

Registered Charity Number: SC042435

Registered Company Number: SC348209

Machrihanish Airbase Community Company
(a company limited by guarantee)

ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2025

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Machrihanish Airbase Community Company

For the year ended 31 March 2025

Information

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: J Beveridge (resigned 25 June 2024)
D Cook
A Hemmings (resigned 4 October 2024)
J Stolberger
I Boyd (resigned 25 June 2024)
A Ronald (resigned 5 September 2024)
R Colville (resigned 11 August 2025)
A Millar (resigned 9 April 2024)
P Prosser
D Ralston
G Stevenson
C McNair (appointed 4 October 2024)

Registered Auditors: William Duncan + Co (Audit) Ltd
Ellersley House
30 Miller Road
Ayr
South Ayrshire
KA7 2AY

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

Report of the Directors

The directors present their report together with the consolidated financial statements for the year ended 31 March 2025.

The company was incorporated and registered in Scotland 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 group and of the income or expenditure of the company and group 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 company and group. In preparing those financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- 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; and
- 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, registered in Scotland, 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 ("OCSR"), 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.

Machrihanish Airbase Community Company

For the year ended 31 March 2025

Vision

The overarching aim of the Machrihanish Airbase Community Company ("MACC") is to deliver lasting economic and social benefit to the local community by taking advantage of the resources and potential which MACC Business Park offers.

MACC Business Park is the hub of enterprise in Argyll & Bute, and a leading light in community-led development in the UK. Over 500 people work from the businesses located on the 1,025 acre site.

Business sectors are diverse; aquaculture aviation, education, research & development, manufacturing, leisure, retail and tradesmen are all benefiting from being located on the site. Electricity and heating for the site is provided by solar and biomass renewable energy sources, aviation movements from the site are increasing and proposals for the MACC's involvement in the UK Space Industry are nearing completion.

After over 30 years of depopulation the South Kintyre, population is rising again and is looking forward to a more prosperous and sustainable future.

Priorities

1. Economic sustainability
2. Retain the charitable status of the organisation
3. Attract inward investment to the area
4. Complement local businesses
5. Retain the site for future generations

Objectives

1. Increase the number of tenants on the site
2. Attract further inward investment to South Kintyre
3. Build a renewable energy facility on the site
4. Facilitate the development of a spaceport on the site
5. Meet the corporate and social objectives of the company

Appointment of directors

The company may, by Ordinary Resolution in General meeting appoint, a director. After the AGM in 2024, there were 6 directors, down from 10 in the previous year.

Achievements and performance

This year has seen a slower pace compared to the previous year, primarily due to a change in management and a strategic decision to allow the company time to replenish funds following significant expenditure last year. Despite this, key improvements have continued. Approximately £55,000 was invested in maintaining our high-voltage (HV) system, ensuring its long-term reliability. Repairs and maintenance work on the solar farm have also been undertaken to ensure continued delivery of renewable energy to our tenants. Additionally, efforts have been made to enhance the site's website, improving accessibility and visibility.

MACC continues to explore improvements to the on-site wastewater treatment plant, working closely with local contractors to enhance existing infrastructure. Our water system is actively monitored to ensure a consistent and reliable supply for key users, including the local golf course and the upcoming distillery. Further investment is planned to strengthen the resilience and longevity of our water infrastructure across the site.

Machrihanish Airbase Community Company

For the year ended 31 March 2025

As many buildings on site begin to show signs of age, MACC is prioritising investment in those earmarked for long-term use and improvement. A strategic demolition plan is in place for structures deemed beyond viable reinvestment. Notably, buildings B237 and B124 have undergone significant repairs and are now home to an engineering business and space sector tenant, Discover Space UK Ltd (“DSUK”). Refurbishment efforts also continue on Building B120, with ongoing improvements to its cladding.

MACC strategically divested its interest in DSUK in May 2025, enabling its partner to operate with greater agility within the fast-evolving space industry. This move is already bearing fruit, with DSUK establishing itself as a long-term tenant on-site, bringing skilled employment to Kintyre and preparing for further expansion of its operations.

The University of Glasgow has maintained a strong presence at the MACH Lab, regularly testing engines and advancing cutting-edge research and development. July 2024 also marked another successful year for the CanSat competition (MACH-24), with 19 universities from across the UK participating in a week-long series of educational and hands-on aerospace challenges.

