025	57,235
	<u>-</u>	<u>-</u>	<u>60,025</u>	<u>57,235</u>
<b>Total debtors</b>	<u>2,601</u>	<u>2,712</u>	<u>60,602</u>	<u>57,835</u>

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

	Notes	Group		Company	
		2019	2018	2019	2018
		£000	£000	£000	£000
Obligations under finance leases	18	40	40	-	-
Trade creditors		757	695	-	-
Other taxation and social security		181	411	-	-
Accruals and deferred income		3,056	3,323	-	-
		<u>4,034</u>	<u>4,469</u>	<u>-</u>	<u>-</u>

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

	Notes	Group		Company	
		2019	2018	2019	2018
		£000	£000	£000	£000
Obligations under finance leases	18	56	93	-	-
Amount due to parent		113,369	114,920	113,369	114,926
		<u>113,425</u>	<u>115,013</u>	<u>113,369</u>	<u>114,926</u>

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

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 18 Finance lease obligations

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Future minimum lease payments due under finance leases:				
Within one year	40	40	-	-
In two to five years	56	93	-	-
	<u>96</u>	<u>133</u>	<u>-</u>	<u>-</u>

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

### 19 Retirement benefit schemes

	2019	2018
	£000	£000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>219</u>	<u>171</u>

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

### 20 Share capital

	Group and company	
	2019	2018
	£000	£000
Ordinary share capital		
Issued and fully paid		
1,013,515 Ordinary shares of £1 each	<u>1,014</u>	<u>1,014</u>

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 21 Reserves

#### Other reserves

Other reserves represents amounts taken to equity as a result of the release of inter-company creditors, and the equity component of financing loans received from the parent company. Certain currency translation differences are also included in other reserves.

#### Profit and loss reserves

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

### 22 Operating lease commitments

#### Lessee

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

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Within one year	258	128	-	-
Between two and five years	543	237	-	-
In over five years	1,739	1,724	-	-
	<u>2,540</u>	<u>2,089</u>	<u>-</u>	<u>-</u>

### 23 Events after the reporting date

The COVID-19 outbreak was declared a global pandemic by the WHO in March 2020, and as such is a non-adjusting post balance event. Its impact has given rise to significant disruption and uncertainty in the hospitality and leisure sector, and the wider economy. As set out in note 1, the group continues to have the financial support of the Trump Organisation as the ongoing impact on the group takes effect. Any potential impact on the carrying value of the group's assets subsequent to the year end will continue to be monitored.

### 24 Related party transactions

#### Remuneration of key management personnel

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

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2019	2018
	£000	£000
Group and company		
Parent	<u>113,369</u>	<u>114,926</u>



# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 24 Related party transactions

(Continued)

No guarantees have been given or received.

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

### 25 Controlling party

The immediate parent is Turnberry Scotland LLC, a company registered in Delaware, USA.

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

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

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

26 Cash generated from operations	2019 £000	2018 £000
Loss for the year after tax	(2,307)	(10,775)
Adjustments for:		
Fair value gains and losses on foreign exchange contracts and investment properties	-	471
Amortisation and impairment of intangible assets	1,069	2,413
Depreciation and impairment of tangible fixed assets	3,796	4,446
(Gain)/loss on foreign exchange	(2,237)	3,235
Movements in working capital:		
(Increase) in stocks	(97)	(51)
Decrease/(increase) in debtors	113	(814)
(Decrease)/increase in creditors	(536)	1,037
<b>Cash absorbed by operations</b>	<b>(199)</b>	<b>(38)</b>

# GOLF RECREATION SCOTLAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

---

### 27 Analysis of changes in net debt

	2019 £000
<b>Opening net funds/(debt)</b>	
Cash and cash equivalents	115
Loans due to parent	(114,926)
Obligations under finance leases	(133)
	<u>(114,944)</u>
<b>Changes in net debt arising from:</b>	
Cash flows of the entity	1,626
	<u>(113,318)</u>
<b>Closing net funds/(debt)</b>	
Cash and cash equivalents	147
Loans	(113,369)
Obligations under finance leases	(96)
	<u>(113,318)</u>