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**Machrihanish Airbase  
Community Company**  
(a company limited by guarantee)

**Consolidated Accounts**

**For the year ended 30 September 2013**

**Registered Charity Number: SC042435  
Registered Company Number: SC348209**

# **Machrihanish Airbase Community Company**

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***For the year ended 30 September 2013***

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# **Machrihanish Airbase Community Company**

## **Information**

**For the year ended 30 September 2013**

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**Charity Name:** Machrihanish Airbase Community Company

**Operating Name:** Machrihanish Airbase Community Company

**Registered Office:** Building 79 D.E Machrihanish  
Machrihanish  
Campbeltown  
Argyll  
Scotland  
PA28 6NU

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**Charity Registration Number:** SC042435

**Company Registration Number:** SC348209

**Company Directors:** A Hemmings  
T Millar  
T Cameron  
J Graham  
D Mitchell  
I Wardrop  
J Martin  
C Bell  
I Mitchell

**Registered Auditors:** Mazars LLP  
90 St Vincent Street  
Glasgow  
G2 5UB

# **Machrihanish Airbase Community Company**

## **Report of the Directors**

***For the year ended 30 September 2013***

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The directors present their report together with the consolidated financial statements for the year ended 30 September 2013.

The company was incorporated on 5 September 2008 and granted charitable status on 7 July 2011. On 19 December 2011 a wholly owned subsidiary of the company, MACC Developments Limited was incorporated and commenced trading on 11 May 2012.

### **Statement of directors' responsibilities in respect of the financial statements**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the income or expenditure of the company for that period. 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 the Charity. In preparing those financial statements the directors are required to:-

- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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

### **Structure, governance and management**

Machrihanish Airbase Community Company is a company limited by guarantee, company number SC348209. The company has also registered with the Office of the Scottish Charity Regulator, number SC042435. Annual returns are made to the Office of the Scottish Charity Regulator, and the Foundation is recognised as a charity by HM Revenue and Customs for the purposes of Section 505 of the Income & Corporation Taxes Act 1988.

### **Constitution**

The company is limited by guarantee and does not have any share capital. Its governing instruments are its Memorandum and Articles of Association.

### **Objectives and strategies**

The overarching aim of the Machrihanish Airbase Community Company is to deliver lasting economic and social benefit to the local community by taking advantage of the resources and potential which the site offers.

The primary objectives of the Machrihanish Airbase Community Company for the period covered by this audit and working in conjunction with MACC Developments Limited (a wholly owned subsidiary) have been to achieve and maintain the secure financial and management foundation and sound operational control of the physical site that are required to achieve this overarching aim.

# Machrihanish Airbase Community Company

## Report of the Directors

For the year ended 30 September 2013

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The strategies employed to achieve this have included:

- a. Transfer of control and responsibility for the daily operation of the site to MACC Developments Limited and its board of directors.
- b. The Machrihanish Airbase Community Company has commenced a programme of management, maintenance and improvements for the varied on-site infrastructure systems that have been taken over from the Ministry of Defence.
- c. The Machrihanish Airbase Community Company has commenced a programme of rationalising Ministry of Defence processes and working practices in order to achieve efficiencies and cost reductions.
- d. The Machrihanish Airbase Community Company has commenced a programme to reduce financial and managerial liabilities and responsibilities.
- e. The Machrihanish Airbase Community Company has commenced strategic level exploration of possible new sources of income obtainable through utilisation of the assets on the site which satisfy its development criteria and aspirations.

### Appointment of directors

The company may by Ordinary Resolution in General meeting appoint a director. During the year there were eleven directors.

### Achievements and performance

2012/2013 was an incredibly busy year for Machrihanish Airbase Community Company as it continued to work with its public sector partners to implement the major infrastructure upgrades that was agreed during the pre buyout phase. The installation of a new potable water supply from Campbeltown to the 137 houses in the Sound of Kintyre and to existing tenants and buildings was completed; the HV ring main that encircles the site was serviced and upgraded; a new road was built within the site to improve ease of access around the airport; storm damage repairs to buildings was completed; and the new Business Manager role was filled.

12/13 also saw the implementation of essential new administrative processes for billing and recharging clients, the signing of a head lease between Machrihanish Airbase Community Company and its trading subsidiary, MACC Developments Ltd, was completed allowing the transfer of day to day operations to begin. During the year the TUPE transfer of staff from Vigilant Ltd and Amec Turner to MACC Developments Limited was completed

Lease negotiations with current and prospective tenants were undertaken with assistance from Rydens property consultants. Summer and Winter grazing auctions were carried out, reducing the maintenance burden from MACC Developments Limited and providing a new source of income. The potential benefits of renewable energy on the site were examined and work continues to establish how to maximise these benefits.