Witchburn Distillery continues to establish its presence on site, with production targeted to begin in 2025. MACC has actively supported their relocation to the area, recognising the significant investment and the positive impact it will have on local employment.

Campbeltown Bond has also successfully settled into the site, transforming the Gaydon Hangar into an impressive whisky storage facility. MACC remains committed to working alongside Highlands and Islands Enterprise (HIE) to attract new businesses and further economic growth in Kintyre.

MACC proudly supported the Agricultural Show by sponsoring the Horse-Riding Section prizes with a £300 donation. The site also welcomed the Scouts, who use the Officers' Mess for their weekly meetings. Over the summer, the ever-popular Dunfermline Car Club Rally once again opened its gates to the public, drawing a great turnout.

Demonstrating its ongoing commitment to community engagement, MACC continues to support local voluntary organisations through in-kind donations. The site also carries forward the local history project initiated by the Highlands And Islands Airport Limited's Airport Manager, preserving and celebrating the region's heritage.

In a unique collaboration, Blink Films utilised the site to recreate a motorway car pile-up for research purposes, contributing to advancements in road safety. MACC has also been a vibrant hub for STEM and community events, hosting activities such as STARS-25, the Rhunaharorine rocket workshops, the Young Farmers' Tractor Run, and MACH-24.

A new 5-Year Development Plan has been finalised, setting a clear vision for the site through to 2029.

In October 2024, we welcomed a new Chair, and since then, one new director has been elected to the board.

MACC donated £14K to local voluntary and charitable groups under its Charitable Giving Scheme:

Shopper Aide	£2,684
Youth Impact	£1,198
Campbeltown Sea Cadets	£2,474
Kintyre Amenity Trust	£565
The Kintyre Way	£1,842
Campbeltown Picture House	£2,421
Kintyre Alcohol and Drugs Advisory Service	£750
The Royal British Legion	£912
Campbeltown Cat Rescue	£1,447

Financial Review

As shown on the Statement of Financial Activities (SOFA) on page 13, there was net income in the year of £231,776 (2024: net expenditure of £325,788). At the year end, the Group had funds of £1,759,670 (2024: £1,527,894) of which £231,978 were restricted (2024: £245,580).

Future plans

2024/25 is year 3 of a 5-year growth plan period that sets out a strategy to deliver our 2030 vision.

We will achieve this vision in four main areas of activity:

Intelligent stewardship - MACC will manage and develop the property under its care so that it is useful to tenants, flexible in adapting to future needs, and properly maintained.

Increasing occupancy of our Business Park - MACC will market its services to find more local, national and international tenants for its buildings and offer support to businesses where this is appropriate to deliver growth.

Attracting investment to Kintyre - MACC will help to attract additional inward investment to Kintyre – i.e. business activity that is completely new – offering services, space and expertise as it can.

Giving back to the local community - MACC will continue to support local jobs, businesses and industries to improve the region's economic activities. MACC will also create a new fund to provide financial grants, taken from its surplus, for local good causes.

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. 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 financial reserves of the group at 31 March 2025 show total reserves of £1,759,670 which is comprised of £1,052,231 unrestricted funds (including a designated reserve of £475,461) and £231,978 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 period and to the date of this report were as follows:

J Beveridge (resigned 25 June 2024)
D Cook
A Hemmings (resigned 4 October 2024)
J Stolberger
I Boyd (resigned 25 June 2024)
A Ronald (resigned 5 September 2024)
R Colville (resigned 11 August 2025)
A Millar (resigned 9 April 2024)

P Prosser
D Ralston
G Stevenson
C McNair (appointed 4 October 2024)

Disclosure of information to auditors

Each of the persons who are directors at the time when this Report of the Directors is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to be taken as a director in order to be aware any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution to continue with William Duncan + Co (Audit) Ltd as auditors was accepted at the last AGM.

Small company exemptions

This report has been prepared in accordance with the Special Provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – ("Charities SORP (FRS 102)").

