SLC Turnberry Limited

Reports and Financial Statements

for the financial year ended 31 December 2021

Company Number: SC177810

SLC Turnberry Limited
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SLC Turnberry Limited
Directors and Other Information

Directors	Eric Trump Donald Trump Jnr
Company Registration Number	SC177810
Registered Office and Business Address	Turnberry Hotel Ayrshire KA26 9LT Scotland
Independent Auditors	BDO Registered Auditors (A.I.223876) 103/104 O'Connell Street Limerick Ireland

SLC Turnberry Limited
Strategic Report
for the financial year ended 31 December 2021

Principal activity and business model
The company's principal activity during the year was the operation of Trump Turnberry, a luxury golf resort in Ayrshire, Scotland, including hotel rooms, two championship golf courses, conference and meeting rooms, restaurants, retail and a spa facility.

Review of the Company's Business
During the year ended December 31, 2021, the company successfully navigated the significant impact of COVID-19 on the tourism and hospitality industries to report a strong financial year. The property was closed for the first three months of FY 2021 due to the ongoing impact of COVID-19 and operational and travel restrictions imposed by the UK Government. The property reopened in April 2021 and has returned to pre-COVID levels of trading since.

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 was 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.

The company has reported an operating profit before depreciation and exceptional items of £1,093,274 for the financial year ended 31 December 2021 (2020: loss of £3,090,747).

Principal Risks and Uncertainties
The directors have undertaken a comprehensive assessment of the key risks facing the company. The key risks identified and the related controls over these risks are set out below:

Macroeconomic risks

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.

Liquidity risk

The company is funded by way of internally generated capital as well as intercompany loans from its parent company. Management monitors income and expenditures carefully so as to ensure that there are sufficient funds to meet company's obligations when they arise.

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.

Development and Performance
The profit and loss account and balance sheet are set out on pages 12 and 13. 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 over the past two years. However, when the resort was able to reopen there was a significant increase in bookings from both domestic and international guests. As a result and as noted above, the company has reported an operating profit before depreciation and exceptional items of £1,093,274 for the financial year ended 31 December 2021 (2020: loss of £3,090,747).

Financial 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 and 2021 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 recognised as Scotland's premier destination for luxury travel. Accolades include Turnberry being named Scottish Hotel Awards "Events Hotel of the Year" for 2018, 2019, 2020 and Conde Nast Traveller Readers' Choice Awards, Top 30 Resort in Europe 2020. Our famed Ailsa golf course has continuously been ranked in the "Top 20 Golf Courses in the World" by Golf Digest and Golf Magazine. Additionally, Trump Turnberry has most recently been awarded "Best Golf Resorts in Great Britain and Ireland" by Golf Digest.

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.

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

The Directors and Trump Organisation have demonstrated a commitment to the long-term sustainability of the resort. This is evidenced by the significant capital investment to significantly reserve 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 interest of the company's employees

The Directors recognise the crucial role that employees play in delivering five-star service to the guests through not only customer-facing, 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 work force.

(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 the 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 experience.

(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) Maintaining a reputation for high standard of conduct

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

Eric Trump

Eric Trump
Director

Date: 27/01/2023

SLC Turnberry Limited
Directors' Report
for the financial year ended 31 December 2021

The directors present their report and the audited financial statements for the financial year ended 31 December 2021.

Principal Activity
The company's principal activity during the year was the operation of Trump Turnberry, a luxury golf resort in Ayrshire, Scotland, including hotel rooms, two championship golf courses, conference and meeting rooms, restaurants, retail and a spa facility.

Results and Dividends
The company reports an operating profit before depreciation and exceptional items of £1,093,274 for the financial year ended 31 December 2021 (2020: loss of £3,090,747).

The directors do not recommend payment of a dividend.

