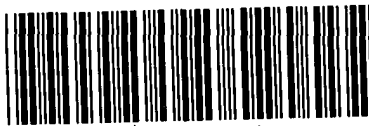


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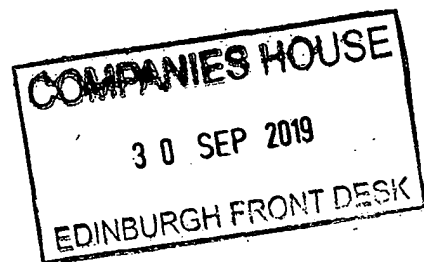
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COMPANIES HOUSE

Trump International Golf Club Scotland Limited

**Directors' report and financial statements for the year ended
31 December 2018**



TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED

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TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED

COMPANY INFORMATION

DIRECTORS

Mr D Trump Jnr
Mr E Trump
Mr A Weisselberg

REGISTERED OFFICE

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EN

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

TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED

STRATEGIC REPORT

for the year ended 31 December 2018

The directors present their strategic report for the company for the year ended 31 December 2018.

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, country house hotel, golf shop, bar and restaurant.

Given the inclement nature of the winter weather in the region, the operation of the golf course is seasonal, typically opening in March and closing in November/December in the current year. Subject to the weather, reduced operating hours apply in the winter months and MacLeod House & Lodge operating broadly mirrors the golf with slightly reduced hours.

REVIEW OF THE BUSINESS

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

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 2019, this trend will continue and further capital investments are planned.

RESULTS

The profit and loss account is set out on page 10. The operating loss before depreciation for the year ended 31 December 2018 amounted to £866,991 (2017: £1,054,935).

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 world golf rankings and plays an important part in the global Trump portfolio. The property received important rating and awards including Winner of Golf Club and Resort of the Year (Europe) from Luxury Travel Guide.

Despite the challenging economic climate and market conditions the property has increased revenues by 9%. Along with the increase in revenues, we have continued to control costs which has contributed to an 18% reduction in operating loss before depreciation.

The company has received further loans and net liabilities have risen by 10%.

STRATEGIC REPORT
for the year ended 31 December 2018 (continued)

FUTURE DEVELOPMENTS

The team is currently working on the next major phase of investment and development, which will release the capital potential of the land. This will include a 500 unit residential village, additional holiday cottages and lodge, future leisure facilities and amenities, plus commercial retail units. Planning approval was received for this and the second golf course in September 2019.

Early indications have shown a swell of interest from developers and the public for the plans proposed.

PRINCIPAL RISKS AND UNCERTAINTIES

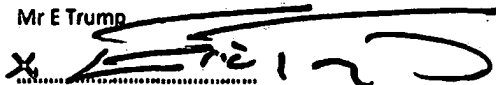
The directors have undertaken a comprehensive review of the risks facing the company.

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



27 SEPTEMBER 2019

DIRECTORS' REPORT

for the year ended 31 December 2018

The directors present their report and the audited financial statements of the company for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The principal activities, strategy and objectives of the company are included in the Strategic Report on pages 2-3.

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 2018 or 31 December 2017.

DIRECTORS AND SECRETARY

The directors are listed on page 1 and, unless otherwise stated, have served throughout the year ended 31 December 2018.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2018 (continued)

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.....

27 SEPTEMBER 2019

TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED

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 2018 which comprise the Profit and Loss Account, the Balance Sheet, Statement of Changes in Equity, Cashflow Statement and notes to the financial statements including a summary of 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 2018 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's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED

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

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

Chartered Accountants
Statutory Auditor

30 September 2019

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 2018

	Note	2018 £	2017 £
Turnover	2	2,767,463	2,549,836
Cost of sales	-	(2,551,731)	(2,466,542)
GROSS PROFIT		215,732	83,294
Administrative expenses	-	(1,082,723)	(1,138,229)
OPERATING LOSS BEFORE DEPRECIATION		(866,991)	(1,054,935)
Depreciation expense	8	(210,077)	(199,938)
OPERATING LOSS	3	(1,077,068)	(1,254,873)
Interest payable and similar charges	5	(436)	(963)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,077,504)	(1,255,836)
Tax credit on loss on ordinary activities	6	4,673	-
LOSS FOR THE FINANCIAL YEAR		(1,072,831)	(1,255,836)

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.