The year saw the use of the airbase and its assets for community activities increase with Campbeltown Running Club utilising the taxiway for a competition, the British Legion held a function in the Officers Mess, the Model Airplane flying club hosted two events showcasing model aircraft from all over Scotland, and the Sound of Kintyre Homeowners association AGM was hosted on site. Kintyre Youth Motocross Club took a lease of an area of land to create a track.

The taxiway at Machrihanish Airbase was the location chosen to attempt to break the land speed record on a human powered bicycle.

During the Kintyre and Arran powercuts of March 2013 Machrihanish Airbase was utilised as a home for walking wounded from Campbeltown Hospital and also became a makeshift powerstation operated by Scottish Hydro Electric Power Distribution to power Campbeltown while essential repairs were carried out.

Machrihanish Airbase Community Company hosted a number of ministerial visits to the site including Deputy First Minister and Cabinet Secretary for Infrastructure, Investment and Cities Nicola Sturgeon MSP and Cabinet Secretary for Finance, Employment and Sustainable Growth John Swinney MSP. As well as visits directors from MACC attended a Development Trusts Association Scotland and gave two presentations to packed auditoriums on the journey and challenges of the buyout process.

3 Directors resigned during the course of the year to create the board of MACC Developments Limited.

### Financial review

As shown on the Statement of Financial Activities (SOFA) on page 8, there was a net surplus in the year of £151,505 (2012 - £477,102). At the year end, the Group had funds of £619,256 (2012 - £467,751).

# Machrihanish Airbase Community Company

## Report of the Directors (Cont.)

For the year ended 30 September 2013

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### Future plans

There are three levels of use that the Machrihanish Airbase Community Company is focussing on:

1. Strategic level: Campbeltown/Machrihanish has been identified in the Scottish Government National Renewables Infrastructure Plan as one of the 'Renewables Hubs' marking it out as a suitable site for future renewable energy production related developments. The on-site buildings, large hard standing areas, proximity of the runway and the improved road links with the Campbeltown deep sea harbour identify the airbase site as a cornerstone of this national plan. The site has also been identified in the proposed Argyll and Bute Council Local Development Plan as a "Strategic Master-plan Area". The Machrihanish Airbase Community Company continues to explore the feasibility of energy production facilities being located on-site, including biomass, small scale hydro-power, solar and anaerobic digestion. In conjunction with its strategic partners (Highlands and Islands Enterprise, Scottish Government and Argyll and Bute Council) the future use of the site within the supply chain that would service both off-shore wind and tidal/marine turbine development has also been identified.

2. Local level: The Machrihanish Airbase Community Company needs to identify those local businesses that could utilise and take advantage of the assets that exist on the site. In difficult economic times this is a considerable challenge however the company will continue to promote the advantages that re-location can provide with a view to expanding the number of tenants on the site. Agricultural related activities on the site have also been identified as a economically viable given the amount of open land available for grazing/foraging and more developed activities in the future.

3. Community level: The Machrihanish Airbase Community Company will continue to explore the not for profit community related activities that are viable within the health and safety restrictions that the site is subject to as a result of its former use. Activities ranging from community garden/allotments/community shop have been suggested and the company continues to explore these uses with interested parties.

### Risk mitigation

The board of directors regularly review risk assessments for the company. Board level decisions are generally only taken after careful consideration of all influencing factors. The Machrihanish Airbase Community Company is a relatively risk averse company and in taking a long term structured view of the development of the site the Board have realised that decisions relating to activities which do not currently fit with the business model need to be reserved for a later date.

The board of directors has been particularly keen to mitigate risks associated with the operation of the infrastructure that the company has inherited from the Ministry of Defence.

### Policy on reserves

The Machrihanish Airbase Community Company is in the relatively early stages of its development having just taken over the site in May 2012.

The financial reserves of the company at September 2013 show total reserves of £619,256, which relates to £412,189 of unrestricted funds, including a designated reserve of £200,000 and £207,067 of restricted funds. The restricted funds represents the net book value of investment property and other assets acquired in the year.