Directors
The directors who served during the financial year are as follows:

Eric Trump
Donald Trump Jnr

Post-Balance Sheet Events
In November 2021, the company entered into a termination agreement to exit from a long-term hotel franchise agreement with a third-party provider. The final termination payment was made in January 2022 and thereafter Trump Turnberry now fully operates under the Trump Hotels brand. While the final payment associated with this transaction was not made until after year end, the agreement was entered into in the current financial year. Accordingly, this has been accounted for as a material adjusting post balance sheet event in these financial statements.

There have been no other significant events affecting the company since the financial year end.

Auditors
BDO, were appointed auditors by the directors to fill the casual vacancy and they have expressed their willingness to continue in office in accordance with the provisions of Section 485 of the Companies Act 2006.

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 engagement
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 on 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.

On behalf of the board

Eric Trump
Director

Date: 27/01/2023

SLC Turnberry Limited
Statement of Directors' Responsibilities
for the financial year ended 31 December 2021

The directors are responsible for preparing the Strategic Report, 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 (United Kingdom Accounting Standards and applicable law) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 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.

Disclosure of Information to Auditor
Each persons who are directors at the date of approval of this report confirms that:
- there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditor's report) of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Eric Trump

Eric Trump
Director

Date: 27/01/2023

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Independent Auditor's Report
to the Shareholders of SLC Turnberry Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of SLC Turnberry Limited ('the company') for the financial year ended 31 December 2021 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies set out in note 2. 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 2021 and of its loss for the financial 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 the date 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.

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Independent Auditor's Report
to the Shareholders of SLC Turnberry Limited

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept; or
- 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 for the financial statements
As explained more fully in the Statement of Directors' Responsibilities set out on page 9, 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 they 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 has 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.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included but were not limited to:
- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management; and
- considering the effectiveness of the control environment and monitoring compliance with laws and regulations.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. As in all our audits, we addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a material misstatement due to fraud.

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Independent Auditor's Report
to the Shareholders of SLC Turnberry Limited

Auditor's responsibilities for the audit of the financial statements (continued)
Our audit procedures were deigned to respond to risks of material misstatement 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 deliberate concealment by, for example, forgery, misrepresentations, or through collusion. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is, from events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <www.frc.org.uk/auditorsresponsibilities>. 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.

Liam Hession

Liam Hession (Senior Statutory Auditor)
for and on behalf of
BDO
Registered Auditors (A.I.223876)
103/104 O'Connell Street
Limerick
Ireland

30/01/2022

Date: ___________

SLC Turnberry Limited
Profit and Loss Account
for the financial year ended 31 December 2021

	Notes	2021 £	2020 £
Turnover	4	**13,120,845**	6,727,548
Cost of sales		**(8,461,899)**	(7,278,474)
Gross profit/(loss)		**4,658,946**	(550,926)
Administrative expenses		**(4,498,226)**	(4,886,445)
Other operating income		**932,554**	2,346,624
Operating profit/(loss) before depreciation and exceptional items	5	**1,093,274**	(3,090,747)
Depreciation		**(2,622,461)**	(2,483,835)
Exceptional items	6	**(2,197,696)**	(323,677)
Loss before taxation		**(3,726,883)**	(5,898,259)
Tax on loss	8	**-**	-
Loss for the financial year		**(3,726,883)**	(5,898,259)

SLC Turnberry Limited
Company Registration Number: SC177810
Balance Sheet
as at 31 December 2021

	Notes	2021 £	2020 £
Fixed Assets			
Tangible assets	9	52,567,213	54,490,445
Current Assets			
Stocks	10	438,964	467,910
Debtors	11	1,428,596	1,057,132
Cash and cash equivalents		2,003,179	396,625
		3,870,739	1,921,667
Creditors: amounts falling due within one year	12	(6,693,736)	(4,669,940)
Net Current Liabilities		(2,822,997)	(2,748,273)
Total Assets less Current Liabilities		49,744,216	51,742,172
Creditors: amounts falling due after more than one year	13	(65,188,684)	(63,527,654)
Net Liabilities		(15,444,468)	(11,785,482)
Capital and Reserves			
Called up share capital	15	39,567,729	39,567,729
Other reserves including the fair value reserve		77,530,785	77,462,888
Retained earnings		(132,542,982)	(128,816,099)
Equity attributable to owners of the company		(15,444,468)	(11,785,482)

