

**Machrihanish Airbase
Community Company**

(a company limited by guarantee)

Consolidated Accounts

For the year ended 30 September 2014

Registered Charity Number: SC042435

Registered Company Number: SC348209

Machrihanish Airbase Community Company

Contents

For the year ended 30 September 2014

	Page
Information	1
Report of the Directors	2 - 5
Audit Report	6 - 7
Consolidated Statement of Financial Activities	8
Consolidated Balance Sheet	9
Charity Balance Sheet	10
Notes to the Accounts	11 - 16

Machrihanish Airbase Community Company

Information

For the year ended 30 September 2014

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

Charity Registration Number: SC042435

Company Registration Number: SC348209

Company Directors: A Hemmings
T Millar
T Cameron (resigned 30 September 2014)
J Graham
D Mitchell (resigned 30 September 2014)
I Wardrop
J Martin
C Bell
I Mitchell
A McFadyen (appointed 1 October 2014)
M Paterson (appointed 1 October 2014)
A Ronald (appointed 1 October 2014)
N Hall (appointed 1 October 2014)

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

Bankers: Bank of Scotland
9 Longrow South
Cambeltown
PA28 6AL

Machrihanish Airbase Community Company

Report of the Directors

For the year ended 30 September 2014

The directors present their report together with the consolidated financial statements for the year ended 30 September 2014.

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 company is recognised as a charity by HM Revenue and Customs for the purposes of Section 505 of the Income & Corporation Taxes Act 1988.

The directors of the company also act as trustees for charity law purposes. The company endeavours to ensure that all trustees receive the induction, training and ongoing support they need to carry out their duties effectively.

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 airbase offers.

The primary objective of the Machrihanish Airbase Community Company is to maintain sound financial, management and operational control over the military airbase and to continue the charity's vision of transforming the airbase into a thriving business park. This objective is done in conjunction with MACC Developments Limited (a wholly owned subsidiary) which is the trading arm of the charity.

Machrihanish Airbase Community Company

Report of the Directors

For the year ended 30 September 2014

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 thirteen directors.

Achievements and performance

2013/2014 was another busy year for Machrihanish Airbase Community Company as it continued to work to redevelop the site. The potable water supply works were completed in early 2014 with all the major tenants on the site now connected to the Scottish Water mains supply, while work is continuing in preparation for the handover of the private water supply to MACC from Scottish Water. The upgrade to the sewage works was successfully completed and a local contractor appointed to oversee its operation. New authorised persons were appointed to oversee the running of the HV electricity system and enabling MACC to effectively deal with any problems that have arisen.

13/14 also saw the arrival of a new business manager for MACC Developments Ltd as well as the recruitment of a marketing and project officer through the Scotgrad and Strengthening Communities support streams respectively. The Marketing of the site is a key element required to attract new businesses, while further developing the ability to engage with the public through the implementation of a new website and social media presence will enable MACC to better engage with the community and potential businesses alike. The Project Officer will enable MACC to further develop its strategic business priorities. Lease negotiations with current and prospective tenants continued with new exciting prospects for future development moving closer to fruition, the tenant roll increased from 29 to 39 during the period. Summer and Winter grazing auctions were carried out again with the profits from the auction reinvested in fencing and reseeding grass areas ensuring better quality ground lets for future auctions.

The year saw the use of the airbase and its assets for community activities increase significantly with Campbeltown Running Club utilising the taxiway for several running competitions, the Officers Mess being used by Dunfermline Car Club and Drumlembie Primary School Homecoming committee for evening receptions, 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 for a second year. Kintyre Youth Motocross Club continues to operate from the site growing from strength to strength while plans are well underway to host Argyll's first 'tough mudder' event.

The biggest event of the year was the inaugural MACH 1 car rally hosted by MACC and run by Dunfermline Car Club (DCC) alongside Kintyre and Argyll Events. The event is a new addition to the Scottish Tarmac Rally Championship and was overwhelmingly successful for DCC with a full entry list of 100 cars, unprecedented for a new event on the championship calendar. There was approximately 1500 spectators over the two days and national press coverage of the event, work has begun in earnest for the 2015 rally to build on the success of its first year. A survey carried out by MACC revealed that over 50% of accommodation bookings were linked to the event with every business surveyed hoping the MACH 1 becomes an annual event.

The taxiway at Machrihanish Airbase was utilised by car manufacturer Bentley to showcase the performance of its new model to the worlds press while the west coast of Kintyre was utilised as a stunning backdrop for a photoshoot.

In September 2014, MACC made a charitable donation to the Kintyre Kidney Dialysis Campaign of £15,000 to ensure that Campbeltown Hospital provides dialysis treatment in house with the purpose of improving the quality of life for those whose lives depend on the treatment rather than sending patients to Glasgow 3 days a week, 52 weeks a year.