### Directors

The directors who served throughout the year and to the date of this report were as follows:-

A Hemmings  
T Millar  
T Cameron  
J Graham  
D Mitchell  
I Wardrop  
J Martin  
C Bell  
I Mitchell (appointed 19 November 2013)  
D Graham (resigned 23 July 2013)  
M Paterson (resigned 23 July 2013)  
M Taylor (resigned 23 July 2013)

# Machrihanish Airbase Community Company

## Report of the Directors (Cont.)

*For the year ended 30 September 2013*

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### **Auditors**

A resolution to re-appoint Mazars LLP as auditors will be proposed at the forthcoming annual general meeting.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005).

### **Statements as to disclosure of information to auditors**

In accordance with charities legislation, as a Board of Directors, we confirm that all the steps necessary in order to make ourselves aware of any relevant audit information and, so far as we are aware, there is no relevant audit information of which our auditors are unaware.

### **Small company exemptions**

The directors have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board on 30 June 2014 and signed on its behalf by;

**I E Wardrop**  
Director

# **Machrihanish Airbase Community Company**

## **Independent auditor's Report to the Directors of Machrihanish Airbase Community Company**

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We have audited the financial statements of Machrihanish Airbase Community Company for the year ended 30 September 2013 which comprise the Consolidated and parent company Statement of Financial Activities, the Consolidated and parent company Balance Sheets 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).

### **Respective responsibilities of the Board of Directors and auditor**

As explained more fully in the Responsibilities Statement set out on page 2, the Directors are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under that Act.

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 (APB's) Ethical Standards for Auditors. This report is made solely to the charity's directors 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 charity's Executive Committee 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 charity and the charity's directors as a body for our audit work, for this report, or for the opinions we have formed.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 30 September 2013 and of the group's incoming resources and application of resources 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, Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



# **Machrihanish Airbase Community Company**

## **Independent auditor's Report to the Directors of Machrihanish Airbase Community Company**

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### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Director's Annual Report is inconsistent in any material respect with the financial statements; or
- the parent charitable company has not kept proper and adequate accounting records;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

PB Jibson, (Senior Statutory Auditor)

For and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditors

90 St Vincent Street  
Glasgow  
G2 5UB

Date: 30 June 2014

Mazars LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# Machrihanish Airbase Community Company

## Consolidated Statement of Financial Activities For the year ended 30 September 2013

	Notes	Unrestricted General Funds 2013	Unrestricted Designated Funds 2013 £	Restricted Funds 2013 £	Total funds 2013 £	Total Funds 2012 £
<b>INCOMING RESOURCES</b>						
<b>Incoming resources:</b>						
Investment rental income		382,477	-	-	382,477	213,233
Investment recharges income		565,440	-	-	565,440	241,382
Other incoming resources		60,663	-	-	60,663	17,153
Voluntary income - grants		-	-	87,211	87,211	373,686
<b>Total incoming resources</b>		<b>1,008,580</b>	<b>-</b>	<b>87,211</b>	<b>1,095,791</b>	<b>845,454</b>
<b>RESOURCES EXPENDED</b>						
Cost of generating investment income	4	630,570	-	-	630,570	250,431
Charitable activities	5	128,972	-	180,144	309,116	113,321
Governance costs	6	4,600	-	-	4,600	4,600
<b>Total resources expended</b>		<b>764,142</b>	<b>-</b>	<b>180,144</b>	<b>944,286</b>	<b>368,352</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>244,438</b>	<b>-</b>	<b>(92,933)</b>	<b>151,505</b>	<b>477,102</b>
<b>Transfers</b>		<b>(200,000)</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds for the year</b>		<b>44,438</b>	<b>200,000</b>	<b>(92,933)</b>	<b>151,505</b>	<b>477,102</b>
Funds brought forward		167,751	-	300,000	467,751	(9,351)
<b>Funds carried forward</b>	<b>13</b>	<b>212,189</b>	<b>200,000</b>	<b>207,067</b>	<b>619,256</b>	<b>467,751</b>

The statement of financial activities included all gains and losses recognised in the period. All incoming resources and resources expended derive from continuing activities.