Approved by the Board and authorised for issue on 27/01/2023 **and signed on its behalf by**

Eric Trump

Eric Trump
Director

SLC Turnberry Limited
Statement of Changes in Equity
as at 31 December 2021

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Capital contribution reserve £	Total £
At 1 January 2020	39,567,729	(122,917,840)	18,373,674	58,950,580	(6,025,857)
Loss for the financial year	-	(5,898,259)	-	-	(5,898,259)
Equity component on loan	-	-	-	138,634	138,634
At 31 December 2020	39,567,729	(128,816,099)	18,373,674	59,089,214	(11,785,482)
Loss for the financial year	-	(3;726,883)	-	-	(3,726,883)
Equity component on loan	-	-	-	67,897	67,897
At 31 December 2021	**39,567,729**	**(132,542,982)**	**18,373,674**	**59,157,111**	**(15,444,468)**

1. General Information

SLC Turnberry is a company limited by shares incorporated and registered in Scotland. The registered number of the company is SC177810. The registered office of the company is Turnberry Hotel, Ayrshire, KA26 9LT, United Kingdom which is also the principal place of business of the company. The nature of the company's operations and its principal activities are set out in the Directors' Report. The financial statements have been presented in Pound Sterling (£) which is also the functional currency of the company.

2. Summary of Significant Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Statement of compliance

The financial statements of the company for the financial year ended 31 December 2021 have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council and in accordance with the Companies Act 2006.

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 FRS 102 Section 33 paragraph 33.7 relating to the disclosure of key management personnel compensation.

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Cash flow statement

The company has availed of the exemption in FRS 102 from the requirement to prepare a Statement of Cash Flows because it is a subsidiary undertaking for which the consolidated financial statements are publicly available.

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.

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

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.

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.

Tangible assets and depreciation
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 basis:

Land and buildings	-	1 - 40 years
Fixtures, fittings and equipment	-	1 - 20 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.

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.

Leasing
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 the 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.

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.

Trade and other debtors
Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

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.

Borrowing costs
Borrowing costs relating to the acquisition of assets are capitalised at the appropriate rate by adding them to the cost of assets being acquired. Investment income earned on the temporary investment of specific borrowings pending their expenditure on the assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Trade and other creditors
Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Taxation and deferred taxation
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.

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.

Foreign currencies
Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates of exchange ruling at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The resulting exchange differences are dealt with in the Profit and Loss Account.

Ordinary share capital
The ordinary share capital of the company is presented as equity.

Exceptional item
Exceptional items are those that the directors' view are required to be separately disclosed by virtue of their size or incidence to enable a full understanding of the company's financial performance.

3. 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 value 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 not 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 the period of the revision and future periods where the revision affects both current and future periods. The most significant assets of judgement and key sources of estimation uncertainty noted in these financial statements are as follows:

Useful lives of tangible fixed assets

Long-lived assets comprising primarily of land and buildings, fixtures, fittings and equipment and construction in progress represent a significant portion of total assets. The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in useful lives can have a significant impact on the depreciation and amortisation charge for the financial year. The net book value of fixed assets at 31 December 2021 is £52,567,213 (2020: £54,490,445)

Going concern

The directors have considered the financial position of the company for a period of at least 12 months from the date of these financial statements and have prepared a written assessment on the entity's ability to continue as a going concern. Management have also prepared detailed forecasts and budgets for this period to substantiate this assessment.

The appropriateness of the going concern basis, which has been used to prepare the financial statements, is dependent on the continued advancement of funding facilities from the company's ultimate parent. The directors are not aware of any circumstances to indicate that this funding or support will not be forthcoming, and a letter of support has been received for a period of at least 12 months from the date of signing these financial statements to substantiate this.

