

COMPANIES HOUSE
23 DEC 2021
EDINBURGH MAILBOX



Trump International Golf Club Scotland Limited

Directors' report and financial statements for the year ended
31 December 2020

SC292100



TABLE OF CONTENTS	PAGE
COMPANY INFORMATION	1
STRATEGIC REPORT	2
DIRECTORS' REPORT	5
INDEPENDENT AUDITOR'S REPORT	6
PROFIT AND LOSS ACCOUNT	10
BALANCE SHEET	11
STATEMENT OF CHANGES IN EQUITY	12
CASH FLOW STATEMENT	13
NOTES TO THE FINANCIAL STATEMENTS	14

COMPANY INFORMATION

DIRECTORS

Mr D Trump Jnr
Mr E Trump
Mr A Weisselberg (resigned 8 July 2021)

REGISTERED OFFICE

4th Floor
Saltire Court
20 Castle Terrace
Edinburgh

REGISTERED NUMBER

SC292100

SOLICITORS

CMS Cameron McKenna Nabarro Olswang LLP
Saltire Court
20 Castle Terrace Edinburgh
EH1 2EN

AUDITOR

Johnston Carmichael LLP
Bishop's Court
29 Albyn Place
Aberdeen
AB10 1YL

STRATEGIC REPORT

For the year ended December 31, 2020

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

PRINCIPAL ACTIVITIES AND BUSINESS MODEL

The company's principal activity during the year was the operation of a pay-and-play championship links golf course, golfing memberships, country house hotel, golf shop, bar and restaurant.

REVIEW OF THE BUSINESS

During the year ended December 31, 2020, the property was closed for long periods due to the impact of COVID-19 and the operational and travel restrictions imposed by the UK Government. This has had a direct impact on the Company's results for 2020 as reported in these financial statements. The restrictions continued post year end; however, the property reopened the majority of its core facilities and services in April 2021.

As a result of the pandemic all resort facilities and services were mandated to close on March 21, 2020. Heavily restricted outdoor golf services were reinstated from May 6, 2020, with domestic golf permitted throughout the year. MacLeod House & Lodge accommodation, however, was closed throughout 2020 and did not re-open until the following April. Some restaurant and dining services were re-opened in June 2020, in line with Government regulations, but all services were forced to close again on November 20, 2020, for the remainder of the year.

Ownership and management implemented strategies to ensure the resort and its stakeholders were supported throughout the pandemic. The UK Government Furlough Scheme was helpful to retain as many jobs as possible, and the majority of employees were reinstated over the course of the year.

Upon reopening in May, interest in golf increased throughout the year. Despite the travel bans and other barriers to overseas markets, Trump International's status and rankings as a leading golf and tourism destination was firmly retained with tour operators and agents across Europe, America and further afield carrying bookings into the following year. Green-fee and membership rates continue to increase year-on-year.

The ongoing impact of COVID-19 on the tourism and hospitality sectors will continue to present challenges for all businesses, particularly with overseas travel markets. Assuming Government travel bans and restrictions are lifted, the outlook is very favorable for the golf industry.

Ownership remains fully committed to the resort and future plans are in place to expand the facilities and infrastructure, and establish the estate as a world leading destination to live, work and play.

STRATEGIC REPORT

For the year ended December 31, 2020 (continued)

RESULTS

The profit and loss account is set out on page 10. After growth in turnover over the previous two financial years, 2020 saw turnover fall from £3,275,369 in 2019 to £1,095,596m in 2020 as a result of the COVID-19 pandemic. The operating loss before depreciation for the year ended December 31, 2020 amounted to £1,116,530 (2019 - £896,367).

The company has received further loans during the year and net liabilities have risen from £12.8m to £14.0m.

KEY PERFORMANCE INDICATORS

Management provides the directors with monthly reports with key performance indicators including changes in revenue and operating profit before depreciation.

As a business with less than 10-year trading history, the key financial indicators remain the growth and development of new and existing revenue streams with particular emphasis placed on non-financial indicators.

In 2020, the KPIs both financial and non-financial have been impacted by the mandated closure of the business, restricted operating rules and UK government relief measures. KPIs are, therefore, not comparable to prior years as the operating environment and global economic trading conditions were unprecedented.