# Machrihanish Airbase Community Company

Company number: SC348209

## Consolidated Balance Sheet For the year ended 30 September 2013

	Notes	2013 £	2012 £
<b>Fixed assets</b>			
Tangible assets	9	215,191	10,766
		<hr/>	<hr/>
		215,191	10,766
<b>Current assets</b>			
Debtors and prepayments	10	90,989	275,844
Cash at bank		448,646	329,772
		<hr/>	<hr/>
		539,635	605,616
<b>Current liabilities</b>			
Creditors and accruals	11	(135,570)	(148,631)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		404,065	456,985
		<hr/>	<hr/>
<b>NET ASSETS</b>		619,256	467,751
		<hr/> <hr/>	<hr/> <hr/>
<b>Funds</b>			
Unrestricted funds - general	13	212,189	167,751
Unrestricted funds - designated reserve	13	200,000	-
Restricted funds	13	207,067	300,000
		<hr/>	<hr/>
Total funds		619,256	467,751
		<hr/> <hr/>	<hr/> <hr/>

These accounts have been prepared in accordance with the special provisions subject to the smaller companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 30 June 2014 and authorised to be signed on its behalf by:

**I E Wardrop**  
Director

# Machrihanish Airbase Community Company

Company number: SC348209

## Charity Balance Sheet For the year ended 30 September 2013

	Notes	2013 £	2013 £	2012 £
<b>Fixed assets</b>				
Unlisted investments	8		1	1
Tangible assets	9		207,068	1
			<u>207,069</u>	<u>2</u>
<b>Current assets</b>				
Debtors and prepayments	10	220,410		458,239
Cash at bank		193,275		8,984
		<u>413,685</u>		<u>467,223</u>
<b>Current liabilities</b>				
Creditors and accruals	11	(7,150)		(7,388)
		<u>(7,150)</u>		<u>(7,388)</u>
<b>NET CURRENT ASSETS</b>			<u>406,535</u>	<u>459,835</u>
<b>NET ASSETS</b>			<u>613,604</u>	<u>459,837</u>
<b>Funds</b>				
Unrestricted funds - general	13		206,537	159,837
Unrestricted funds - designated reserve	13		200,000	-
Restricted funds	13		207,067	300,000
			<u>613,604</u>	<u>459,837</u>

These accounts have been prepared in accordance with the special provisions subject to the smaller companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 30 June 2014 and authorised to be signed on its behalf by:

I E Wardrop  
Director

# Machrihanish Airbase Community Company

## Notes to the Consolidated Financial Statements

For the year ended 30 September 2013

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**1. Accounting policies**

**a. Basis of preparation**

The financial statements have been prepared under the historical cost convention and are in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities). The financial statements comply with the provision of the Statement of Recommended Practice "Accounting and Reporting by Charities" (revised

**b. Basis of consolidation**

The group financial statements consolidate the charitable company and subsidiary undertaking for the financial year. No Profit and Loss Account has been presented for the charitable company as provided by section 408(4) of the Companies Act 2006.

**c. Incoming resources**

All incoming resources are included in the statement of financial activities on an accruals basis.

**d. Resources expended**

*Expenditure is recognised on an accruals basis as a liability is incurred.*

The allocation of expenditure between activities is made utilising our departmental reporting system on a basis that is designed to reflect the use of the resources.

*Costs of generating investment income*

Costs of generating investment income represent direct costs of the investment property

*Charitable activities*

Charitable activities includes costs incurred in the delivery of our charitable activities, including costs that can be allocated directly to these activities and indirect costs necessary to support them.

*Governance costs*

Governance costs include costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs related to the strategic management of the organisation.

**e. Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Investment property:	- 0% depreciation
Motor vehicles:	- 20% reducing balance
Office equipment:	- 20% straight line
Plant & machinery	- 20% straight line

Investment property is shown at market value, and no depreciation is provided thereon. Any surplus or deficit arising on revaluation is recognised in the statement of financial activities.

**f. Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**g. Legal status of the company**

The Company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

**h. Cashflow**

The financial statements do not include a Cash Flow Statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