Approved by the Board on 22 OCT 25 and signed on its behalf by;



Director: Mr D Cook

Date

22 OCT 25

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

Opinion

We have audited the financial statements of Machrihanish Airbase Community Company (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31st March 2025 which comprise group statement of financial activities, the group balance sheet, the company statement of financial activities, the company balance sheet, the group statement of cash flows, the company statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2025, and of the group's and parent charitable company'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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

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 the Acts and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Machrihanish Airbase Community Company

For the year ended 31 March 2025

Mr Neil Reid FCCA (Senior Statutory Auditor)
for and on behalf of William Duncan + Co (Audit) Ltd

Chartered Accountants
Statutory Auditor
30 Miller Road
Ayr
Ayrshire
KA7 2AY

Date _____

William Duncan + Co (Audit) Ltd is eligible for appointment as auditor of the charitable group by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities

Including Income and Expenditure Account

	Notes	Unrestricted General Funds 2025	Unrestricted Designated Funds 2025	Restricted Funds 2025	Total Funds 2025	Total Funds 2024
Income and endowments from:						
Donations and legacies		-	-	-	-	-
Charitable activities - grants		-	-	-	-	-
Investment income - rent		1,189,111	-	-	1,189,111	716,342
Other trading activities		8,303	-	-	8,303	260,628
Furlough and other income		31,486	-	-	31,486	-
Interest income		4,011	-	-	4,011	-
Total Income		1,232,911	-	-	1,232,911	976,970
Expenditure on:						
Raising funds	5	425,492	-	-	425,492	377,551
Charitable activities	6	461,863	113,780	-	575,643	925,207
Total expenditure		887,355	113,780	-	1,001,135	1,302,758
Net income / (expenditure)		345,556	(113,780)	-	231,776	(325,788)
Transfers between funds		13,602		(13,602)	-	-
Net movement in funds		345,556	(113,780)	-	231,776	(325,788)
Reconciliation of funds:						
Total funds brought forward		693,073	589,241	245,580	1,527,894	1,853,682
Total funds carried forward	15	1,052,231	475,461	231,978	1,759,670	1,527,894

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.

The notes on pages 18-29 form part of these accounts.

A comparative Statement of Financial Activities can be found at note 19.


Consolidated Balance Sheet

	Notes	31-Mar 2025 £	31-Mar 2024 £
Fixed assets			
Investments	8	-	-
Tangible fixed assets	9	449,194	452,481
		<u>449,194</u>	<u>452,481</u>
Current assets			
Debtors	10	181,156	90,582
Cash and cash equivalents		1,356,774	1,313,478
		<u>1,537,930</u>	<u>1,404,060</u>
Current liabilities			
Creditors: Amounts falling due within one year	11	(227,454)	(328,647)
NET CURRENT ASSETS		<u>1,310,476</u>	<u>1,075,413</u>
NET ASSETS		<u>1,759,670</u>	<u>1,527,894</u>
Funds			
Unrestricted funds - general	15	1,038,629	693,073
Unrestricted funds - designated reserves	15	475,461	589,241
Restricted funds	15	245,580	245,580
Total Funds		<u>1,759,670</u>	<u>1,527,894</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 18-29 form part of these accounts.

Approved by the Board on 22/03/25 and authorised to be signed on its behalf by:


 Director: Mr D Cook

22/03/25
 Date

Machrihanish Airbase Community Company

For the year ended 31 March 2025


Charity Balance Sheet

	Notes	31-Mar 2025 £	31-Mar 2025 £	31-Mar 2024 £	31-Mar 2024 £
Fixed assets					
Investments	8		1		1
Tangible fixed assets	9		403,592		421,420
			<u>403,593</u>		<u>421,421</u>
Current assets					
Debtors	10	46,826		49,390	
Cash and cash equivalents			<u>1,070,145</u>		<u>1,089,378</u>
		1,116,971		1,138,768	
Current liabilities					
Creditors: Amounts falling due within one year	11	<u>(48,905)</u>		<u>(108,090)</u>	
NET CURRENT ASSETS			<u>1,068,066</u>		<u>1,030,678</u>
NET ASSETS			<u>1,471,659</u>		<u>1,452,099</u>
Funds					
Unrestricted funds - general	15		750,617		617,278
Unrestricted funds - designated reserves	15		475,462		589,241
Restricted funds	15		<u>245,580</u>		<u>245,580</u>
Total funds			<u>1,471,659</u>		<u>1,452,099</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 18-29 form part of these accounts.