Machrihanish Airbase Community Company again hosted a number of ministerial and public sector visits to the site during the period including, Mike McKenzie MSP, Alan Reid MP, Professor Lorne Crerar, HIE Board Chairman, Rachael McCormack, HIE Strengthening Communities Director, Rhoda Grant MSP, and Sally Loudon, Chief Executive of Argyll & Bute Council. The site continues to impress and inspire all those who visit.

Financial review

As shown on the Statement of Financial Activities (SOFA) on page 8, there was a net surplus in the year of £107,460 (2013 - £151,505). At the year end, the Group had funds of £726,716 (2013 - £619,256).

Machrihanish Airbase Community Company

Report of the Directors (Cont.)

For the year ended 30 September 2014

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 group at September 2014 show total reserves of £726,716, which relates to £521,136 of unrestricted funds, including a designated reserve of £200,000 and £205,580 of restricted funds. The restricted funds represents the current net book value of investment property and other assets acquired in the year ended 30 September 2013 for which grants were obtained.

Directors

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

A Hemmings
T Millar
T Cameron (resigned 30 September 2014)
J Graham
D Mitchell (resigned 30 September 2014)
I Wardrop
J Martin
C Bell
I Mitchell
A MacFadyen (appointed 1 October 2014)
M Paterson (appointed 1 October 2014)
A Ronald (appointed 1 October 2014)
N Hall (appointed 1 October 2014)

Machrihanish Airbase Community Company

Report of the Directors (Cont.)

For the year ended 30 September 2014

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 and signed on its behalf by;

T Millar
Director

Machrihanish Airbase Community Company

Independent auditor's report to the trustees and members of Machrihanish Airbase Community Company

We have audited the financial statements of Machrihanish Airbase Community Company for the year ended 30 September 2014 which comprise the Consolidated 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).

This report is made solely to the charity's trustees and members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities and Trustees Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors (who are also the trustees of the charity for charity law purposes) are responsible for the preparation of the financial statements and for being satisfied that they 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 those Acts.

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at 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 2014 and of their incoming resources and application of resources, including its income and expenditure, 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

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:

- 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

John McLeod, (Senior Statutory Auditor)

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

90 St Vincent Street
Glasgow
G2 5UB

Date:

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 2014

	Notes	Unrestricted General Funds 2014 £	Unrestricted Designated Funds 2014 £	Restricted Funds 2014 £	Total Funds 2014 £	Total Funds 2013 £
INCOMING RESOURCES						
Incoming resources:						
Investment rental income		398,528	-	-	398,528	382,477
Investment recharges income		480,290	-	-	480,290	565,440
Other incoming resources		46,826	-	-	46,826	60,663
Voluntary income - grants		-	-	21,000	21,000	87,211
Total incoming resources		925,644	-	21,000	946,644	1,095,791
RESOURCES EXPENDED						
Cost of generating investment income	4	569,590	-	-	569,590	630,570
Charitable activities	5	242,407	-	22,487	264,894	309,116
Governance costs	6	4,700	-	-	4,700	4,600
Total resources expended		816,697	-	22,487	839,184	944,286
Net incoming resources before transfers		108,947	-	(1,487)	107,460	151,505
Transfers		-	-	-	-	-
Net movement in funds for the year		108,947	-	(1,487)	107,460	151,505
Funds brought forward		212,189	200,000	207,067	619,256	467,751
Funds carried forward	13	321,136	200,000	205,580	726,716	619,256

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 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	9	250,213	215,191
		<hr/>	<hr/>
		250,213	215,191
Current assets			
Debtors and prepayments	10	49,157	90,989
Cash at bank		557,831	448,646
		<hr/>	<hr/>
		606,988	539,635
Current liabilities			
Creditors and accruals	11	(130,485)	(135,570)
		<hr/>	<hr/>
NET CURRENT ASSETS		476,503	404,065
		<hr/>	<hr/>
NET ASSETS		726,716	619,256
		<hr/> <hr/>	<hr/> <hr/>
Funds			
Unrestricted funds - general	13	321,136	212,189
Unrestricted funds - designated reserve	13	200,000	200,000
Restricted funds	13	205,580	207,067
		<hr/>	<hr/>
Total funds		726,716	619,256
		<hr/> <hr/>	<hr/> <hr/>

These financial statements have been prepared in accordance with the special provisions subject to the smaller companies regime within Part 15 of the Companies Act 2006, and the Financial Reporting Standard for Smaller Entities (effective April 2008).

