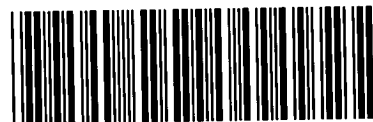


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## Trump International Golf Club Scotland Limited

Directors' report and financial statements for the year ended  
31 December 2016



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**TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED**

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**COMPANY INFORMATION**

**DIRECTORS**

Mr D J Trump (resigned 19 January 2017)  
Mr D Trump Jnr  
Mr E Trump  
Ms I Trump (resigned 19 January 2017)  
Mr A Weisselberg

**SECRETARY**

Mr G Sorial

**REGISTERED OFFICE**

Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EN

**REGISTERED NUMBER**

SC292100

**SOLICITORS**

Dundas & Wilson 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 31 December 2016**

The directors present their strategic report for the company for the year ended 31 December 2016.

*PRINCIPAL ACTIVITIES AND BUSINESS MODEL*

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

Given the inclement nature of the winter weather in the region, the operation of the golf course is seasonal, opening in March and closing at the end of October. Subject to the weather, reduced operating hours apply in the winter months and MacLeod House & Lodge operates on an exclusive use basis.

*REVIEW OF THE BUSINESS*

In addition to the pay-and-play golf offering, individual, corporate and international membership is now available and MacLeod House & Lodge provides exclusive use packages as well as traditional bed & breakfast rates.

Trump International's reputation and status with tour operators and agents across Europe, America and further afield continues to expand, as its services and products evolve.

Looking forward to 2017, this trend will continue and further capital investments are planned.

*RESULTS*

The profit and loss account is set out on page 8. The operating loss before depreciation for the year ended 31 December 2016 amounted to £1,170,273 (2015: £815,483).

*KEY PERFORMANCE INDICATORS*

Our main financial Key Performance Indicator at this stage of the development is operating profit before depreciation and the company remains focused on non-financial Key Performance Indicators which drive the business forward.

Trump International continues to soar in the UK and world golf rankings, and plays an important part in the global Trump golf portfolio. For the fifth consecutive year the golf course has been awarded *Best Modern Course of Great Britain & Ireland* by Golf Week and secured its status in the top 50 golf courses in the world with Golf.com. These are both exceptional achievements for a new links course and testament to the growing status of the property on a global stage. Other important ratings include Hotel Restaurant of the Year 2016 by Hospitality Training and 6 Star Status from the American Academy of Hospitality Sciences.

The crash in oil price and economic downturn experienced in the North East of Scotland has, however, resulted in a drop to local spending and consequently revenues have decreased by 12.4%. Additionally, the severe winter storm which damaged large parts of the region, impacted a small area of the site which incurred unforeseen remedial costs and exacerbated the operating loss before depreciation this year which rose by 43%. Had it not been for these exceptional external factors, revenues and costs would have been in line with budget forecasting.

Net Liabilities have therefore risen by 17% increasing the loan from Mr Trump.

**TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED**

**STRATEGIC REPORT**

**for the year ended 31 December 2016 (continued)**

*PRINCIPAL RISKS AND UNCERTAINTIES*

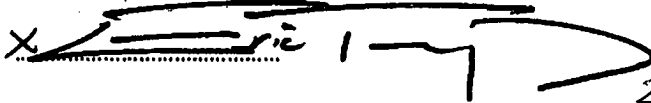
The directors have undertaken a comprehensive review of the risks facing the company.

The industry is both competitive and challenging, factors that are heightened by the ongoing dip in the local economy, and adverse weather conditions.

The directors have detailed knowledge and experience of the sector, and have established business policies and an organisation structure to limit these risks, which are regularly reviewed and reassessed to proactively limit their impact.

On behalf of the directors

Director  
Mr E Trump

A handwritten signature in black ink, appearing to read 'Eric Trump', written over a dotted line. The signature is stylized and includes a large flourish at the end.

28 SEPT. 2017

**TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED**

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**DIRECTORS' REPORT**

**for the year ended 31 December 2016**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2016.

**PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS**

The principal activities, strategy and objectives of the company are included in the Strategic Report on pages 3-4.