Approved by the Board on 22 Oct 25 and authorised to be signed on its behalf by:



 Director: Mr D Cook

22 Oct 25
 Date

Consolidated Statement of Cash Flows

	2025	2024
	£	£
Cash flows from operating activities:		
Net movement in funds	231,776	(325,788)
Depreciation charges	36,336	30,180
Loss on disposal of fixed assets		
Increase / (decrease) in debtors	(90,575)	159,071
Increase / (decrease) in creditors	<u>(101,193)</u>	<u>116,736</u>
Net cash provided by operating activities	<u>76,344</u>	<u>(19,801)</u>
Cash flows from investing activities:		
Purchase of tangible fixed assets	<u>(33,048)</u>	<u>(49,982)</u>
Net cash used in investing activities	<u>(33,048)</u>	<u>(49,982)</u>
Net (decrease) / increase in cash during the reporting period	43,296	(69,783)
Cash at bank and in hand at 1 April 2024	1,313,478	1,383,261
Cash at bank and in hand at 31 March 2025	<u>1,356,774</u>	<u>1,313,478</u>
	<u>43,296</u>	<u>(69,783)</u>

Charity Statement of Cash Flows

	2025	2024
	£	£
Cash flows from operating activities:		
Net movement in funds	19,560	(267,778)
Depreciation charges	18,647	17,621
Loss on disposal of fixed assets		
Increase / (decrease) in debtors	2,564	154,102
Increase / (decrease) in creditors	<u>(59,185)</u>	<u>85,314</u>
Net cash provided by operating activities	<u><u>(18,414)</u></u>	<u><u>(10,741)</u></u>
Cash flows from investing activities:		
Purchase of tangible fixed assets	<u>(819)</u>	<u>(48,740)</u>
Net cash used in investing activities	<u><u>(819)</u></u>	<u><u>(48,740)</u></u>
Net (decrease) / increase in cash during the reporting period	(19,233)	(59,481)
Cash at bank and in hand at 1 April 2024	1,089,378	1,148,859
Cash at bank and in hand at 31 March 2025	<u>1,070,145</u>	<u>1,089,378</u>
	<u><u>(19,233)</u></u>	<u><u>(59,481)</u></u>

Notes to the Consolidated Financial Statements

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (“Charities SORP (FRS 102)”) and the Companies Act 2006 and applicable accounting standards. The financial statements have been prepared under the historic cost convention.

1.2 Going concern

On the basis of the overall profitable track record of the group, in recent years its strong financial position, and a high level of secured rental income as detailed in note 13, the directors are satisfied that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Basis of consolidation

The group financial statements consolidate the charitable company and subsidiary undertaking for the year. The results relating to the joint venture have not been consolidated on the grounds they are immaterial.

1.4 Legal status of the company

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

1.5 Income

Investment rental income and investment recharges income relate to the rent and electricity costs charged by MACC Developments Limited to its tenants. This income is included in the Statement of Financial Activities on an accruals basis.

Income from government grants is recognised in the Statement of Financial Activities when there is evidence of entitlement to the grant, receipt is probable, and its amount can be measured reliably. This occurs when the company makes a claim to the relevant awarding body for costs they have incurred in achieving the project for which a grant has been agreed.

1.6 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.

Charitable activities

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

Raising funds

Expenditure on raising funds includes all expenditure incurred by a charity to raise funds for its charitable purposes. This includes the non-charitable trading activities of its trading subsidiary.

1.7 Investments

Investments in subsidiaries are stated at cost less impairment. Investments in joint ventures are stated at cost plus share of profits, or losses (restricted to cost).

1.8 Tangible fixed assets

Tangible fixed assets, other than investment property, are stated at cost less depreciation, and impairment. 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	25% reducing balance
Office equipment & furniture	20% straight line
Plant & machinery	20% straight line
Solar panels	5% straight line

The land and buildings of Machrihanish Airbase are accounted for as heritable assets as, whilst being rented to third parties, are intrinsic to the charitable objects of the company. Heritable assets are held at capitalised cost, being the cost of all additions made to the property since it was purchased for £1. No depreciation is charged on the property as the Directors believe that the property is at least maintaining its value. The average market value of land in the area around the airbase supports the capitalised cost that the heritable assets are held at.

