

Limited Liability Partnership Registration No. SO300920 (Scotland)

CASTLE STUART GOLF LLP
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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CASTLE STUART GOLF LLP

CONTENTS

	Page
Independent auditors' report	1
Abbreviated balance sheet	2 - 3
Notes to the abbreviated accounts	4 - 6

CASTLE STUART GOLF LLP

INDEPENDENT AUDITORS' REPORT TO CASTLE STUART GOLF LLP

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 2 to 6, together with the financial statements of Castle Stuart Golf LLP for the year ended 31 December 2012 prepared under section 396 of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008).

This report is made solely to the limited liability partnership, in accordance with Chapter 10 of Part 15 of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). Our work has been undertaken so that we might state to the limited liability partnership those matters we are required to state to it in a special auditors' 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 limited liability partnership, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

The members are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). It is our responsibility to form an independent opinion as to whether the limited liability partnership is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the limited liability partnership is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the limited liability partnership is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), and the abbreviated accounts have been properly prepared in accordance with regulation 5 of The Small Limited Liability Partnerships (Accounts) Regulations 2008.



Helen Rogers (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

26 November 2013
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Chartered Accountants
Statutory Auditor

Commerce House
South Street
Elgin
IV30 1JE

CASTLE STUART GOLF LLP

ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2012

		2012		2011 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	2	7,642,041		7,558,633	
Investments	2	66,873		43,843	
		7,708,914		7,602,476	
Current assets					
Stocks		151,421		102,200	
Debtors		39,194		66,873	
Cash at bank and in hand		28,594		320,275	
		219,209		489,348	
Creditors: amounts falling due within one year	3	(1,306,673)		(949,068)	
Net current liabilities		(1,087,464)		(459,720)	
Total assets less current liabilities		6,621,450		7,142,756	
Creditors: amounts falling due after more than one year	4	(2,833,882)		(3,015,522)	
NET ASSETS ATTRIBUTABLE TO MEMBERS		3,787,568		4,127,234	
REPRESENTED BY:					
Loans and other debts due to members within one year					
Other amounts		6,541,536		6,149,496	
		6,541,536		6,149,496	
Members' other interests:					
Other reserves classified as equity		(2,754,079)		(2,022,373)	
Members capital		111		111	
		3,787,568		4,127,234	

CASTLE STUART GOLF LLP

ABBREVIATED BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2012

Notes	2012		2011 as restated	
	£	£	£	£
TOTAL MEMBERS' INTERESTS				
Loans and other debts due to members		6,541,536		6,149,496
Members' other interests		(2,753,968)		(2,022,262)
		<u>3,787,568</u>		<u>4,127,234</u>

These abbreviated accounts have been prepared in accordance with the provisions applicable to limited liability partnerships subject to the small limited liability partnerships' regime within Part 15 of the Companies Act 2006.

Approved by the Members for issue on 26.11.13


Grant Sword
Designated Member

Limited Liability Partnership Registration No. SO300920

CASTLE STUART GOLF LLP

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention, in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and in accordance with the Statement of Recommended Practice: 'Accounting by Limited Liability Partnerships'.

Castle Stuart Golf LLP continues to strengthen its presence in the golf and leisure markets in a challenging economic period. Whilst the LLP has made losses to date, the members are confident of future progress in both the provision of golf and associated leisure and hospitality services. The members are presently funding the LLP through direct member balances, in addition to a formal banking loan facility.

The bank support is provided through a term loan and, due to the losses incurred in the early years of operation, the members are currently in negotiation with the bank to revisit the covenants associated with the continuing facility to better reflect the nature of the LLP's corporate structure, and both parties are working towards this.

Whilst the members are seeking funding partners to allow for the development of leisure accommodation at the Golf Course, they remain confident that there are sufficient cash resources available to the LLP to meet ongoing liabilities as they fall due and the accounts have therefore been prepared on a going concern basis.

1.2 Turnover

Turnover represents amounts receivable for greenfees and related facility provision, merchandise sales and food and beverage sales net of VAT and trade discounts. Turnover is recognised at the point of sale for merchandise, food and beverage sales and on performance of the service for greenfees and related facility provision.

Turnover also includes the share of profits or losses arising from the investment in Castle Stuart Resort Ownership LLP.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Golf course development & coursebuilding	- 2%, 5% and 25% straight line
Clubhouse	- 2% and 10% straight line
Plant and machinery	- 25% reducing balance
Fixtures, fittings & equipment	- 25% straight line
Motor vehicles	- 25% reducing balance
Other assets	- 5% straight line

No depreciation has been charged on hotel and fractional development costs as the assets are still under construction.

CASTLE STUART GOLF LLP

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

(continued)

1.4 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term or capitalised as part of the cost of construction.

1.5 Investments

Fixed asset investments represent an interest in a limited liability partnership and has been accounted for using the equity method of accounting at cost plus any drawing met on behalf of the partnership and share of profits not drawn from the partnership.

1.6 Pensions

The limited liability partnership operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.8 Group accounts

The financial statements present information about the limited liability partnership as an individual undertaking and not about its group because the limited liability partnership and its subsidiary undertaking comprise a small-sized group.

1.9 Prior period restatement

Following a review of the LLP agreement and its provisions in respect of loss allocations, the opening balances have been restated to recognise a restriction on members' liabilities to the value of their base funding provided. Losses previously allocated in excess of these balances have been restated and retained as other reserves and will be recovered from future profits arising. As part of the review, the premise of 'substance over form' has been applied to the recognition of certain balances due to members that were previously recognised as third party funding. Base funding and priority loans received from Cornerstone Golf LLC on behalf of certain LLP members have now been recognised as direct members balances together with the associated interest earned.

The impact on the comparative balances is to reduce creditors in excess of one year by £5,397,430, recognise £252,210 of interest payable in the year as remuneration charged under contract, reduce the automatic allocation of losses in the period by £835,845, increase loans due to members by £7,419,804 and introduce an opening equity reserve of £1,186,528, being retained losses. This has also had the effect of eliminating the need to separately disclose amounts due from members of £4,727,888 as a debtor balance.

Due to the absence of tax status for the LLP, there is no tax impact to report as a result of the above revisions.

CASTLE STUART GOLF LLP

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

2 Fixed assets

	Tangible assets £	Investments £	Total £
Cost			
At 1 January 2012	8,666,801	43,843	8,710,644
Additions	585,637	42,752	628,389
Disposals	(109,493)	(19,722)	(129,215)
At 31 December 2012	9,142,945	66,873	9,209,818
Depreciation			
At 1 January 2012	1,108,168	-	1,108,168
On disposals	(70,245)	-	(70,245)
Charge for the year	462,981	-	462,981
At 31 December 2012	1,500,904	-	1,500,904
Net book value			
At 31 December 2012	7,642,041	66,873	7,708,914
At 31 December 2011	7,558,633	43,843	7,602,476

The Limited Liability Partnership holds an 80% interest in Castle Stuart Resort Ownership LLP, a leisure & hospitality business operated from Balnaglack Farm, Castle Stuart, Inverness.

3 Creditors: amounts falling due within one year

The aggregate amount of creditors for which security has been given amounted to £300,840 (2011 - £302,143).

4 Creditors: amounts falling due after more than one year

	2012 £	2011 £
Analysis of loans repayable in more than five years		
Total not repayable by instalments and due in more than five years	500,000	500,000
Total amounts repayable by instalments which are due in more than five years	525,330	1,025,280

The aggregate amount of creditors for which security has been given amounted to £2,833,882 (2011 - £3,015,522).