Despite the external challenges resulting from the pandemic, the property received important ratings and awards in 2020 including *Best UK Luxury Golf Course* by Lux Lifestyle Magazine, Golf Digest's *Greatest Golf Courses* world rankings moved the course up 22 places into the top 40 in the world, Condé Nast Traveler 2020 *Readers' Choice Awards* ranked MacLeod House & Lodge no.25 in the UK and Golf World ranked the resort in the top 3 in the UK & Ireland.

Trump International continues to rank highly in the world golf rankings and plays an important part in the global Trump portfolio. The rising status of Trump International Golf Links, Scotland continues to exceed expectations, outranking many historic pedigree courses in the UK and further afield.

The unpredictable nature of COVID-19 makes it difficult to predict how the company's business and operations will be affected going forward. In the short-term, management anticipates an increase in 2021 turnover compared to 2020. Strategies put in place in response to the challenges of the pandemic in the short and medium term are expected to reflect positively on the business.

FUTURE DEVELOPMENTS

Progress continues to be made on the future expansion of the site with the development of a mixed-use, multifaceted residential village and community leisure and resort facilities. However, the pace of the project development plans was interrupted by COVID-19 and the many restrictions imposed on businesses and travel. Plans are ongoing and have moved forward in 2021.

STRATEGIC REPORT

For the year ended December 31, 2020 (continued)

PRINCIPAL RISKS & UNCERTAINTIES

The directors have undertaken a comprehensive review of the risks facing the company.

The most significant event affecting the business post year-end has been the extended lockdown period lasting until April 26, 2021. The continued varying travel restrictions have impacted performance across the year with little to no inbound travel from the key markets throughout 2020.

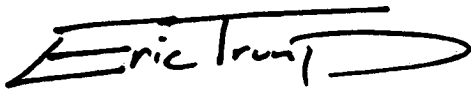
Whilst there is confidence that with the easing of restrictions there is pent-up demand from both leisure and business markets, it is clear that there is still a threat of further restrictions being imposed if COVID-19 case levels rise or new variants emerge.

Brexit has also impacted business, as supply chains are disrupted, and the labour market is reduced. Transportation, freight and import duty charges are also increasing, along with the overall cost of goods rising.

The lack of skilled labour in the sector along with rising inflation are affecting cost centers and pricing strategies which are being monitored closely to ensure sufficient margins are being maintained.

The Directors have detailed knowledge and experience of the sector and have established business policies and organizational structures to limit these risks, which are regularly reviewed and reassessed to proactively limit their impact. The Directors believe that the resort's profitability will be positively impacted in the long-term as a result of operational adjustments enacted to mitigate these risks.

On behalf of the directors



Director
Mr E Trump

.....
22 December 2021

DIRECTORS' REPORT

for the year ended 31 December 2020

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

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The principal activities, strategy and objectives of the company are included in the Strategic Report on pages 2-4.

RESULTS AND DIVIDENDS

The results for the year are shown on page 10. The company did not declare or pay any dividends during the years ended 31 December 2020 or 31 December 2019.

DIRECTORS AND SECRETARY

The directors are listed on page 1 and, unless otherwise stated, have served throughout the year ended 31 December 2020.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

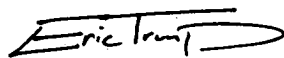
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

STATEMENT OF DISCLOSURE TO AUDITOR

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the directors

Director



Mr E Trump.....

22 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED

OPINION

We have audited the financial statements of Trump International Golf Club Scotland Limited (the 'company') for the year ended 31 December 2020 which comprise the Profit and Loss Account, the Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to the financial statements including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED (CONTINUED)

OPINIONS 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 the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED (CONTINUED)

AUDITOR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

EXTENT TO WHICH THE AUDIT IS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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

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

- UK GAAP
- Companies Act 2006
- Corporation Tax legislation
- VAT legislation
- Licensing legislation
- Planning regulations
- Health and safety related legislation

We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of submitted returns and company filings, relevant documentation and any relevant correspondence with regulatory bodies.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUMP INTERNATIONAL GOLF CLUB
SCOTLAND LIMITED (CONTINUED)**