1.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in

1.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.12 Operating leases: company as lessee

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.

1.13 Operating leases: company as lessor

Rental income from operating leases is credited to the Statement of Financial Activities on a straight-line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight-line basis, unless another systematic basis is representative of the time pattern over when the lessor's benefit from the leased asset is diminished.

1.14 Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

1.15 Pensions

Defined contribution pensions plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

2. Judgements and key sources of estimation uncertainties

Except for the judgement to determine the classification of land and buildings as heritable assets rather than as investment property (see accounting policy 1.8) there were no material judgements and key sources of estimation uncertainty in the preparation of the financial statements.

	Group 2025 £	Group 2024 £
3. Net income is stated after charging		
Auditor's remuneration	9,000	8,250
Depreciation	36,336	30,180
	<u>45,336</u>	<u>38,430</u>

	Group 2025 £	Group 2024 £
4. Staff costs		
Salaries	229,753	270,960
Social Security	16,780	19,643
Pension	4,874	4,999
	<u>251,407</u>	<u>295,602</u>

	Group 2025 Number	Group 2024 Number
Staff	<u>8</u>	<u>11</u>

No employees earned over £60,000 (2024: £60,000). The Directors are regarded as being key management personnel and received no remuneration (2024: nil).

Machrihanish Airbase Community Company

For the year ended 31 March 2025

	Group 2025 £	Group 2024 £
5. Costs of raising funds		
Wages and salaries	142,761	152,316
Heat, light and electricity	223,280	168,353
Insurance	59,451	56,881
	<u>425,492</u>	<u>377,551</u>
	Group 2025 £	Group 2024 £
6. Charitable activities		
Accountancy fees	18,380	19,225
Advertising	2,150	6,168
Bad debts	6,467	2,127
Bank charges	690	705
Charitable donations	13,923	15,000
Cleaning	6,333	4,010
Computer costs	7,451	723
Depreciation of tangible fixed assets	30,336	19,120
Entertainment	-	69
Equipment hire	17,200	25,847
Governance costs - audit fees	9,000	8,250
Interest payable	-	15
Irrecoverable VAT	7,712	17,804
Legal, consultancy and other professional fees	45,275	34,860
Light, power and heating	-	-
Motor expenses	7,221	12,450
Pension costs	4,874	4,999
Printing, postage and stationery	1,042	1,571
Project and event costs	148,876	127,817
Rates	6,632	5,414
Repairs and maintenance	82,632	45,907
Staff salaries	136,543	142,429
Subscriptions	4,072	2,249
Sundry expenses	12,707	12,500
Telephone expenses	6,127	3,379
	<u>575,643</u>	<u>512,638</u>

The above expenditure is unrestricted.

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.

Machrihanish Airbase Community Company

For the year ended 31 March 2025

8. Investments	Charity 2025 £	Charity 2024 £
Shares in Discover Space UK Limited - SC499199	0	0
Shares in MACC Developments Limited - SC413390	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

Details of the investments are as follows:

Name	% held	Class of shares	Aggregate capital & reserves	Profit / (loss) after tax
MACC Developments Limited	100%	Ordinary	288,015	306,215
Discover Space UK Limited	50%	Ordinary	2,270	(1,218)

Details of the subsidiary and joint venture companies are provided in note 16.