**RESULTS AND DIVIDENDS**

The results for the year are shown on page 8. The company did not declare or pay any dividends during the years ended 31 December 2016 or 31 December 2015.

**DIRECTORS AND SECRETARY**

The directors and secretary are listed on page 2 and, unless otherwise stated, have served throughout the year ended 31 December 2016.

**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 prepared 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.

**AUDITOR**

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

**STATEMENT OF DISCLOSURE TO AUDITOR**

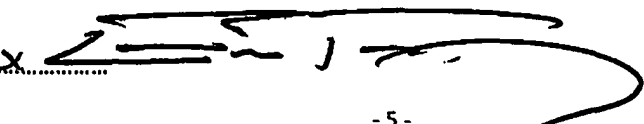
So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that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

On behalf of the directors

Director

Mr E Trump

.....



28 SEPT 2017

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

We have audited the financial statements of Trump International Golf Club Scotland Limited for the year ended 31 December 2016 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

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.

*RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR*

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

*SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS*

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

*OPINION ON FINANCIAL STATEMENTS*

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Acts 2006.

*OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006*

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the 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.

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

*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 Acts 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.

Johnston Carmichael LLP

Fiona Kenneth (Senior Statutory Auditor)

For and on behalf of Johnston Carmichael LLP  
Chartered Accountants  
Statutory Auditor

29 September 2017

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 2016

	<i>Note</i>	<b>2016</b> £	<b>2015</b> £
Turnover	2	2,628,138	3,000,329
Cost of sales	-	(2,618,047)	(2,715,462)
<b>GROSS PROFIT</b>		<b>10,091</b>	<b>284,867</b>
Administrative expenses	-	(1,180,364)	(1,114,337)
Other operating income	-	-	13,987
<b>OPERATING LOSS BEFORE DEPRECIATION</b>	<b>3</b>	<b>(1,170,273)</b>	<b>(815,483)</b>
Depreciation expense	-	(233,895)	(278,826)
<b>OPERATING LOSS</b>	<b>3</b>	<b>(1,404,168)</b>	<b>(1,094,309)</b>
Interest payable and similar charges	5	(1,140)	(1,799)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(1,405,308)</b>	<b>(1,096,108)</b>
Tax on loss on ordinary activities	6	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(1,405,308)</b>	<b>(1,096,108)</b>

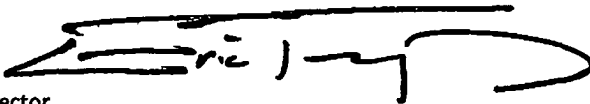
The company has no recognised gains or losses other than as included in the profit and loss account for the period. Accordingly, no statement of comprehensive income is presented.

**TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED**

**BALANCE SHEET**  
at 31 December 2016

	Note	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	7	31,427,555	31,563,927
<b>CURRENT ASSETS</b>			
Stocks	9	136,686	178,707
Debtors	10	98,880	87,389
Cash at bank and in hand	-	150,744	131,024
		<b>386,310</b>	<b>397,120</b>
<b>CREDITORS - due within one year</b>	<b>11</b>	<b>(691,939)</b>	<b>(696,818)</b>
<b>NET CURRENT LIABILITIES</b>		<b>(305,629)</b>	<b>(299,698)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>31,121,926</b>	<b>31,264,229</b>
<b>CREDITORS - due after more than one year</b>	<b>12</b>	<b>(40,618,841)</b>	<b>(39,406,027)</b>
<b>NET LIABILITIES</b>		<b>(9,496,915)</b>	<b>(8,141,798)</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	1,000	1,000
Other reserves	16	1,624,653	1,574,462
Profit and loss reserves	16	(11,122,568)	(9,717,260)
<b>SHAREHOLDERS' DEFICIT</b>		<b>(9,496,915)</b>	<b>(8,141,798)</b>

The financial statements on pages 8 to 22 were approved by the board of directors on ~~28~~ <sup>28</sup> ~~SEP~~ <sup>SEP</sup> 2017 and were signed on its behalf by:

X 

Director  
Mr E Trump

Company Registered Number SC292100

**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2016

	Share capital	Other reserves	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 January 2015</b>	1,000	1,473,610	(8,621,152)	(7,146,542)
<b>Period ended 31 December 2015</b>				
Loss for the year	-	-	(1,096,108)	(1,096,108)
Equity component of financing loan	-	100,852	-	100,852
<b>Balance at 31 December 2015</b>	1,000	1,574,462	(9,717,260)	(8,141,798)
<b>Period ended 31 December 2016</b>				
Loss for the year	-	-	(1,405,308)	(1,405,308)
Equity component of financing loan	-	50,191	-	50,191
<b>Balance as at 31 December 2016</b>	1,000	1,624,653	(11,122,568)	(9,496,915)

**CASH FLOW STATEMENT**  
for the year ended 31 December 2016

	Note	2016 £	2015 £
<b><i>Cash flow from operating activities</i></b>			
Cash utilised in operations	18	(1,130,756)	(1,054,788)
Interest paid		(1,140)	(1,799)
<b>Net cash outflow from operating activities</b>		<b>(1,131,896)</b>	<b>(1,056,587)</b>
<b><i>Investing activities</i></b>			
Purchase of fixed assets		(160,774)	(1,513,128)
Proceeds from disposal of fixed assets		48,749	39,427
<b>Net cash used in investing activities</b>		<b>(112,025)</b>	<b>(1,473,701)</b>
<b><i>Financing activities</i></b>			
Increase in director's loans and other reserves		1,304,977	2,622,147
Capital element of finance lease payments		(41,336)	(40,701)
<b>Net cash generated from financing activities</b>		<b>1,263,641</b>	<b>2,581,446</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>19,720</b>	<b>51,158</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>131,024</b>	<b>79,866</b>
<b>Cash and cash equivalents at end of period</b>		<b>150,744</b>	<b>131,024</b>
<b>Relating to:</b>			
<b>Cash at bank and in hand</b>		<b>150,744</b>	<b>131,024</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

**31 December 2016**

### **1. ACCOUNTING POLICIES**

#### *COMPANY INFORMATION*

Trump International Golf Club Scotland Limited is a limited company domiciled and incorporated in Scotland. The registered office is 4<sup>th</sup> Floor, Saltire Court, 20 Castle Terrace, EDINBURGH, EH1 2EN.

#### *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 2016 of £305,629 (2015: £299,698) and is dependent on continuing finance being made available to enable it to continue operating and to meet its liabilities as they fall due.

DJT Holdings LLC 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. Founder members' fees are recognised in the period they are received while annual subscriptions, individual games and retail purchases are recognised in the period to which they relate. Revenue from the provision of services is recognised at the point the service is provided.

#### *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

31 December 2016

### 1. ACCOUNTING POLICIES (continued)

#### *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.

#### *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.

#### *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.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

### 1. ACCOUNTING POLICIES (continued)

#### *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, other than those held at fair value through profit and loss, 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**  
**31 December 2016**

**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.

*DEFERRED TAXATION*

Deferred tax is provided in full on timing differences which result in an obligation at the balancesheet 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.



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2016**

**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.

*VALUATION OF FIXED ASSETS*

The directors must consider the recoverable value of fixed assets to assess whether there has been any impairment. In doing so, they have taken into account current market conditions and the company's future plans.

*DISCOUNTING OF INTEREST FREE LOANS*

Loans advanced from related parties are financing transactions attracting no interest and are repayable one year and one day after the end of the financial period. As such, the directors are required to assess a market rate of interest for similar borrowing that may be available from lenders at arm's length, in order to quantify the carrying amount upon initial recognition at fair value, and the corresponding equity component. Market rates of interest are estimated by the directors by comparison with interest rates offered by banks for lending of comparable risk profile.

**2. TURNOVER**

All income is generated in the United Kingdom.