***EXTENT TO WHICH THE AUDIT IS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING
FRAUD (CONTINUED)***

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

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

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

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

USE OF OUR REPORT

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

Johnston Carmichael LLP

Fiona Kenneth (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP

23 December 2021

Chartered Accountants
Statutory Auditor

Bishop's Court
29 Albyn Place
Aberdeen
AB10 1YL

TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	2	1,095,596	3,275,369
Cost of sales		(1,808,400)	(3,051,357)
GROSS (LOSS)/PROFIT		(712,804)	224,012
Administrative expenses		(855,496)	(1,120,379)
Other operating income		451,770	-
OPERATING LOSS BEFORE DEPRECIATION		(1,116,530)	(896,367)
Depreciation expense	8	(188,513)	(209,298)
OPERATING LOSS	3	(1,305,043)	(1,105,665)
Interest payable and similar charges	5	(36)	(98)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,305,079)	(1,105,763)
Tax credit on loss on ordinary activities	6	-	2,515
LOSS FOR THE FINANCIAL YEAR		(1,305,079)	(1,103,248)

The company has no recognised gains or losses other than as included in the profit and loss account for the period. Accordingly, no statement of other comprehensive income is presented.

The accompanying notes to the financial statements on pages 14 to 26 are an integral part of the financial statements.

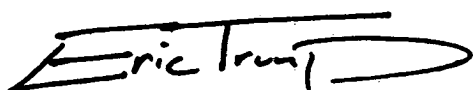
TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED

BALANCE SHEET
at 31 December 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Intangible assets	7	1,008	1,386
Tangible assets	8	32,079,763	32,071,221
		32,080,771	32,072,607
CURRENT ASSETS			
Stocks	9	216,755	174,810
Debtors	10	105,510	161,524
Cash at bank and in hand		120,718	54,047
		442,983	390,381
CREDITORS - due within one year	11	(1,129,600)	(846,380)
NET CURRENT LIABILITIES		(686,617)	(455,999)
TOTAL ASSETS LESS CURRENT LIABILITIES		31,394,154	31,616,608
CREDITORS - due after more than one year	12	(45,439,677)	(44,400,049)
NET LIABILITIES		(14,045,523)	(12,783,441)
CAPITAL AND RESERVES			
Called up share capital	15	1,000	1,000
Other reserves	17	1,813,039	1,770,042
Profit and loss reserves	17	(15,859,562)	(14,554,483)
SHAREHOLDERS' DEFICIT		(14,045,523)	(12,783,441)

The accompanying notes to the financial statements on pages 14 to 26 are an integral part of the financial statements.

The financial statements on pages 10 to 26 were approved by the board of directors on 22 December 2021 and were signed on its behalf by:



Director
Mr E Trump
Company Registered Number SC292100

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2020

	Share capital	Other reserves	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2019	1,000	1,724,338	(13,451,235)	(11,725,897)
Year ended 31 December 2019				
Loss and total comprehensive expenditure for the year	-	-	(1,103,248)	(1,103,248)
Equity component of financing loan	-	45,704	-	45,704
Balance as at 31 December 2019	1,000	1,770,042	(14,554,483)	(12,783,441)
Year ended 31 December 2020				
Loss and total comprehensive expenditure for the year	-	-	(1,305,079)	(1,305,079)
Equity component of financing loan	-	42,997	-	42,997
Balance as at 31 December 2020	1,000	1,813,039	(15,859,562)	(14,045,523)

The accompanying notes to the financial statements on pages 14 to 26 are an integral part of the financial statements.

CASH FLOW STATEMENT
for the year ended 31 December 2020

	Note	2020 £	2019 £
<i>Cash flow from operating activities</i>			
Cash utilised in operations	20	(820,866)	(905,367)
Interest paid		(36)	(98)
Taxation recovered		4,681	-
Net cash outflow from operating activities		(816,221)	(905,465)
<i>Investing activities</i>			
Purchase of fixed assets		(204,626)	(280,002)
Proceeds from disposal of fixed assets		6,200	17,515
Net cash used in investing activities		(198,426)	(262,487)
<i>Financing activities</i>			
Loan advances received		1,117,917	1,188,311
Finance lease repayments		(36,599)	(62,854)
Net cash generated from financing activities		1,081,318	1,125,457
Net increase/(decrease) in cash and cash equivalents		66,671	(42,495)
Cash and cash equivalents at beginning of period		54,047	96,542
Cash and cash equivalents at end of period		120,718	54,047
Relating to:			
Cash at bank and in hand		120,718	54,047

The accompanying notes to the financial statements on pages 14 to 26 are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. ACCOUNTING POLICIES

COMPANY INFORMATION

Trump International Golf Club Scotland Limited is a limited company domiciled and incorporated in Scotland. The registered office is 4th Floor, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN. The trading address is Menie Estate, Balmedie, Aberdeen, AB23 8YE.

