

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

Consolidated Accounts

For the period ended 31 March 2016

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

Machrihanish Airbase Community Company

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For the period ended 31 March 2016

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Machrihanish Airbase Community Company

Information

For the period ended 31 March 2016

Charity Name: Machrihanish Airbase Community Company

Operating Name: Machrihanish Airbase Community Company

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

Charity Registration Number: SC042435

Company Registration Number: SC348209

Company Directors: A Hemmings
T Millar
J Graham
D Mitchell
I Wardrop
J Martin
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
Campbelltown
PA28 6AL

Machrihanish Airbase Community Company

Report of the Directors

For the period ended 31 March 2016

The directors present their report together with the consolidated financial statements for the period from 1 October 2014 to 31 March 2016.

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 and Charities and Trustee Investment (Scotland) Act 2005. 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 period ended 31 March 2016

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 period there were eleven directors.

Achievements and performance

2014-2016 was another prosperous period for Machrihanish Airbase Community Company (MACC) as it continued to work to redevelop the site from airbase to business park. As agreed at the previous AGM the financial year end was changed to allow the presentation of more accurate and up to date results for future AGM's so this report covers an 18 month period from October 2014 to March 2016. During the period MACC took over the responsibility of running the on site raw water supply and the upgrade to the sewage pumps were completed and aside from some teething problems the systems have been functioning well. The onsite private electricity system continues to function reliably and is maintained by local electrician companies that MACC has trained to Authorised Person status to provide a quick response to any faults. The Business Park continues to receive regular enquiries from companies interested in utilising the assets that the site has to offer and during the period the tenant roll increased from 39 to 52.

During the period MACC received funding from the HIE Scotgrad scheme to recruit a graduate marketing officer for 1 year. This resulted in creation of a new look website complete with new marketing materials and social media platforms to improve promotion of our asset and the charitable activities that take place on site. Thanks to profits made in the period MACC was able to extend the post for an additional year with the Marketing Officer eventually moving on to another more challenging role with the local development trust. The HIE and Scottish Government funded Project Officer post has enabled progress on a number of its strategic business priorities including; high speed broadband, onsite renewable energy, building re-development, and a sea pipeline. The biggest news during the period was received in early 2015 that the MACC site had been shortlisted as one of eight and eventually five sites that could host the UK's first Spaceport. On hearing this MACC set up another trading subsidiary called Discover Space UK and established a consortium with Argyll & Bute Council to take forward the case for Machrihanish to become the UK's first spaceport. The work involved is understandably substantial and continues to date with the assistance of specialist consultants and the Project Officer as well as volunteer directors from MACC.

The period saw MACC host another successful MACH 1 rally in July 2015 with over 100 vehicles competing in the event. Eventually won after 89 grueling miles by a single second, the event continues to grow in reputation with a survey completed after the event adding further proof of the economic and social benefit that the rally brings thanks mainly due to the number of competitors from outwith Argyll attending and using local facilities. The use of the airbase and its assets for community activities continued with Campbeltown Running Club utilising the taxiway for running and cycling competitions, the Officers Mess being used by Dunfermline Car Club and Kintyre Amateur Swimming club to host 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 third year. Kintyre Youth Motocross Club continues to operate from the site while Argyll's first tough mudder event - the MACC Challenge - held two events during the period and plans for its third year are in place with double the number of entries now available compared to the first year. The tough mudder has so far raised and donated £4884.17 to local good causes.

MACC also used its storage assets to assist local charities and not for profit organisations during the period with the Campbeltown Picture House utilising some space of its more precious and bulkier goods during its refurbishment, the Campbeltown Christmas Lights are stored on site and MACC was the hub for all the clothes and goods for the very successful Campbeltown - Help for Syrian Refugees campaign. Further engagement with local primary schools - Carradale and Drumlemble - thanks to the interest around the UK astronaut Tim Peake's travel to the International Space Station and the link with the UK spaceport led to several visits and an inaugural 'stomp rocket' launch! During the period a total commitment of £5,840 in donations was made to Dunaverty Village Hall project, Campbeltown Junior Running Club, Campbeltown Sailing Club watersports project and Campbeltown Picture House refurbishment project.

Machrihanish Airbase Community Company

Report of the Directors (Cont.)

For the period ended 31 March 2016

Achievements and performance (continued)

The original 3 year MACC Business Plan was completed during the period with another business plan in development and expected to be ready in Q3 of 2016. A review of the original business plan will be conducted as part of the new business plan development but considerable progress has been made in many of the aspects outlined in the original business plan.