Machrihanish Airbase Community Company

For the year ended 31 March 2025

GROUP						
9. Tangible fixed assets	Heritable assets £	Motor Vehicles £	Office equipment & furniture £	Plant & machinery £	Solar panels £	Total £
Cost or Valuation						
As at 31 March 2024	242,563	26,853	74,010	94,028	221,194	658,648
Additions	-	25,336	2,532	5,250	-	33,118
Disposals	(70)	-	-	-	-	(70)
As at 31 March 2025	242,493	52,189	76,542	99,278	221,194	691,696
Depreciation						
As at 31 March 2024	5,258	21,328	44,901	74,533	60,144	206,164
Charge for the year	1,051	7,715	8,050	8,460	11,060	36,336
Disposals	-	-	-	-	-	-
As at 31 March 2025	6,309	29,043	52,951	82,993	71,204	242,500
Net Book Value						
As at 31 March 2025	236,184	23,146	23,591	16,285	149,990	449,196
As at 31 March 2024	237,305	5,525	29,109	19,495	161,050	452,484
Charity						
Tangible fixed assets	Heritable assets £	Motor Vehicles £	Office equipment & furniture £	Plant & machinery £	Solar panels £	Total £
Cost or Valuation						
As at 31 March 2024	232,048		66,112	3,478	221,194	522,832
Additions			889			889
Disposals	(70)					(70)
As at 31 March 2025	231,978		67,001	3,478	221,194	523,651
Depreciation						
As at 31 March 2024			37,790	3,478	60,144	101,412
Charge for the year			7,587		11,060	18,647
Disposals						
As at 31 March 2025			45,377		71,204	120,059
Net Book Value						
As at 31 March 2025	231,978		21,624	-	149,990	403,592
As at 31 March 2024	232,048		28,322		161,050	421,420

The carrying value of the heritable assets of the charity is the cost.

Machrihanish Airbase Community Company

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	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
10. Debtors				
Trade debtors	129,718	58,992	650	443
Amounts due from subsidiary undertaking (note 17)	-	-	17,358	17,358
Amount due from joint venture (note 17)	23,403	23,403	23,403	23,403
Prepayments and accrued income	22,620	-	-	-
VAT receivable	5,415	8,187	5,415	8,186
	<u>181,156</u>	<u>90,582</u>	<u>46,826</u>	<u>49,390</u>

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
11 Creditors				
Trade creditors	3,229	132,285	509	79,038
Other creditors	49,227	47,012	-	-
Amounts due to subsidiary undertaking	-	-	35,058	15,352
Accruals and deferred income (see below)	141,848	118,940	13,338	13,700
VAT, PAYE & NI	33,150	30,410	-	-
	<u>227,454</u>	<u>328,647</u>	<u>48,905</u>	<u>108,090</u>

Deferred income	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Balance at 1 April 2024	84,617	74,743	-	-
Amount released to income during the period	(84,617)	(74,743)	-	-
Amount deferred during the year	99,134	84,617	958	-
Balance at 31 March 2025	<u>99,134</u>	<u>84,617</u>	<u>958</u>	<u>-</u>

12. Pension Contributions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charge represents contributions payable by the company to the fund and amounted to £4,874 (2024: £4,999). Contributions totalling £nil (2024 - £nil) were payable to the fund at the reporting date.

13. Future minimum lease receipts under non-cancellable operating leases

	2025	2024
Due in less than 1 year	711,563	603,043
Due in more than one year and less than five years	2,226,046	1,683,278
Due in more than five years	18,060,925	8,296,614
	<u>20,998,534</u>	<u>10,582,935</u>

MACC Developments Limited rent the Airbase site from Machrihanish Airbase Community Company for £28,000 per annum and lease the buildings to third parties by way of lease agreements. Long term leases are non-cancellable and therefore tenants are committed to future payments until their lease expires.

14. Analysis of group net assets between funds	Unrestricted General Funds	Unrestricted Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Fixed assets	67,226	149,990	231,978	449,194
Current assets	1,212,459	325,471	-	1,537,930
Current liabilities	(227,454)	-	-	(227,454)
Net assets at 31 March 2025	<u>1,052,231</u>	<u>475,461</u>	<u>231,978</u>	<u>1,759,670</u>

15. Analysis of charitable funds

Analysis of group fund movement	01 April 2024	Income	Expenditure	Transfers	31 March 2025
	£	£	£	£	£
General	693,073	1,232,911	(887,355)	13,602	1,052,231
Designated reserves	589,241	-	(113,780)	-	475,461
Unrestricted funds	<u>1,282,314</u>	<u>1,232,911</u>	<u>(1,001,135)</u>	<u>13,602</u>	<u>1,527,692</u>
Property improvement fund	245,580	-	-	(13,602)	231,978
Restricted funds	<u>245,580</u>	<u>-</u>	<u>-</u>	<u>(13,602)</u>	<u>231,978</u>