ACCOUNTING CONVENTION

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

The financial statements are prepared in pounds sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound sterling.

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

GOING CONCERN

These financial statements are prepared on a going concern basis.

The company had net current liabilities at 31 December 2020 of £686,617 (2019: £455,999) and is dependent on continuing finance being made available to enable it to continue operating and to meet its liabilities as they fall due. As disclosed in Note 19, loans totaling £45,325,968 are subject to rolling repayment terms and require the lenders to provide 12 months written notice of any request for full or partial repayment. At the date of approving the financial statements, no such notice has been received from the lenders, hence no repayment is required within the next 12 months.

The Donald J Trump Revocable Trust has confirmed that it will ensure all necessary financial support is provided to the company for the foreseeable future to enable it to meet its financial obligations as they fall due for at least a period of 12 months from the date of signing the financial statements.

REVENUE RECOGNITION

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and VAT.

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

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.

FOREIGN CURRENCIES

Transactions during the year denominated in foreign currencies have been translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to pound sterling at the rates of exchange ruling at the balance sheet date. The resulting profits or losses are dealt with in the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. ACCOUNTING POLICIES (continued)

INTANGIBLE FIXED ASSETS

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is charged on a straight line basis over the expected useful lives, as follows:

Intellectual property rights	25%
------------------------------	-----

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 reducing balance bases:

Plant and machinery	25%
Fixtures, fittings and equipment	15%
Motor vehicles	15%

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.

All costs directly associated with the development of the golf resort have been capitalised under land and buildings. The golf resort, which currently comprises the golf course, certain buildings and associated land, is not depreciated as it is being developed and maintained to a high standard. Ongoing maintenance costs are charged to the profit and loss account when incurred.

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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account.

FINANCE 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 capitalised in the balance sheet and are depreciated over their estimated useful lives or the lease term, whichever is the shorter. The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. ACCOUNTING POLICIES (continued)

STOCKS

Stocks are valued on a first in, first out basis at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. Cost comprises the invoice purchase price net of trade rebates and trade discounts, together with costs of freight and duty and an appropriate allocation of overhead expenses included under normal production.

Net realisable value comprises the actual or estimated selling price, net of trade rebates and trade discounts, less all further costs to be incurred in marketing, selling and distribution.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents 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.

FINANCIAL INSTRUMENTS

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

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

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

BASIC FINANCIAL ASSETS

Basic financial assets, which include trade and other receivables 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.

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit and loss.

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

DERECOGNITION OF FINANCIAL ASSETS

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it 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 been transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. ACCOUNTING POLICIES (continued)

CLASSIFICATION OF FINANCIAL LIABILITIES

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

Basic financial liabilities, including trade and other payables 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

DERECOGNITION OF FINANCIAL LIABILITIES

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

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.

RETIREMENT BENEFITS

Payments to defined contribution retirement benefit schemes are charged to the profit and loss account in the year they are payable.

DEFERRED TAXATION

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law.

Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

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 relating to Coronavirus Job Retention Scheme are recognised in other income in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020 (continued)

1. ACCOUNTING POLICIES (continued)

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

The following are considered to be either judgements that have had the most significant effect on amounts recognised in the financial statements, or estimates that are dependent on assumptions which could change in the next financial year and have a material effect on the carrying amounts of assets and liabilities recognised at the balance sheet date.

CARRYING VALUE OF FIXED ASSETS

Fixed assets are measured at cost less depreciation and impairment. The directors have prepared discounted cash flow forecasts to assess the recoverable value of the company's tangible fixed assets as at 31 December 2020 and are satisfied that there has been no impairment in the carrying value of £32.1m.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020 (continued)

2. TURNOVER

All income is generated in the United Kingdom. An analysis of the company's turnover is as follows:

	2020	2019
	£	£
Turnover		
Provision of services	745,427	2,019,618
Sale of goods	350,169	1,255,751
	1,095,596	3,275,369

3. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	2020	2019
	£	£
Auditor's remuneration	28,850	18,350
Loss/(profit) on disposal of fixed assets	1,371	(6,161)
Loss on foreign exchange	54,500	62,463
Other operating income - Government grants	(451,770)	-
Amortisation of intangible fixed assets	378	126
Depreciation of tangible fixed assets:		
Owned assets	123,086	139,336
Leased assets	65,427	69,962

Government grants represents amount received by the company under the UK Government's coronavirus job retention scheme. The grant proceeds were utilised by the company in order to support the maintenance of jobs for many of the company's employees while the resort was closed or at a reduced capacity due to the impact of the Covid-19 pandemic during the year.