## Machrihanish Airbase Community Company

### Notes to the Consolidated Financial Statements (Cont.) For the year ended 30 September 2013

	Group 2013 £	Group 2012 £
<b>2. Surplus is stated after charging</b>		
Auditor's remuneration	4,600	4,600
Depreciation	7,700	819
Staff costs	<u>246,065</u>	<u>76,716</u>
	<u>258,365</u>	<u>82,135</u>
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>3. Staff costs</b>		
Salaries	146,914	64,703
Compensation for loss of office and compromise agreements	86,536	7,010
Social security	<u>12,615</u>	<u>5,003</u>
	<u>246,065</u>	<u>76,716</u>
	<b>2013</b>	<b>2012</b>
	<b>Number</b>	<b>Number</b>
<b>The average monthly numbers of persons employed by the Group during the year was as follows;</b>		
Maintenance & security staff	7	7
Office staff	<u>1</u>	<u>1</u>
	<u>8</u>	<u>8</u>
The directors received no remuneration or reimbursement of expenses (2012:nil)		
	<b>Group</b>	<b>Group</b>
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>4. Costs of generating investment income</b>		
Wages and salaries	91,091	57,685
National insurance	8,252	4,550
Heat and light	494,574	172,938
Maintenance costs	-	319
Insurance	<u>36,653</u>	<u>14,939</u>
	<u>630,570</u>	<u>250,431</u>
	<b>Group</b>	<b>Group</b>
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>5. Charitable activities</b>		
Staff salaries	55,823	7,018
Compensation for loss of office and compromise agreements	86,536	7,010
National insurance	4,363	453
Staff training	6,984	-
Subscriptions	4,729	76
Computer costs	1,831	1,265
Advertising	1,134	1,462
Travelling expenses	823	2,325
Motor expenses	7,306	1,322
Entertainment	75	115
Printing, postage and stationery	1,466	1,311
Telephone expenses	2,150	1,836
Sundry expenses	1,555	361
Bank charges	565	154
Legal fees	36,531	1,692
Accountancy fees	11,805	10,997
Consultancy fees	17,502	67,830
Professional fees	3,125	-
Repairs and maintenance expenses	61,825	7,275
Depreciation of fixed assets	<u>2,988</u>	<u>819</u>
	<u>309,116</u>	<u>113,321</u>

## Machrihanish Airbase Community Company

### Notes to the Consolidated Financial Statements (Cont.)

For the year ended 30 September 2013

	Group 2013 £	Group 2012 £
<b>6. Governance costs</b>		
Auditor's fees	4,600	4,600
	<u>4,600</u>	<u>4,600</u>

### 7. Taxation

There is no corporation tax provision required in the consolidated financial statements as all taxable profits made by MACC Developments Limited are gifted to Machrihanish Airbase Community Company. The parent undertaking has been recognised as a charity by the Inland Revenue for the purposes of tax relief granted by Section 505 of the Income and Corporation Taxes Act 1998.

	Charity 2013 £	Charity 2012 £
<b>8. Investment in subsidiary</b>		
Shares in MACC Developments Limited	1	1

The unlisted investment is as follows;

Name	Class of shares	% held	Aggregate capital & reserves	Loss after tax
MACC Developments Limited	Ordinary	100%	5,654	2,261

9. Fixed assets	Investment property £	Group			Group Total £
		Motor vehicles £	Office equipment £	Plant & machinery £	
<b>Cost or valuation</b>					
As at 1 October 2012	1	10,000	1,584	-	11,585
Additions	199,977	-	-	7,437	207,414
As at 30 September 2013	<u>199,978</u>	<u>10,000</u>	<u>1,584</u>	<u>7,437</u>	<u>218,999</u>
<b>Depreciation</b>					
As at 1 October 2012	-	700	119	-	819
Charge for year	-	2,325	317	347	2,989
As at 30 September 2013	<u>-</u>	<u>3,025</u>	<u>436</u>	<u>347</u>	<u>3,808</u>
<b>Net book value</b>					
As at 30 September 2013	<u>199,978</u>	<u>6,975</u>	<u>1,148</u>	<u>7,090</u>	<u>215,191</u>
As at 30 September 2012	<u>1</u>	<u>9,300</u>	<u>1,465</u>	<u>-</u>	<u>10,766</u>

It is the directors' belief that the cost of the investment property equates to its market value at 30 September 2013

# Machrihanish Airbase Community Company

## Notes to the Accounts (Cont.)

For the year ended 30 September 2013

9. Fixed assets (cont)	Investment	Plant &	Charity
	property	machinery	Total
	£	£	£
<b>Cost or valuation</b>			
As at 1 October 2012	1	-	1
Additions	199,977	7,437	207,414
<b>As at 30 September 2013</b>	<b>199,978</b>	<b>7,437</b>	<b>207,415</b>
<b>Depreciation</b>			
As at 1 October 2012	-	-	-
Charge for year	-	347	347
<b>As at 30 September 2013</b>	<b>-</b>	<b>347</b>	<b>347</b>
<b>Net book value</b>			
As at 30 September 2013	199,978	7,090	207,068
As at 30 September 2012	1	-	1

It is the directors' belief that the cost of the investment property equates to its market value at 30 September 2013