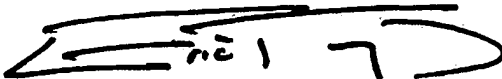
TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED

BALANCE SHEET
at 31 December 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Intangible assets	7	1,512	1,512
Tangible assets	8	31,853,894	31,533,338
		31,855,406	31,534,850
CURRENT ASSETS			
Stocks	10	151,818	190,336
Debtors	11	160,359	81,124
Cash at bank and in hand		96,542	131,688
		408,719	403,148
CREDITORS - due within one year	12	(786,478)	(701,223)
NET CURRENT LIABILITIES		(377,759)	(298,075)
TOTAL ASSETS LESS CURRENT LIABILITIES		31,477,647	31,236,775
CREDITORS - due after more than one year	13	(43,203,544)	(41,937,267)
NET LIABILITIES		(11,725,897)	(10,700,492)
CAPITAL AND RESERVES			
Called up share capital	16	1,000	1,000
Other reserves	18	1,724,338	1,676,912
Profit and loss reserves	18	(13,451,235)	(12,378,404)
SHAREHOLDERS' DEFICIT		(11,725,897)	(10,700,492)

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 27/09/19 and were signed on its behalf by:

x 

Director
Mr E Trump
Company Registered Number SC292100

TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED

**STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2018**

	Share capital	Other reserves	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2017	1,000	1,624,653	(11,122,568)	(9,496,915)
Period ended 31 December 2017				
Loss and total comprehensive expenditure for the year	-	-	(1,255,836)	(1,255,836)
Equity component of financing loan	-	52,259	-	52,529
Balance as at 31 December 2017	1,000	1,676,912	(12,378,404)	(10,700,492)
Period ended 31 December 2018				
Loss and total comprehensive expenditure for the year	-	-	(1,072,831)	(1,072,831)
Equity component of financing loan	-	47,426	-	47,426
Balance as at 31 December 2018	1,000	1,724,338	(13,451,235)	(11,725,897)

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

CASH FLOW STATEMENT
for the year ended 31 December 2018

	Note	2018 £	2017 £
<i>Cash flow from operating activities</i>			
Cash utilised in operations	21	(870,596)	(1,039,998)
Interest paid		(436)	(963)
Taxation		4,673	-
Net cash outflow from operating activities		(866,359)	(1,040,961)
<i>Investing activities</i>			
Purchase of fixed assets		(396,874)	(304,515)
Proceeds from disposal of fixed assets		56,259	13,953
Net cash used in investing activities		(340,615)	(290,562)
<i>Financing activities</i>			
Loan advances received		1,233,078	1,358,729
Capital element of finance lease payments		(61,250)	(46,262)
Net cash generated from financing activities		1,171,828	1,312,467
Net (decrease)/increase in cash and cash equivalents		(35,146)	(19,056)
Cash and cash equivalents at beginning of period		131,688	150,744
Cash and cash equivalents at end of period		96,542	131,688
Relating to:			
Cash at bank and in hand		96,542	131,688

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

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 2018 of £377,759 (2017: £298,075) 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. Revenue from the provision of services is recognised at the point the service is provided. 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.

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.

TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

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.

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 2018

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 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 2018

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.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2018 (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

The directors must consider whether there are any indicators of impairment in the carrying value of the company's fixed assets. In doing so, they have taken into account current market conditions and the company's future plans for the next stage of the development. Subsequent to the year end, planning approval was received, allowing phase two of the development to proceed in the near future, and realising significant investment and land values. On this basis, the directors are satisfied that there are no indicators of impairment at this time.

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.

TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018 (continued)

2. TURNOVER

All income is generated in the United Kingdom.