Financial review

As shown on the Statement of Financial Activities (SOFA) on page 8, there was a net surplus in the period of £146,558 (2014: £107,460). At the period end, the Group had funds of £873,274 (2014: £726,716).

Future plans

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

- 1. Strategic level:** Campbelltown/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 Campbelltown 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 31 March 2016 show total reserves of £873,274, which relates to £667,694 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.

Machrihanish Airbase Community Company

Report of the Directors (Cont.)

For the period ended 31 March 2016

Directors

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

A Hemmings
T Millar
J Graham
D Mitchell
I Wardrop
J Martin
C Bell (resigned on 15 September 2015)
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)

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 (effective 1 January 2015).

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 directors and members of Machrihanish Airbase Community Company

We have audited the financial statements of Machrihanish Airbase Community Company for the period ended 31 March 2016 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 the Statement of Recommended Practice 'Accounting and Reporting by Charities (FRSSE 2015)'.

This report is made solely to the charity's directors 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 trustees and 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 31 March 2016 and of the group's income and expenditure, for the period 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 period 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: 27/9/16

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 18 month period ended 31 March 2016

	Notes	Unrestricted General Funds 2016 £	Unrestricted Designated Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 12 months to 30 September 2014 £
Income and endowments from:						
Investment rental income		687,316	-	-	687,316	398,528
Investment recharges income		755,663	-	-	755,663	480,290
Other incoming resources		38,191	-	-	38,191	46,826
Voluntary income - grants		-	-	138,434	138,434	21,000
Total income		1,481,170	-	138,434	1,619,604	946,644
Expenditure on:						
Cost of generating investment income	4	837,489	-	138,434	975,923	569,590
Charitable activities	5	497,123	-	-	497,123	269,594
Total expenditure		1,334,612	-	138,434	1,473,046	839,184
Net income		146,558	-	-	146,558	107,460
Transfers between funds		-	-	-	-	-
Net movement in funds		146,558	-	-	146,558	107,460
Reconciliation of funds:						
Total funds brought forward		321,136	200,000	205,580	726,716	619,256
Total funds carried forward	12	467,694	200,000	205,580	873,274	726,716

The statement of financial activities includes all gains and losses recognised in the period. All income and expenditure relate to continuing activities. The accompanying accounting policies and notes form an integral part of these financial statements.

Machrihanish Airbase Community Company

Company number: SC348209

Consolidated Balance Sheet For the 18 month period ended 31 March 2016

	Notes	30-Sep 2016 £	30-Sep 2014 £
Fixed assets			
Tangible assets	8	281,193	250,213
		<hr/>	<hr/>
		281,193	250,213
Current assets			
Debtors and prepayments	9	152,875	49,157
Cash at bank		604,335	557,831
		<hr/>	<hr/>
		757,210	606,988
Current liabilities			
Creditors and accruals	10	(165,129)	(130,485)
		<hr/>	<hr/>
NET CURRENT ASSETS		592,081	476,503
		<hr/>	<hr/>
NET ASSETS		873,274	726,716
		<hr/>	<hr/>
Funds			
Unrestricted funds - general	12	467,694	321,136
Unrestricted funds - designated reserve	12	200,000	200,000
Restricted funds	12	205,580	205,580
		<hr/>	<hr/>
Total funds		873,274	726,716
		<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 2015).

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 18 month period ended 31 March 2016

	Notes	2016 £	2016 £	2014 £	30 September 2014 £
Fixed assets					
Investments	7		101		1
Tangible assets	8		255,275		243,684
			<u>255,376</u>		<u>243,685</u>
Current assets					
Debtors and prepayments	9	41,158		16,740	
Cash at bank		368,539		365,472	
		<u>409,697</u>		<u>382,212</u>	
Current liabilities					
Creditors and accruals	10	(11,383)		(7,150)	
NET CURRENT ASSETS			<u>398,314</u>		<u>375,062</u>
NET ASSETS			<u><u>653,690</u></u>		<u><u>618,747</u></u>
Funds					
Unrestricted funds - general	12		248,110		213,167
Unrestricted funds - designated reserve	12		200,000		200,000
Restricted funds	12		205,580		205,580
			<u>653,690</u>		<u>618,747</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 18 month period ended 31 March 2016

1. Accounting policies

a. Basis of preparation

The financial statements have been prepared in accordance with the 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015)', the Charities and Trustee Investment (Scotland) Act 2005, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. The financial statements have been prepared under the historic cost convention.

b. Basis of consolidation

The group financial statements consolidate the charitable company and subsidiary undertakings for the financial period. No Statement of Financial Activities has been presented for the charitable company as provided by section 408(4) of the Companies Act 2006.

c. Income

All income is included in the statement of financial activities on an accruals basis.

d. Expenditure

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 January 2015).