10. Debtors and prepayments	Group		Charity	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	59,158	185,560	-	-
Other debtors and prepayments	31,831	90,284	-	-
Amounts due from subsidiary (note 15)	-	-	219,756	424,287
VAT	-	-	654	33,952
	90,989	275,844	220,410	458,239

11. Creditors and accruals	Group		Charity	
	2013	2012	2013	2012
	£	£	£	£
Trade creditors	55,558	20,256	-	-
Other creditors	52	9,548	-	-
Deferred income	54,186	49,792	-	-
Accruals	10,500	54,394	7,150	7,388
PAYE & NI	2,051	2,824	-	-
VAT	13,223	11,817	-	-
	135,570	148,631	7,150	7,388

Deferred income represents rental income billed in advance.



# Machrihanish Airbase Community Company

## Notes to the Accounts (Cont.) For the year ended 30 September 2013

	Unrestricted Funds	Restricted Funds	Total funds
	£	£	£
<b>12. Analysis of group net assets between funds</b>			
Fixed Assets	8,124	207,067	215,191
Current Assets	539,635	-	539,635
Current Liabilities	(135,570)	-	(135,570)
<b>Net assets at 30 September 2013</b>	<b>412,189</b>	<b>207,067</b>	<b>619,256</b>

<b>13. Analysis of charitable funds</b>	<b>1 October 2012</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>30 September 2013</b>
<b>Analysis of group fund movements</b>	£	£	£	£
General	167,751	808,580	(764,142)	212,189
Designated reserve	-	200,000	-	200,000
<b>Unrestricted funds</b>	<b>167,751</b>	<b>1,008,580</b>	<b>(764,142)</b>	<b>412,189</b>
Local authorities	-	87,211	(21,592)	65,619
The Scottish Government	300,000	-	(158,552)	141,448
<b>Restricted funds</b>	<b>300,000</b>	<b>87,211</b>	<b>(180,144)</b>	<b>207,067</b>
<b>Analysis of charity fund movements</b>	£	£	£	£
General	159,837	55,958	(9,258)	206,067
Designated reserve	-	200,000	-	200,000
<b>Unrestricted funds</b>	<b>159,837</b>	<b>255,958</b>	<b>(9,258)</b>	<b>406,537</b>
Local authorities	-	87,211	(21,592)	65,619
The Scottish Government	300,000	-	(158,552)	141,448
<b>Restricted funds</b>	<b>300,000</b>	<b>87,211</b>	<b>(180,144)</b>	<b>207,067</b>

The restricted funds relate to grant income received and include amounts used for the long term maintenance and repair of the site infrastructure. The balance of the funds represents the net book value of fixed assets financed by the grants.

£200,000 of the unrestricted funds has been transferred to a designated reserve in respect of anticipated expenditure on electrical capabilities.

## Machrihanish Airbase Community Company

### Notes to the Accounts (Cont.)

For the year ended 30 September 2013

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**14. Subsidiary company**

MACC Developments Limited is a wholly owned subsidiary of the charity. The company was incorporated on 19 December 2011 and commenced trading on 11 May 2012. The principal activity of the company is that of property rental and operation of the Machrihanish airbase. All profits made by the limited company are gifted to the charity for the purpose of benefiting the community of South Kintyre.

**15. Related party transactions**

During the year, the charity received donations of £230,208 (2012 - £163,295) from MACC Developments Limited, a wholly owned subsidiary of Machrihanish Airbase Community Company.

As at 30 September 2013, included within the charity balance sheet are amounts owed by subsidiary of £219,756 (2012: £424,287). No interest is charged on the balance to MACC Developments Limited. The balance has been eliminated on consolidation.

During the year, MACC Developments Limited, paid head lease rentals of £25,000 (2012 - £9,795) to Machrihanish Airbase Community Company. There is a formal lease in place for MACC Developments Limited to pay Machrihanish Airbase Community Company annual lease payments of £25,000 which expires in May 2017. The intercompany transaction has been eliminated on consolidation.

During the year the group paid £95,824 (2012:£nil) to McFadyen Contactors (Campbelltown) Limited £6,642 (2012:£1,138) to Jim Martin Supplies, £1,080 (2012:£nil) to Firm of Dugald Graham, £2,573 (2012:£nil) to Peter Paterson (Joiner) for services, businesses in which T Millar, J Martin, J Graham and M Paterson are involved.

All transactions which were on normal commercial terms, were approved by committees, which did not include the directors concerned.

**16. Ultimate controlling party**

In the directors' opinion, there is no ultimate controlling party