4. EMPLOYEES AND REMUNERATION

The average number of persons employed by the company (including directors) during the period was as follows:

	2020	2019
<i>By activity</i>	No.	No.
Golf operations	7	11
Food, beverage and accommodation	28	43
Grounds, landscaping and maintenance	17	18
Administration	11	12
	63	84

	£	£
Employees costs comprise:		
Wages and salaries	1,499,252	1,915,940
Social security costs	117,621	141,627
Pension costs	35,712	37,945
	1,652,585	2,095,512

There was no directors' remuneration paid during the year ended 31 December 2020 (2019: £nil).

TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020 (continued)

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£	£
Interest payable on finance leases	36	98
	36	98

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in period:

	2020	2019
	£	£
Current tax:		
Corporation tax at 19% (2019: 19%)	-	(2,515)
Tax on profit on ordinary activities	-	(2,515)

(b) Factors affecting tax charge for period:

The tax assessed for the year is different from that computed using the standard rate of corporation tax in the United Kingdom. The differences are explained below:

	2020	2019
	£	£
Loss on ordinary activities before taxation	(1,305,079)	(1,105,763)
Profit on ordinary activities multiplied by standard rate in the United Kingdom 19% (2019: 19%)	(247,965)	(210,095)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	2,421	3,981
Fixed asset differences	1,527	1,464
Amounts credited directly to other reserves	36,168	36,682
Other permanent differences	36	1,994
Tax credits	-	(2,515)
Other tax adjustments, reliefs and transfers	-	3,772
Timing differences not recognised	(27,999)	(27,999)
Change in deferred tax rate	(239,546)	20,021
Deferred tax not recognised	475,357	170,180
Tax charge for the year	-	(2,515)

(c) Deferred tax:

A potential deferred tax asset of £2,511,497 (2019: £2,036,140) has not been recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020 (continued)

7. INTANGIBLE FIXED ASSETS

	<i>Intellectual property £</i>
Cost:	
At 31 December 2019	1,512
Additions	-
Disposals	-
At 31 December 2020	1,512
Amortisation and impairment:	
At 31 December 2019	126
Charge for the year	378
Disposals	-
At 31 December 2020	504
Net book values:	
At 31 December 2020	1,008
At 31 December 2019	1,386

8. TANGIBLE FIXED ASSETS

	<i>Land and buildings £</i>	<i>Plant and machinery £</i>	<i>Fixtures and fittings £</i>	<i>Motor vehicles £</i>	<i>Total £</i>
Cost:					
At 31 December 2019	31,138,248	1,641,016	1,223,013	30,190	34,032,467
Additions	177,312	8,400	18,914	-	204,626
Disposals	-	-	-	(20,590)	(20,590)
At 31 December 2020	31,315,560	1,649,416	1,241,927	9,600	34,216,503
Depreciation:					
At 31 December 2019	-	1,171,619	769,463	20,164	1,961,246
Charge for the year	-	118,137	69,843	533	188,513
Disposals	-	-	-	(13,019)	(13,019)
At 31 December 2020	-	1,289,756	839,306	7,678	2,136,740
Net book values:					
At 31 December 2020	31,315,560	359,660	402,621	1,922	32,079,763
At 31 December 2019	31,138,248	469,397	453,550	10,026	32,071,221

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020 (continued)

8. TANGIBLE FIXED ASSETS (continued)

Assets held under finance leases and capitalised in plant and machinery

	2020	2019
	£	£
Cost	365,818	365,818
Aggregate depreciation	(169,539)	(104,112)
Net book value at 31 December	196,279	261,706

9. STOCKS

	2020	2019
	£	£
Goods for resale	216,755	174,810
At 31 December	216,755	174,810

10. DEBTORS – due within one year

	2020	2019
	£	£
Trade debtors	12,834	18,197
Amounts due from fellow group undertakings	24,671	12,300
Other debtors and prepayments	65,498	123,839
Corporation tax recoverable	2,507	7,188
At 31 December	105,510	161,524

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020 (continued)

11. CREDITORS – due within one year

	2020 £	2019 £
Trade creditors	217,269	220,335
Finances leases	75,774	77,081
Value added tax	59,535	3,443
Other taxes and social security	33,495	53,921
Other creditors and accruals	743,527	491,600
At 31 December	1,129,600	846,380

12. CREDITORS – due after one year

	2020 £	2019 £
Finance leases	113,709	149,001
Other loans	45,325,968	44,251,048
At 31 December	45,439,677	44,400,049

13. LOANS AND OTHER BORROWINGS

	2020 £	2019 £
Finance leases	189,483	226,082
Other loans	45,325,968	44,251,048
At 31 December	45,515,451	44,477,130

Repayment details for the other loans are detailed in note 19.