Budgets and projections are reviewed on an ongoing basis and compared to actual trading results. The directors and management team have detailed knowledge and experience in this sector and are adequately placed to make informed decisions on a timely basis to any risks or going concern issues as they occur, albeit that the company has the support of its ultimate parent in any case as noted above.

The directors consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available. On this basis, the directors believe that it is appropriate for the accounts to be prepared on the going concern basis. The financial statements do not include any adjustments that may result should the company not continue to receive the support of its funders.

Impairment of financial assets

At the end of each reporting period, the company assesses whether there is objective evidence of impairment of any financial assets that are measured at cost or amortised cost, including unlisted investments, loans, trade debtors and cash. The company use estimates based on historical experience and current information and if there is objective evidence of impairment, impairment losses are recognised in the profit and loss account in that financial year.

4. Turnover

The whole of the company's turnover is attributable to its market in the United Kingdom and is derived from the principal activity of the operation of the Turnberry Resort and associated leisure facilities.

5. Operating profit/(loss) before depreciation and exceptional items

	2021 £	2020 £
Operating loss is stated before charging/(crediting):		
Depreciation of tangible assets	**2,622,461**	2,483,835
Operating loss is stated after charging/(crediting):		
Loss on foreign currency exchange	**28,592**	3,926
Operating lease rentals		
- Land and buildings	**251,466**	243,718
Auditor's remuneration		
- audit services	**72,336**	38,311
Government grants received	**(932,554)**	(2,346,624)

6. Exceptional items

	2021 £	2020 £
Redundancy payments	**-**	(323,677)
Franchise termination payments	**(2,197,696)**	-
	(2,197,696)	(323,677)

During the year, the company entered into a termination agreement to exit from a long-term hotel franchise agreement with a third-party provider. The amount incurred for this one-time transaction has been recorded as an exceptional item in these financial statements due to the once off, incidental nature and size of expense incurred.

7. Employees and remuneration

Number of employees
The average number of persons employed (including executive directors) during the financial year was as follows:

	2021 Number	2020 Number
Staff	**333**	289

The staff costs comprise:	2021 £	2020 £
Wages and salaries	**6,714,473**	7,525,283
Social security costs	**502,396**	486,876
Pension costs	**221,792**	199,147
	7,438,661	8,211,306

Wages and salaries above are shown gross of the job retention scheme grant income which is disclosed separately as government grants received in Note 5.

8. Tax on loss

	2021	2020
	£	£
(a) Analysis of charge in the financial year		
Current tax:		
Corporation tax at 19.00% (2020 - 19.00%) (Note 8 (b))	-	-

(b) Factors affecting tax charge for the financial year

The tax assessed for the financial year differs from the standard rate of corporation tax in the United Kingdom 19.00% (2020 - 19.00%). The differences are explained below:

	2021	2020
	£	£
Loss taxable at 19.00%	**(3,726,883)**	(5,898,259)
Loss before tax multiplied by the standard rate of corporation tax in the United Kingdom at 19.00% (2020 - 19.00%)	**(708,108)**	(1,120,669)
Effects of:		
Depreciation in excess of capital allowances	**498,268**	471,929
Losses available to carry forward	**209,840**	644,764
Other differences relating to an increase/(decrease) in tax charge	-	3,976
Total tax charge for the financial year (Note 8 (a))	-	-

No charge to tax arises due to tax losses incurred.

9. Tangible assets

	Land and buildings	Construction in progress	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 January 2021	126,001,196	37,295	22,486,570	148,525,061
Additions	-	393,641	305,588	699,229
At 31 December 2021	126,001,196	430,936	22,792,158	149,224,290
Depreciation				
At 1 January 2021	77,270,086	-	16,764,530	94,034,616
Charge for the financial year	1,628,627	-	993,834	2,622,461
At 31 December 2021	78,898,713	-	17,758,364	96,657,077
Net book value				
At 31 December 2021	**47,102,483**	**430,936**	**5,033,794**	**52,567,213**
At 31 December 2020	48,731,110	37,295	5,722,040	54,490,445

The net carrying value of land and buildings comprises of freehold land of £4,875,681 at year end (2020: £4,875,681).