Machrihanish Airbase Community Company

Notes to the Consolidated Financial Statements (Cont.) For the 18 month period ended 31 March 2016

	Group 2016 £	Group 2014 £
2. Surplus is stated after charging		
Auditor's remuneration	5,500	4,700
Depreciation	11,113	4,290
Staff costs	290,467	151,160
	<u>290,467</u>	<u>151,160</u>
	Group 2016 £	Group 2014 £
3. Staff costs		
Salaries	269,065	141,162
Social security	21,402	9,998
	<u>290,467</u>	<u>151,160</u>
	Group 2016 Number	Group 2014 Number
The average monthly numbers of persons employed by the Group during the year was as follows;		
Maintenance & security staff	8	8
Office staff	2	1
	<u>10</u>	<u>9</u>
In the current and prior year, directors received no remuneration or reimbursement of expenses.		
	Group 2016 £	Group 2014 £
4. Costs of generating investment income		
Wages and salaries	210,565	102,240
National insurance	16,102	6,309
Heat and light	675,870	413,686
Insurance	71,266	47,355
Materials purchased	807	-
Water rates	1,313	-
	<u>975,923</u>	<u>569,590</u>
	Group 2016 £	Group 2014 £
5. Charitable activities		
Staff salaries	58,500	38,922
National insurance	5,300	3,689
Staff training	2,415	6,866
Subscriptions	2,456	-
Computer costs	3,672	2,205
Advertising	9,922	2,563
Travelling expenses	3,270	605
Motor expenses	10,015	8,798
Entertainment	602	493
Printing, postage and stationery	3,152	1,669
Telephone expenses	2,239	1,335
Sundry expenses	12,701	9,668
Bank charges	984	585
Legal fees	57,940	36,047
Accountancy fees	13,269	11,844
Governance costs (note 6)	5,500	4,700
Consultancy fees	65,409	5,875
Professional fees	88,800	1,056
Repairs and maintenance expenses	149,422	108,286
Bad debts	-	6,555
Charitable donations	3,870	15,030
Depreciation of fixed assets	11,113	2,803
Irrecoverable VAT	8,722	-
P/L on sale of fixed assets	(2,150)	-
	<u>497,123</u>	<u>269,594</u>

Machrihanish Airbase Community Company

Notes to the Consolidated Financial Statements (Cont.)

For the 18 month period ended 31 March 2016

6. 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 2016 £	Charity 2014 £
7. Investments in subsidiary undertakings		
Shares in Discover Space UK Limited	100	-
Shares in MACC Developments Limited	1	1
	<u>101</u>	<u>1</u>

The subsidiary undertakings are as follows;

Name	Class of shares	% held	Aggregate capital & reserves	Profit after tax
MACC Developments Limited	Ordinary	100%	219,584	226,613
Discover Space UK Limited	Ordinary	100%	<u>100</u>	<u>-</u>

Details of the subsidiary companies are provided in note 14.

8. Fixed assets	Investment property	Group Motor vehicles	Office equipment & furniture	Plant & machinery	Total
	£	£	£	£	£
Cost					
As at 1 October 2014	223,558	10,000	17,317	7,437	258,312
Additions	8,490	24,027	9,866	3,760	46,143
Disposals	-	(10,000)	-	-	(10,000)
As at 31 March 2016	<u>232,048</u>	<u>24,027</u>	<u>27,183</u>	<u>11,197</u>	<u>294,455</u>
Depreciation					
As at 1 October 2014	-	4,769	1,496	1,834	8,099
Charge for year	-	3,659	5,015	2,437	11,111
Disposals	-	(5,950)	-	-	(5,950)
As at 31 March 2016	<u>-</u>	<u>2,478</u>	<u>6,511</u>	<u>4,271</u>	<u>13,260</u>
Net book value					
As at 31 March 2016	<u>232,048</u>	<u>21,549</u>	<u>20,672</u>	<u>6,926</u>	<u>281,195</u>
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>

It is the directors' belief that the cost of the investment property equates to its market value at 31 March 2016.