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

	2018	2017
	£	£
Turnover		
Provision of services	1,765,400	1,574,696
Sale of goods	1,002,063	975,140
	2,767,463	2,549,836

3. OPERATING LOSS

Operating loss is stated after charging:

	2018	2017
	£	£
Auditor's remuneration	15,500	15,000
(Profit)/Loss on disposal of fixed assets	(19,960)	7,249
Loss on foreign exchange	19,677	27,386
Depreciation of tangible fixed assets:		
Owned assets	180,421	171,708
Leased assets	29,656	28,230
Cost of stock recognised as an expense	424,788	407,277

4. EMPLOYEES AND REMUNERATION

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

	2018	2017
<i>By activity</i>	<i>No.</i>	<i>No.</i>
Golf operations	10	11
Food, beverage and accommodation	41	44
Grounds, landscaping and maintenance	15	17
Administration	11	12
	77	84

	2018	2017
<i>Employees costs comprise:</i>	<i>£</i>	<i>£</i>
Wages and salaries	1,686,313	1,706,624
Social welfare costs	134,647	132,859
Pension costs	31,294	11,715
	1,852,254	1,851,198

There was no directors' remuneration paid during the year ended 31 December 2018 (2017: £nil).

TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 December 2018 (continued)

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2018	2017
	£	£
Interest payable on finance leases	436	963
	436	963

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in period:

	2018	2017
	£	£
Current tax:		
Corporation tax at 19% (2017: 19.25%)	(4,673)	-
Tax on profit on ordinary activities	(4,673)	-

(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:

	2018	2017
	£	£
Loss on ordinary activities before taxation	(1,077,504)	(1,255,836)
Profit on ordinary activities multiplied by standard rate in the United Kingdom 19% (2017: 19.25%)	(204,726)	(241,748)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	3,968	3,418
Fixed asset differences	(176)	-
Amounts credited directly to other reserves	37,010	38,420
Other permanent differences	2,049	1,608
Tax credits	(4,673)	-
Other tax adjustments, reliefs and transfers	6,238	43
Timing differences not recognized	(27,999)	(28,362)
Change in deferred tax rate	19,330	26,452
Deferred tax not recognized	164,306	200,169
Tax charge for the year	(4,673)	-

(c) Circumstances affecting future tax charges:

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

(d) Deferred tax:

A potential deferred tax asset of £1,865,469 (2017: £1,702,460) has not been recognised.

TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018 (continued)

7. INTANGIBLE FIXED ASSETS

	<i>Intellectual property</i>
	<i>£</i>
Cost:	
At 31 December 2017	1,512
Additions	-
Disposals	-
At 31 December 2018	1,512
Amortisation and impairment:	
At 31 December 2017	-
Charge for the year	-
Disposals	-
At 31 December 2018	-
Net book values:	
At 31 December 2018	1,512
At 31 December 2017	1,512

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>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Cost:					
At 31 December 2017	30,661,511	1,468,642	1,091,355	30,190	33,251,698
Additions	265,900	208,207	92,824	-	566,931
Disposals	-	(142,243)	(17,207)	-	(159,450)
At 31 December 2018	30,927,411	1,534,606	1,166,972	30,190	33,659,179
Depreciation:					
At 31 December 2017	-	1,075,910	626,136	16,314	1,718,360
Charge for the year	-	127,637	80,359	2,081	210,077
Disposals	-	(115,102)	(8,050)	-	(123,152)
At 31 December 2018	-	1,088,445	698,445	18,395	1,805,285
Net book values:					
At 31 December 2018	30,927,411	446,161	468,527	11,795	31,853,894
At 31 December 2017	30,661,511	392,732	465,219	13,876	31,533,338

TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 December 2018 (continued)

8. TANGIBLE FIXED ASSETS (continued)

Assets held under finance leases and capitalised in plant and machinery

	2018	2017
	£	£
Cost	193,977	44,510
Aggregate depreciation	(34,151)	(14,337)
Net book value at 31 December	159,826	30,173

9. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	190,614	177,992
Carrying amount of financial liabilities		
Measured at amortised cost	43,572,330	42,201,368