	2020 £	2019 £
Finance lease obligations		
Future minimum lease payments due under finance leases:		
Within one year	75,774	77,081
In two to five years	113,709	149,001
At 31 December	189,483	226,082

Net obligations under finance leases are secured by fixed charges on the assets concerned.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020 (continued)

13. LOANS AND OTHER BORROWINGS (continued)

Loans and other borrowings

	2020	2019
	£	£
Payable after one year	45,325,968	44,251,048
At 31 December	45,325,968	44,251,048

14. RETIREMENT BENEFIT SCHEMES

Defined contribution schemes

	2020	2019
	£	£
Charge to profit or loss in respect of defined contribution schemes	35,712	37,945

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Total outstanding contributions due to the pension scheme and included within creditors at the year end is £7,167 (2019: £8,372).

15. SHARE CAPITAL

	2020	2019
	£	£
Authorised, allotted, called up and fully paid:		
1,000 ordinary shares of £1 each	1,000	1,000

16. CONTROL

The immediate parent undertaking is DJT Holdings LLC, a company registered in the United States of America.

The ultimate parent undertaking is The Donald J Trump Revocable Trust, a Florida State grantor trust registered in Florida, USA. The ultimate controlling parties are The Trustees of the Donald J. Trump Revocable Trust.

There are no group accounts prepared which include this company.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2020 (continued)****17. RESERVES**

The profit and loss reserve represents cumulative realisable losses. Other reserves represent the equity component of financing loans.

18. OPERATING LEASE COMMITMENTS

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

	2020	2019
	£	£
Within one year	13,416	14,718
Between two and five years	5,761	2,275
	19,177	16,993

19. RELATED PARTIES

No key management personnel, including directors, are remunerated through the company.

Transactions with Related Parties

Mr D J Trump is a close family member of directors Mr D Trump Jnr and Mr E Trump. Included within creditors due after more than one year is a loan of £40,616,321 (2019: £40,616,321) from Mr D J Trump. This loan is interest free and has been discounted at a market rate of interest with the equity component transferred to other reserves. The loan has a rolling repayment term and requires the lender to provide 12 months written notice of any request for full or partial repayment.

Also included within creditors due after more than one year is a loan of £4,709,647 (2019: £3,634,727) from DJT Holdings LLC, the parent company. This loan is interest free and has been discounted at a market rate of interest with the equity component transferred to other reserves. The loan has a rolling repayment term and requires the lender to provide 12 months written notice of any request for full or partial repayment.

During the year, purchases of £nil (2019: £151) were made from companies controlled by the directors. At the year end, £1,462 (2019: £1,462) was due to these companies.

During the year, sales of £nil (2019: £ nil) were made to companies controlled by the directors. At the year end, £2,500 (2019: £2,500) was due from these companies.

TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020 (continued)

20. CASH UTILISED IN OPERATIONS

	2020 £	2019 £
<i>Cash utilised in operations</i>		
Loss for the year	(1,305,079)	(1,103,248)
<i>Adjustments for:</i>		
Finance costs	36	98
Taxation	-	(2,515)
Depreciation and amortisation costs	188,891	209,424
Loss/(profit) on sale of fixed assets	1,371	(6,161)
	(1,114,781)	(902,402)
<i>Movement in working capital:</i>		
Increase in stocks	(41,945)	(22,995)
Decrease in debtors	51,333	1,353
Increase in creditors	284,527	18,677
Cash utilised in operations	(820,866)	(905,367)

Analysis of changes in net debt

	2019 £	Cash flows £	New finance leases £	Loan converted to capital £	2020 £
Cash at bank and in hand	54,047	66,671	-	-	120,718
Finance leases	(226,082)	36,599	-	-	(189,483)
Debt due < 1 year	-	-	-	-	-
Debt due > 1 year	(44,251,048)	(1,117,917)	-	42,997	(45,325,968)
Total	(44,423,083)	(1,014,647)	-	42,997	(45,394,733)