Machrihanish Airbase Community Company

Notes to the Accounts (Cont.)

For the 18 month period ended 31 March 2016

8. Fixed assets (cont.)	Investment	Charity	Plant &	Total
	property	Office equipment & furniture	machinery	
	£	£	£	£
Cost				
As at 1 October 2014	223,558	15,258	7,437	246,253
Additions	8,490	9,674	-	18,164
As at 31 March 2016	232,048	24,932	7,437	264,417
Depreciation				
As at 1 October 2014	-	735	1,834	2,569
Charge for period	-	4,340	2,231	6,572
As at 31 March 2016	-	5,075	4,066	9,141
Net book value				
As at 31 March 2016	232,048	19,856	3,372	255,276
As at 1 October 2014	223,558	14,523	5,603	243,684

It is the directors' belief that the cost of the investment property equates to its market value at 31 March 2016.

9. Debtors and prepayments	Group		Charity	
	2016	2014	2016	2014
	£	£	£	£
Trade debtors	152,875	11,790	23,507	-
Other debtors and prepayments	-	35,004	-	-
Amounts due from subsidiary (note 14)	-	-	17,651	14,377
VAT	-	2,363	-	2,363
	152,875	49,157	41,158	16,740

10. Creditors and accruals	Group		Charity	
	2016	2014	2016	2014
	£	£	£	£
Trade creditors	49,410	48,402	-	-
Other creditors	90,440	65,168	7,800	7,150
VAT, PAYE & NI	25,280	16,915	3,583	-
	165,130	130,485	11,383	7,150

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

Machrihanish Airbase Community Company

Notes to the Accounts (Cont.)

For the 18 month period ended 31 March 2016

	Unrestricted Funds £	Restricted Funds £	Total Funds £
11. Analysis of group net assets between funds			
Fixed assets	75,613	205,580	281,193
Current assets	757,210	-	757,210
Current liabilities	(165,129)	-	(165,129)
Net assets at 31 March 2016	667,694	205,580	873,274

12. Analysis of charitable funds	1 October 2014	Incoming Resources	Resources Expended	31 March 2016
Analysis of group fund movements	£	£	£	£
General	321,136	1,481,170	(1,334,612)	467,694
Designated reserve	200,000	-	-	200,000
Unrestricted funds	521,136	1,481,170	(1,334,612)	667,694
Property improvement fund	205,580	138,434	(138,434)	205,580
Restricted funds	205,580	138,434	(138,434)	205,580
Analysis of charity fund movements				
General	213,167	160,588	(125,645)	248,110
Designated reserve	200,000	-	-	200,000
Unrestricted funds	413,167	160,588	(125,645)	448,110
Property improvement fund	205,580	138,434	(138,434)	205,580
Restricted funds	205,580	138,434	(138,434)	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 is held in a designated reserve in respect of anticipated expenditure on electrical capabilities.

Machrihanish Airbase Community Company

Notes to the Accounts (Cont.)

For the 18 month period ended 31 March 2016

13. Subsidiary companies

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 delivering lasting economic and social benefit to the local community by taking advantage of the resources and potential the airbase offers.

Discover Space UK Limited is a wholly owned subsidiary of the charity. The company was incorporated on 2 March 2015, and is currently dormant. The purpose of this company is to be the main operator in a UK spaceports project, should the appropriate licences be granted.

14. Related party transactions

During the period, the charity received donations of £115,000 (2014 - £163,295) from MACC Developments Limited, a wholly owned subsidiary of Machrihanish Airbase Community Company, in respect of the profits of the previous period.

As at 31 March 2016, included within the charity balance sheet are amounts owed by the subsidiary of £17,651 (2014: £14,377 owed to subsidiary). No interest is charged on the balance from MACC Developments Limited. The balance has been eliminated on consolidation.

During the period, MACC Developments Limited, paid head lease rentals of £37,500 (2014 - £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 period, the group paid £5,437 (2014 - £21,287) to McFadyens Contractors (Campbeltown) Limited and was paid £450 by this company for the rental of the Officer's Mess. £5,865 (2014 - £7,598) was paid to Jim Martin Supplies, £888 (2014 - £1,501) to Dugald Graham, and £nil (2014: £1,597) to Peter Paterson (Joiner) for services; businesses in which T Millar, J Martin, D 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.

15. Ultimate controlling party

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