

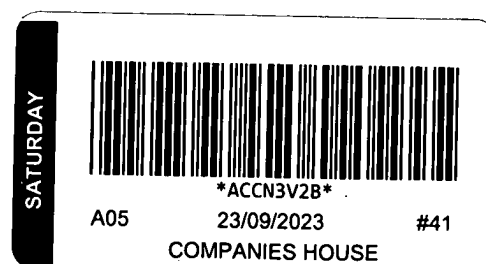
**Limited Liability Partnership Registration No. SO300920 (Scotland)**

**Cabot Highlands LLP**

**(Formerly Castle Stuart Golf LLP)**

**Annual report and financial statements  
for the year ended 31 December 2022**

**Pages for filing with the registrar**



**Cabot Highlands LLP**  
**(Formerly Castle Stuart Golf LLP)**  
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**Cabot Highlands LLP**  
**(Formerly Castle Stuart Golf LLP)**  
**Balance sheet**  
**As at 31 December 2022**

		<b>2022</b>		<b>2021</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	<b>4</b>		7,793,935		7,363,925
Investments	<b>5</b>		87,443		81,443
			<u>7,881,378</u>		<u>7,445,368</u>
<b>Current assets</b>					
Stocks	<b>6</b>	119,813		100,205	
Debtors	<b>7</b>	1,356,273		2,814,781	
Cash at bank and in hand		2,126,794		1,469,891	
		<u>3,602,880</u>		<u>4,384,877</u>	
<b>Creditors: amounts falling due within one year</b>	<b>8</b>	(2,200,211)		(5,557,551)	
<b>Net current assets/(liabilities)</b>			<u>1,402,669</u>		<u>(1,172,674)</u>
<b>Total assets less current liabilities</b>			<u>9,284,047</u>		<u>6,272,694</u>
<b>Creditors: amounts falling due after more than one year</b>	<b>9</b>		(2,308,693)		(1,184,342)
<b>Net assets attributable to members</b>			<u><u>6,975,354</u></u>		<u><u>5,088,352</u></u>
<b>Represented by:</b>					
<b>Loans and other debts due to members within one year</b>					
Other amounts			6,975,240		5,088,238
			<u>6,975,240</u>		<u>5,088,238</u>
<b>Members' other interests</b>					
Members' capital classified as equity			114		114
			<u><u>6,975,354</u></u>		<u><u>5,088,352</u></u>

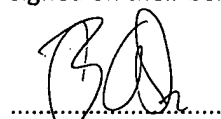
**Cabot Highlands LLP**  
**(Formerly Castle Stuart Golf LLP)**  
**Balance sheet (continued)**  
**As at 31 December 2022**

		2022	2021
Notes	£	£	£
<b>Total members' interests</b>			
Amounts due from members	(1,259,075)	(2,760,340)	
Loans and other debts due to members	6,975,240	5,088,238	
Members' other interests	114	114	
	<u>5,716,279</u>	<u>2,328,012</u>	

The members of the limited liability partnership have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to limited liability partnerships subject to the small limited liability partnerships regime.

The financial statements were approved by the members and authorised for issue on 06/09/2023 and are signed on their behalf by:



Ben Cowan-Dewar  
**Designated member**

**Limited Liability Partnership Registration No. SO300920**

**Cabot Highlands LLP**  
**(Formerly Castle Stuart Golf LLP)**  
**Reconciliation of members' interests**  
**For the year ended 31 December 2022**

Current financial year	Equity	Debt		Total
	Members' other interests	Loans and other debts due to members less any amounts due from members in debtors		Members' interests
	Members' capital	Other amounts	Total	Total 2022
	£	£	£	£
Amounts due to members		5,088,238		
Amounts due from members		(2,760,340)		
Members' interests at 1 January 2022	114	2,327,898	2,327,898	2,328,012
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	2,088,267	2,088,267	2,088,267
Introduced by members	-	1,300,000	1,300,000	1,300,000
Members' interests at 31 December 2022	114	5,716,165	5,716,165	5,716,279
Amounts due to members		6,975,240		
Amounts due from members, included in debtors		(1,259,075)		
		5,716,165		

**Cabot Highlands LLP**  
**(Formerly Castle Stuart Golf LLP)**  
**Reconciliation of members' interests (continued)**  
**For the year ended 31 December 2022**