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

Fixtures, fittings and equipment 2021: £102,166 (2020: £118,088), depreciation charge for year in respect of leased assets 2021: £15,922 (2020: £15,922).

10. Stocks	**2021**	2020
	£	£
Finished goods and goods for resale	**438,964**	467,910

11. Debtors	**2021**	2020
	£	£
Trade debtors	**1,277,385**	916,235
Amounts owed by group undertakings	**26,396**	-
Other debtors	**13,000**	49,145
Prepayments and accrued income	**111,815**	91,752
	1,428,596	1,057,132

All debtors are due within one year. All trade debtors are due within the company's normal terms. Trade debtors are shown net of impairment in respect of doubtful debts.

12. Creditors	**2021**	2020
Amounts falling due within one year	**£**	£
Net obligations under finance leases and hire purchase contracts	**36,511**	39,921
Trade creditors	**495,226**	531,134
Taxation (Note 14)	**500,040**	185,489
Other creditors	**3,996,692**	3,536,147
Accruals	**1,665,267**	377,249
	6,693,736	4,669,940

The repayment terms of trade creditors vary between on demand and ninety days. No interest is payable on trade creditors.

The terms of accruals are based on underlying contracts.

Other amounts included within creditors not covered by specific note disclosures are unsecured, interest free and repayable on demand.

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

13. Creditors

Amounts falling due after more than one year	**2021**	2020
	£	£
Finance leases and hire purchase contracts	-	36,400
Amounts owed to group undertakings	**65,188,684**	63,491,254
	65,188,684	63,527,654

Net obligations under finance leases and hire purchase contracts		
Repayable within one year	**36,511**	39,921
Repayable between one and five years	-	36,400
	36,511	76,321

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. Taxation

	2021	2020
	£	£
Creditors:		
VAT	**362,951**	91,189
PAYE / NI	**137,089**	94,300
	500,040	185,489

15. Share capital

Description	**Number of shares**	**Value of units**	**2021**	2020
			£	£
Allotted, called up and fully paid				
Ordinary shares	39,567,729	£1.00 each	**39,567,729**	39,567,729

16. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Due:		
Within one year	**260,657**	266,382
Between one and five years	**276,952**	432,320
In over five years	**1,608,303**	1,693,084
	2,145,912	2,391,786

17. Capital commitments

The company had no material capital commitments at the financial year-ended 31 December 2021.

18. Related party transactions

The company has availed of the exemption under FRS 102 in relation to the disclosure of transactions with group undertakings.

The directors are regarded as the key management personnel within the company. The directors are not remunerated through the company.

19. Post-Balance Sheet Events

In November 2021, the company entered into a termination agreement to exit from a long-term hotel franchise agreement with a third-party provider. The final termination payment was made in January 2022 and thereafter Trump Turnberry now fully operates under the Trump Hotels brand. While the final payment associated with this transaction was not made until after year end, the agreement was entered into in the current financial year. Accordingly, this has been accounted for as a material adjusting post balance sheet event in these financial statements.

There have been no other significant events affecting the company since the financial year end.

20. Pension

The company operates a defined contribution scheme for employees. The pension entitlements are secured by contributions by the company to a separately administrated pension fund. The pension charge for the year was £192,811 (2020: £178,741).

21. 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.

22. Ultimate Controlling Party

The parent company is Golf Recreation Scotland Limited, a company registered in Scotland, which has its registered office at Turnberry Hotel Maidens Road, Turnberry, Girvan, South Ayrshire, KA26 9LT, Scotland. The ultimate parent undertaking is the Donald J. Trump Revocable Trust, dated April 7, 2014, 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.

23. Comparative Amounts

Comparative amounts have been regrouped/restated where necessary, on the same basis as those for the current period.