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

T Millar
Director

Machrihanish Airbase Community Company

Company number: SC348209

Charity Balance Sheet

For the year ended 30 September 2014

	Notes	2014 £	2014 £	As restated 2013 £	As restated 2013 £
Fixed assets					
Unlisted investments	8		1		1
Tangible assets	9		243,684		207,068
			<u>243,685</u>		<u>207,069</u>
Current assets					
Debtors and prepayments	10	16,740		57,115	
Cash at bank		365,473		193,275	
		<u>382,213</u>		<u>250,390</u>	
Current liabilities					
Creditors and accruals	11	(7,150)		(7,150)	
		<u>(7,150)</u>		<u>(7,150)</u>	
NET CURRENT ASSETS			<u>375,063</u>		<u>243,240</u>
NET ASSETS			<u>618,748</u>		<u>450,309</u>
Funds					
Unrestricted funds - general	13		213,167		43,242
Unrestricted funds - designated reserve	13		200,000		200,000
Restricted funds	13		205,580		207,067
			<u>618,747</u>		<u>450,309</u>

These financial statements have been prepared in accordance with the special provisions subject to the smaller companies regime within Part 15 of the Companies Act 2006, and the Financial Reporting Standard for Smaller Entities (effective April

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

T Millar
Director

Machrihanish Airbase Community Company

Notes to the Consolidated Financial Statements

For the year ended 30 September 2014

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, other than investment property, 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:

Motor vehicles	- 20% reducing balance
Office equipment & furniture	- 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).

i. Prior year adjustment

Following the ICAEW Technical Release 16/14BL on 31 October 2014, the charity has changed its accounting policy for donations received from its subsidiary undertaking. Previously such donations receivable were recognised as income in the year in which they were generated by the subsidiary undertaking. Such receipts are now recognised at the earlier of when the distribution is received or when the distribution is approved by the subsidiary company's Board of Directors.

As a result of this change in accounting policy the prior year balances for amounts owed by group undertakings and the balance of unrestricted reserves have been restated and show a reduction of £163,295, from the amounts previously presented.

There is no impact on the consolidated balance sheet, cash flow statement or income and expenditure account as a result of this change.

Machrihanish Airbase Community Company

Notes to the Consolidated Financial Statements (Cont.) For the year ended 30 September 2014

	Group 2014 £	Group 2013 £
2. Surplus is stated after charging		
Auditor's remuneration	4,700	4,600
Depreciation	4,290	7,700
Staff costs	151,160	246,065
	<u>151,160</u>	<u>246,065</u>
	Group 2014 £	Group 2013 £
3. Staff costs		
Salaries	141,162	146,914
Compensation for loss of office and compromise agreements	-	86,536
Social security	9,998	12,615
	<u>151,160</u>	<u>246,065</u>
	Group 2014 Number	Group 2013 Number
The average monthly numbers of persons employed by the Group during the year was as follows;		
Maintenance & security staff	8	7
Office staff	1	1
	<u>9</u>	<u>8</u>
In the current and prior year, directors received no remuneration or reimbursement of expenses.		
	Group 2014 £	Group 2013 £
4. Costs of generating investment income		
Wages and salaries	102,240	91,091
National insurance	6,309	8,252
Heat and light	413,686	494,574
Insurance	47,355	36,653
	<u>569,590</u>	<u>630,570</u>
	Group 2014 £	Group 2013 £
5. Charitable activities		
Staff salaries	38,922	55,823
Compensation for loss of office and compromise agreements	-	86,536
National insurance	3,689	4,363
Staff training	6,866	6,984
Subscriptions	-	4,729
Computer costs	2,205	1,831
Advertising	2,563	1,134
Travelling expenses	605	823
Motor expenses	8,798	7,306
Entertainment	493	75
Printing, postage and stationery	1,669	1,466
Telephone expenses	1,335	2,150
Sundry expenses	9,668	1,555
Bank charges	585	565
Legal fees	36,047	36,531
Accountancy fees	11,844	11,805
Consultancy fees	5,875	17,502
Professional fees	1,056	3,125
Repairs and maintenance expenses	85,799	61,825
Bad debts	6,555	-
Charitable donations	15,030	-
Depreciation of fixed assets	2,803	2,988
	<u>242,407</u>	<u>309,116</u>

Machrihanish Airbase Community Company

Notes to the Consolidated Financial Statements (Cont.) For the year ended 30 September 2014

	Group 2014 £	Group 2013 £
6. Governance costs		
Auditor's fees	4,700	4,600
	<u>4,700</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 HM Revenue & Customs for the purposes of tax relief granted by Section 505 of the Income and Corporation Taxes Act 1998.