Prior financial year	Equity	Debt		Total
	Members' other interests	Loans and other debts due to members less any amounts due from members in debtors		Members' interests
	Members' capital	Other amounts	Total	Total 2021
	£	£	£	£
Amounts due to members		4,994,310		
Amounts due from members		(2,474,213)		
Members' interests at 1 January 2021	114	2,520,097	2,520,097	2,520,211
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	(228,629)	(228,629)	(228,629)
Result for the financial year available for discretionary division among members	-	-	-	-
Members' interests after loss and remuneration for the year	114	2,291,468	2,291,468	2,291,582
	-	(43,863)	(43,863)	(43,863)
Other movements	-	80,293	80,293	80,293
Members' interests at 31 December 2021	114	2,327,898	2,327,898	2,328,012
Amounts due to members		5,088,238		
Amounts due from members, included in debtors		(2,760,340)		
		2,327,898		

## **1 Accounting policies**

### **Limited liability partnership information**

Cabot Highlands LLP is a limited liability partnership incorporated in Scotland. The registered office is C/O Brodies LLP, Capital Square, 58 Morrison Street, Edinburgh, EH3 8BP.

The business address is Balnaglack Farmhouse, Inverness, IV2 7JL.

The limited liability partnership's principal activities are disclosed in the Members' Report.

The business changed their name on 19 April 2023 from Castle Stuart Golf LLP to Cabot Highlands LLP.

### **1.1 Accounting convention**

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in December 2021, together 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest £.

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

### **1.2 Going concern**

At the time of approving the financial statements, the members have a reasonable expectation that the limited liability partnership has adequate resources to continue in operational existence for the foreseeable future. Thus the members continue to adopt the going concern basis of accounting in preparing the financial statements.

### **1.3 Turnover**

Turnover represents amounts receivable for green fees 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 when a round of golf has been played for green fees and related facility provision.

Revenue for golf membership is recognised on the first date of the membership period, as no refunds are given on unused membership. Where it is paid in advance, income is deferred until the membership start date.

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

**1 Accounting policies (continued)**

**1.4 Members' participating interests**

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a net basis.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

**1.5 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 or valuation of assets less their residual values over their useful lives on the following bases:

Golf course development & coursebuilding	2%, 5%, 10%, 20%, 25% and 50% straight line
Clubhouse	2% and 10% straight line
Plant and equipment	25% reducing balance and 20% straight line
Fixtures, fittings and equipment	20%, 25% and 33% straight line
Assets under construction	not depreciated
Computers	5% straight line
Motor vehicles	25% reducing balance



**1 Accounting policies (continued)**

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

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.

**1.6 Fixed asset investments**

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

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 drawings met on behalf of the partnership and share of profits not drawn from the partnership.

**1.7 Impairment of fixed assets**

At each reporting period end date, the limited liability partnership 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).

**1.8 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to net realisable value.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

**1.9 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.

## **1 Accounting policies (continued)**

### **1.10 Financial instruments**

The limited liability partnership 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 limited liability partnership's statement of financial position when the limited liability partnership 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.

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

Basic financial assets, which include debtors, 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. Financial assets classified as receivable within one year are not amortised.

#### ***Other financial assets***

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

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

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

#### ***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 limited liability partnership 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 limited liability partnership after deducting all of its liabilities.

**1 Accounting policies (continued)**

***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans, 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. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Other financial liabilities***

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

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

**1.11 Taxation**

The taxation payable on the partnership profits is solely the personal liability of the individual members. Consequently neither partnership taxation nor related deferred taxation arising in respect of the partnership are accounted for in these financial statements.

**1.12 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.

**1.13 Retirement benefits and post retirement payments to members**

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

**1 Accounting policies (continued)**

**1.14 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 profit or loss 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 profit or loss 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 leased asset are consumed.

**1.15 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.

**2 Critical accounting judgements and key sources of estimation uncertainty**

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

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

In the members opinion there are no material estimates or critical judgements included in these accounts.