An analysis of the company's turnover is as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>		
Provision of Services	1,526,749	1,844,731
Sale of Goods	1,101,389	1,155,598
	<b>2,628,138</b>	<b>3,000,329</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2016 (continued)**

**3. OPERATING LOSS**

Operating loss is stated after charging/(crediting):

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration	14,000	13,750
Loss/(gain) on disposal of fixed assets	14,502	(9,254)
Loss/(gain) on foreign exchange	13,824	(5,073)
<b>Depreciation of tangible fixed assets:</b>		
Owned assets	202,006	234,397
Leased assets	31,889	44,449
Cost of stock recognised as an expense	406,640	543,596

**4. EMPLOYEES AND REMUNERATION**

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

	<b>2016</b>	<b>2015</b>
<i>By activity</i>	<i>No.</i>	<i>No.</i>
Golf operations	12	14
Food, beverage and accommodation	47	48
Grounds, landscaping and maintenance	18	18
Administration	16	15
	<b>93</b>	<b>95</b>

	<b>2016</b>	<b>2015</b>
<i>Employees costs comprise:</i>	<b>£</b>	<b>£</b>
Wages and salaries	1,831,795	1,924,140
Social welfare costs	149,915	153,496
	<b>1,981,710</b>	<b>2,077,636</b>

There was no directors' remuneration paid during the year ended 31 December 2016 (2015: £nil).

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Interest payable on finance leases	1,140	1,799
	<b>1,140</b>	<b>1,799</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2016 (continued)**

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

*(a) Analysis of charge in period:*

<i>Current tax:</i>	<b>2016</b> £	<b>2015</b> £
Corporation tax at 20% (2015: 20.25%)	-	-
<b>Tax on profit on ordinary activities</b>	<b>-</b>	<b>-</b>

*(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:

	<b>2016</b> £	<b>2015</b> £
Loss on ordinary activities before taxation	(1,405,308)	(1,096,108)
Profit on ordinary activities multiplied by standard rate in the United Kingdom 20% (2015: 20.25%)	(281,062)	(221,962)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	13,255	4,167
Fixed asset differences	600	(260)
Amounts credited directly to other reserves	39,510	50,255
Other permanent differences	3,013	234
Timing differences not recognised	(29,472)	(29,836)
Change in deferred tax rate	113,787	153,931
Deferred tax not recognised	140,369	43,471
<b>Tax charge for the year</b>	<b>-</b>	<b>-</b>

*(c) Circumstances affecting future tax charges:*

The corporation tax rate in the United Kingdom reduced to 20% from 1 April 2015. Further reductions have been announced to reduce corporation tax to 19% from 1 April 2017 and to 17% from 1 April 2020.

*(d) Deferred tax:*

A potential deferred tax asset of £1,502,291 (2015: £1,363,741) has not been recognised.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2016 (continued)**

**7: 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>
	£	£	£	£	£
<b>Cost:</b>					
At 31 December 2015	30,398,610	1,479,746	1,045,431	57,665	32,981,452
Additions	85,121	58,306	17,347	-	160,774
Disposals	(3,541)	(86,927)	(29,638)	(27,475)	(147,581)
<b>At 31 December 2016</b>	<b>30,480,190</b>	<b>1,451,125</b>	<b>1,033,140</b>	<b>30,190</b>	<b>32,994,645</b>
<b>Depreciation:</b>					
At 31 December 2015	-	906,085	489,507	21,933	1,417,525
Charge for the year	-	146,030	83,758	4,107	233,895
Disposals	-	(54,876)	(17,279)	(12,175)	(84,330)
<b>At 31 December 2016</b>	<b>-</b>	<b>997,239</b>	<b>555,986</b>	<b>13,865</b>	<b>1,567,090</b>
<b>Net book values:</b>					
<b>At 31 December 2016</b>	<b>30,480,190</b>	<b>453,886</b>	<b>477,154</b>	<b>16,325</b>	<b>31,427,555</b>
At 31 December 2015	30,398,610	573,661	555,924	35,732	31,563,927