10. STOCKS

	2018	2017
	£	£
Goods for resale	151,818	190,336
At 31 December	151,818	190,336

11. DEBTORS – due within one year

	2018	2017
	£	£
Trade debtors	26,296	2,498
Amounts due from fellow group undertakings	12,504	12,126
Other debtors and prepayments	116,886	66,500
Corporation tax recoverable	4,673	-
At 31 December	160,359	81,124

TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 December 2018 (continued)

12. CREDITORS – due within one year

	2018 £	2017 £
Trade creditors	295,690	201,107
Finances leases	35,857	7,675
Value added tax	18,338	37,711
Other taxes and social security	43,482	47,473
Other creditors and accruals	393,111	407,257
At 31 December	786,478	701,223

13. CREDITORS – due after one year

	2018 £	2017 £
Finance leases	95,103	14,476
Other loans	43,108,441	41,922,791
At 31 December	43,203,544	41,937,267

14. LOANS AND OTHER BORROWINGS

	2018 £	2017 £
Finance leases	130,960	22,151
Other loans	43,108,441	41,922,791
At 31 December	43,239,401	41,944,942

Repayment details for the other loans are detailed in note 20.

Finance lease obligations

Future minimum lease payments due under finance leases:

Within one year	35,857	7,675
In two to five years	95,103	14,476
	130,960	22,151

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.

TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018 (continued)

14. LOANS AND OTHER BORROWINGS (continued)

Loans and other borrowings

	2018	2017
	£	£
Payable within one year	-	-
Payable after one year	43,108,441	41,922,791
	<u>43,108,441</u>	<u>41,922,791</u>

15. RETIREMENT BENEFIT SCHEMES

Defined contribution schemes

	2018	2017
	£	£
Charge to profit or loss in respect of defined contribution schemes	31,294	11,715

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 £5,677 (2017: £nil).

16. SHARE CAPITAL

	2018	2017
	£	£
<i>Authorised, allotted, called up and fully paid:</i>		
1,000 ordinary shares of £1 each	1,000	1,000

17. CONTROL

The company was controlled by Mr D J Trump until his resignation on 19 January 2017. On this date, Mr D J Trump's shares were transferred to DJT Holdings LLC, a company registered in the United States of America.

The ultimate parent undertaking is The Donald J Trump Revocable Trust, a New York State grantor trust registered in New York, 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.

TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018 (continued)

18. RESERVES

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

19. 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:

	2018	2017
	£	£
Within one year	14,809	19,467
Between two and five years	16,993	25,234
	31,802	44,701

20. RELATED PARTIES

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

Transactions with Related Parties

Mr D J Trump was a director up until 19 January 2017. Included within creditors due after more than one year is a loan of £40,616,321 (2017: £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 £2,492,120 (2017: £1,306,470) 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 £4,266 (2017: £48,201) were made from companies controlled by the directors. At the year end, £1,462 (2017: £17,921) was due to these companies.

During the year, sales of £11,707 (2017: £296) were made to companies controlled by the directors. At the year end, £8,477 (2017: £1,548) was due from these companies.

The company has taken advantage of the exemption within FRS 102 Section 33 paragraph 33.1A from the requirement to disclose transactions with wholly owned companies in the same group.

TRUMP INTERNATIONAL GOLF CLUB SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2018 (continued)

21. CASH UTILISED IN OPERATIONS

	2018	2017
	£	£
<i>Cash utilised in operations</i>		
Loss for the year	(1,072,831)	(1,255,836)
Adjustments for:		
Finance costs	436	963
Taxation	(4,673)	-
Depreciation costs	210,077	199,938
(Profit)/Loss on sale of fixed assets	(19,960)	7,249
	(886,951)	(1,047,686)
Movement in working capital:		
Decrease/(increase) in stocks	38,518	(53,650)
(Increase)/decrease in debtors	(79,235)	17,756
Increase in creditors	57,072	43,582
Cash utilised in operations	(870,596)	(1,039,998)