	Charity 2014 £	Charity 2013 £
8. Investment in subsidiary		
Shares in MACC Developments Limited	1	1

The unlisted investment is as follows;

Name	Class of shares	% held	Aggregate capital & reserves	Profit after tax
MACC Developments Limited	Ordinary	100%	107,971	102,317

Details of the subsidiary company are provided in note 14.

9. Fixed assets	Investment property	Group			Total
		Motor vehicles	Office equipment & furniture	Plant & machinery	
	£	£	£	£	£
Cost					
As at 1 October 2013	199,978	10,000	1,584	7,437	218,999
Additions	23,580	-	15,733	-	39,313
As at 30 September 2014	<u>223,558</u>	<u>10,000</u>	<u>17,317</u>	<u>7,437</u>	<u>258,312</u>
Depreciation					
As at 1 October 2013	-	3,025	436	347	3,808
Charge for year	-	1,744	1,060	1,487	4,291
As at 30 September 2014	<u>-</u>	<u>4,769</u>	<u>1,496</u>	<u>1,834</u>	<u>8,099</u>
Net book value					
As at 30 September 2014	<u>223,558</u>	<u>5,231</u>	<u>15,821</u>	<u>5,603</u>	<u>250,213</u>
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>

It is the directors' belief that the cost of the investment property equates to its market value at 30 September 2014.

Machrihanish Airbase Community Company

Notes to the Accounts (Cont.)

For the year ended 30 September 2014

9. Fixed assets (cont)	Investment	Charity	Plant &	Total
	property	Office equipment & furniture	machinery	
	£	£	£	£
Cost				
As at 1 October 2013	199,978	-	7,437	207,415
Additions	23,580	15,258	-	38,838
As at 30 September 2014	223,558	15,258	7,437	246,253
Depreciation				
As at 1 October 2013	-	-	347	347
Charge for year	-	735	1,487	2,222
As at 30 September 2014	-	735	1,834	2,569
Net book value				
As at 30 September 2014	223,558	14,523	5,603	243,684
As at 30 September 2013	199,978	-	7,090	207,068

It is the directors' belief that the cost of the investment property equates to its market value at 30 September 2014.

10. Debtors and prepayments	Group		Charity As restated	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	11,790	59,158	-	-
Other debtors and prepayments	35,004	31,831	-	-
Amounts due from subsidiary (note 15)	-	-	14,377	56,461
VAT	2,363	-	2,363	654
	49,157	90,989	16,740	57,115

11. Creditors and accruals	Group		Charity	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	48,402	55,558	-	-
Other creditors	65,168	64,738	7,150	7,150
VAT, PAYE & NI	16,915	15,274	-	-
	130,485	135,570	7,150	7,150

Other creditors include deferred income representing rental income billed in advance.

Machrihanish Airbase Community Company

Notes to the Accounts (Cont.) For the year ended 30 September 2014

	Unrestricted Funds £	Restricted Funds £	Total Funds £
12. Analysis of group net assets between funds			
Fixed assets	44,633	205,580	250,213
Current assets	606,988	-	606,988
Current liabilities	(130,485)	-	(130,485)
 Net assets at 30 September 2014	 521,136	 205,580	 726,716

13. Analysis of charitable funds	1 October 2013	Incoming Resources	Resources Expended	30 September 2014
Analysis of group fund movements	£	£	£	£
General	212,189	925,644	(816,697)	321,136
Designated reserve	200,000	-	-	200,000
Unrestricted funds	412,189	925,644	(816,697)	521,136
Property improvement fund	207,067	21,000	(22,487)	205,580
Restricted funds	207,067	21,000	(22,487)	205,580
	As restated			
	1 October 2013	Incoming Resources	Resources Expended	30 September 2014
Analysis of charity fund movements	£	£	£	£
General	43,242	190,146	(19,221)	214,167
Designated reserve	200,000	-	-	200,000
Unrestricted funds	243,242	190,146	(19,221)	414,167
Property improvement fund	207,067	21,000	(22,487)	205,580
Restricted funds	207,067	21,000	(22,487)	205,580

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 2014

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 £163,295 (2013 - £230,208) from MACC Developments Limited, a wholly owned subsidiary of Machrihanish Airbase Community Company, in respect of the profits of the previous period.

As at 30 September 2014, included within the charity balance sheet are amounts owed by subsidiary of £14,377 (2013: £56,461). 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 (2013 - £25,000) 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, expiring in May 2017. The intercompany transaction has been eliminated on consolidation.

During the year the group paid £21,287 (2013 - £95,824) to McFadyens Contractors (Campbeltown) Limited £7,598 (2013 - £6,642) to Jim Martin Supplies, £1,501 (2013 - £1,080) to Firm of Dugald Graham, and £1,597 (2013: £2,573) 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