**Assets held under finance leases and capitalised in plant and machinery**

	<b>2016</b>	<b>2015</b>
	£	£
Cost	317,860	317,860
Aggregate depreciation	(209,462)	(177,573)
<b>Net book value at 31 December</b>	<b>108,398</b>	<b>140,287</b>

**8. FINANCIAL INSTRUMENTS**

	<b>2016</b>	<b>2015</b>
	£	£
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	199,636	167,726
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	40,918,276	39,785,230

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2016 (continued)**

**9. STOCKS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Goods for resale	136,686	178,707
<b>At 31 December</b>	<b>136,686</b>	<b>178,707</b>

**10. DEBTORS – due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade debtors	16,796	24,028
Value added tax	-	25,649
Other debtors and prepayments	82,084	37,712
<b>At 31 December</b>	<b>98,880</b>	<b>87,389</b>

**11. CREDITORS – due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade creditors	213,134	287,827
Finances leases	41,973	41,337
Value added tax	36,099	-
Other taxes and social security	44,097	49,708
Other creditors and accruals	356,636	317,946
<b>At 31 December</b>	<b>691,939</b>	<b>696,818</b>

**12. CREDITORS – due after one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Finance leases	2,520	44,492
Other loans	40,616,321	39,361,535
<b>At 31 December</b>	<b>40,618,841</b>	<b>39,406,027</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2016 (continued)**

**13. LOANS AND OTHER BORROWINGS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Finance leases	44,493	85,829
Other loans	40,616,321	39,361,535
<b>At 31 December</b>	<b>40,660,814</b>	<b>39,447,364</b>

Repayment details for the Director's loans are detailed in note 18.

***Finance lease obligations***

Future minimum lease payments due under finance leases:

Within one year	41,973	41,337
In two to five years	2,520	44,492
	44,493	85,829

***Loans and other borrowings***

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.

Payable within one year	41,973	41,337
Payable after one year	40,618,841	39,406,027
	40,660,814	39,447,364

**14. SHARE CAPITAL**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b><i>Authorised, allotted, called up and fully paid:</i></b>		
1,000 ordinary shares of £1 each	1,000	1,000

**15. CONTROL**

The company was controlled during the year by Mr D J Trump. On 19 January 2017, Mr D J Trump's shares were transferred to DJT Holdings LLC. As of that date the ultimate controlling party is The Donald J Trump Revocable Trust dated April 7, 2014, of which Mr D Trump Jnr and Mr A Weisselberg are the trustees.

**16. RESERVES**

The profit and loss reserve represents cumulative realisable profits and losses.

Other reserves represent the equity component of financing loans.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2016 (continued)**

**17. OPERATING LEASE COMMITMENTS**

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

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Within one year	8,808	1,696
Between two and five years	15,703	1,272
	<b>23,881</b>	<b>2,968</b>

**18. RELATED PARTIES**

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

**Transactions with Related Parties**

Mr D J Trump was a director during the year and up until 19 January 2017. Included within creditors due after more than one year is a loan of £40,616,321 (2015: £39,361,535) from Mr D J Trump. This loan is interest free and has been discounted at a market note 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 £18,739 (2015: £26,716) were made from companies controlled by the directors. At the year end, £9,003 (2015: £nil) was due to these companies.

During the year sales of £23,872 (2015: £nil) were made to companies controlled by the directors. At the year end, £23,872 (2015: £nil) was due from these companies.

**19. CASH UTILISED IN OPERATIONS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b><i>Cash utilised in operations</i></b>		
Loss for the year	(1,405,308)	(1,096,108)
<i>Adjustments for:</i>		
Finance costs	1,140	1,799
Depreciation costs	233,895	278,826
Loss/(gain) on sale of fixed assets	14,502	(9,254)
	<b>(1,184,775)</b>	<b>(824,737)</b>
<i>Movement in working capital:</i>		
Decrease/(increase) in stocks	42,021	(57,411)
(Increase)/decrease in debtors	(11,491)	51,370
Decrease in creditors	(5,515)	(224,010)
Cash utilised in operations	<b>(1,130,756)</b>	<b>(1,054,788)</b>