**Cabot Highlands LLP**  
**(Formerly Castle Stuart Golf LLP)**  
**Notes to the financial statements (continued)**  
**For the year ended 31 December 2022**

**3 Employees**

The average number of persons (excluding members) employed by the partnership during the year was:

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Total	45	36

**4 Tangible fixed assets**

	<b>Land and buildings £</b>	<b>Plant and machinery etc £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2022	10,208,867	1,404,581	11,613,448
Additions	792,798	197,226	990,024
Disposals	(204,151)	(3,000)	(207,151)
At 31 December 2022	10,797,514	1,598,807	12,396,321
<b>Depreciation and impairment</b>			
At 1 January 2022	3,084,942	1,164,581	4,249,523
Depreciation charged in the year	222,217	133,468	355,685
Eliminated in respect of disposals	-	(2,822)	(2,822)
At 31 December 2022	3,307,159	1,295,227	4,602,386
<b>Carrying amount</b>			
At 31 December 2022	7,490,355	303,580	7,793,935
At 31 December 2021	7,123,925	240,000	7,363,925

Included within land and buildings are assets under construction with a carrying value of £2,857,567 (2021 - £2,064,769) which have not been depreciated.

**5 Fixed asset investments**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Investments in subsidiaries	87,443	81,443

**Cabot Highlands LLP**  
**(Formerly Castle Stuart Golf LLP)**  
**Notes to the financial statements (continued)**  
**For the year ended 31 December 2022**

**5 Fixed asset investments (continued)**

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.

**Movements in fixed asset investments**

	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 January 2022	81,443
Additions	6,000
	<u>87,443</u>
At 31 December 2022	<u>87,443</u>
<b>Carrying amount</b>	
At 31 December 2022	<u>87,443</u>
At 31 December 2021	<u>81,443</u>

**6 Stocks**

	2022 £	2021 £
Stocks	<u>119,813</u>	<u>100,205</u>

**7 Debtors**

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	4,601	818
Amounts owed by members	1,259,075	2,760,340
Other debtors	92,597	53,623
	<u>1,356,273</u>	<u>2,814,781</u>

**Cabot Highlands LLP**  
**(Formerly Castle Stuart Golf LLP)**  
**Notes to the financial statements (continued)**  
**For the year ended 31 December 2022**

**8 Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loans	117,553	1,919,459
Trade creditors	132,185	70,949
Taxation and social security	49,423	35,318
Other creditors	1,901,050	3,531,825
	<u>2,200,211</u>	<u>5,557,551</u>

Net obligations under finance leases and hire purchase contracts totalling £103,369 (2021 - £44,761) are secured over the assets which the agreements relate to.

In the prior year, there had been a technical breach of the covenants on the bank loan. A waiver was received after 31 December 2021, meaning that the loan was included within Creditors Due Within One Year in the 2021 accounts. In the current year, the LLP is in compliance with the covenant terms.

**9 Creditors: amounts falling due after more than one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	1,688,165	-
Other creditors	620,528	1,184,342
	<u>2,308,693</u>	<u>1,184,342</u>

Included within other creditors is a balance due to Highlands & Islands Enterprise of £500,000 (2021 - £500,000) which is subject to a standard security over the LLP's interest in the lease over Balnaglack Farm, Dalcross, Inverness.

Net obligations under finance lease and hire purchase contracts of £120,528 (2021: £21,152) are secured over the assets which the agreements relate to.

Creditors which fall due after five years are as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Payable by instalments	<u>1,177,709</u>	<u>1,701,996</u>

The bank loans are secured by a bond and floating charge over the whole assets of the LLP and a standard security over Phase 1 & 2, Balnaglack Farm, Dalcross, Inverness.

## **10 Loans and other debts due to members**

In the prior year, Loans due to members included loans £5,270,078 which ranked ahead of members' base funding amounts, but which ranked equally with unsecured creditors in the event of a winding up. The priority loans were unsecured and accrued interest at 7.5% above LIBOR base rate. Convertible loans were unsecured and accrued interest at 4% above LIBOR base rate. The base funding from each member was also unsecured, but subordinated to all other amounts due and accrued interest at 3.5%.

In the current year, loan contributions from the partners totalling £17,657,318 carry interest at 3% per annum, compounded annually on 31 December each year.

## **11 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Senior Statutory Auditor:	Eunice McAdam
Statutory Auditors:	Saffery LLP

## **12 Operating lease commitments**

### **Lessee**

At the reporting end date the limited liability partnership had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2022	2021
	£	£
Within one year	64,564	72,666
Between two and five years	248,522	271,589
In over five years	2,305,847	2,363,664
	<u>2,618,933</u>	<u>2,707,919</u>

The Limited Liability Partnership rents land under a long term operating lease agreement.



**13 Related party transactions**

Included within creditors are loans of £nil (2021: £1,796,241) owed to key management personnel. The loan was written off in the year (see Other Gains and losses note above).

**14 Parent company**

The parent company is CSG Scottish Holdco Limited, a company registered in Scotland.