Machrihanish Airbase Community Company

For the year ended 31 March 2025

	01 April 2024	Income	Expenditure	Transfers	31 March 2025
Analysis of charity fund movement	£	£	£	£	£
General	617,278	194,987	(61,646)	13,602	764,221
Designated reserves	589,241	-	(113,780)		475,461
Unrestricted funds	<u>1,206,519</u>	<u>194,987</u>	<u>(175,426)</u>	<u>13,602</u>	<u>1,239,682</u>
Property improvement fund	245,580	-	-	(13,602)	231,978
Restricted funds	<u>245,580</u>	<u>-</u>	<u>-</u>	<u>(13,602)</u>	<u>231,978</u>

Analysis of designated reserves

£

Electrical improvements	103,040
Solar panels	167,660
Water pipes	26,178
Biomass	80,000
Building improvements	<u>98,583</u>
	<u>475,461</u>

The restricted funds primarily relate to grant income received in earlier years, offset by 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.

16. 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 taxable 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 ("DSUK") was a wholly owned subsidiary of the charity. The company was incorporated on 2 March 2015, and was dormant until 2023 when another stakeholder made a 50% investment in this company and it became a joint venture. The purpose of this company is to bring space related activity to the site and be the main operator in a UK spaceport project, should the appropriate licences be granted. On 5 May 2025, MACC disposed of its share in DSUK for £0 consideration to allow MACC to focus on its core business.

17. Related party transactions

During the year, MACC Developments Limited donated £94,000 (2024: £140,000) to Machrihanish Airbase Community Company, which is its parent company, in respect of the profits of the previous period.

As at 31 March 2025, the Company owed its parent company £17,700 (2024: £2,229). No interest is charged on the balance to Machrihanish Airbase Community Company.

During the year, MACC Developments Limited, paid head lease rentals of £28,000 (2024 - £28,000) 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 £28,000. The charity charged £34,230 (2024: £37,190) for electricity generated from their solar panels.

During the year, the following transactions occurred with businesses owned by Directors of the charity and/or subsidiary company:

- £8,294 (2024 - £10,045) was paid to Jim Martin Supplies, which is owned by J Martin (Director of the subsidiary), and £9,920 (2024: £5,575) was received from Jim Martin Supplies for property rental, raw water supply and sale of scrap
- £1,725 (2024 - £3,403) rental income from D Ralston (director of the Charity).
- £7,192 (2024 - £6,800) rental income was received from MACC Gym Ltd, which is owned by E Eynon (Director of the subsidiary).
- £1,694 (2024 - £1,697) rental income from MACC Livery Yard, which is owned by E Eynon (Director of the subsidiary).
- £888 (2024 - £689) rental income from A Hemmings (Director of Charity).
- £3,850 (2024 - £0) consulting expenses paid to I Wardrop (Director of the subsidiary).
- £0 (2024 - £449) other income was received from Kintyre & Argyll Events Ltd, which is owned by M Paterson, J Martin and I Wardrop (all Directors of the subsidiary).
- £0 (2024 - £449) other income was received from Kintyre & Argyll Events Ltd, which is owned by M Paterson, J Martin and I Wardrop (all Directors of the subsidiary).
- £38,232 (2024 - £3,656) accommodation income and MACC Lab site costs recharged to Discover Space UK Limited, a joint-venture in FY25.
- Included in note 10 is a loan of £23,403 (2024 - £23,403) due from Discover Space UK Limited, a joint-venture in FY25.

18. Ultimate controlling party

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

Machrihanish Airbase Community Company

For the year ended 31 March 2025

19. Charity only Statement of Financial Activities	Unrestricted General Funds 2025	Unrestricted Designated Funds 2025	Restricted Funds 2025	Total Funds 2025	Total funds 2024
Income and endowments from:					
Donations and legacies	99,225	-	-	99,225	140,000
Charitable activities - grants	-	-	-	-	-
Investment income - rent	49,230	-	-	49,230	39,295
Other trading activities	42,521	-	-	42,521	48,536
Interest income	4,011	-	-	4,011	-
Total Income	<u>194,987</u>	<u>-</u>	<u>-</u>	<u>194,987</u>	<u>227,831</u>
Expenditure on:					
Raising funds	-	-	-	-	-
Charitable activities	61,647	113,780	-	175,427	495,609
Total expenditure	<u>61,647</u>	<u>113,780</u>	<u>-</u>	<u>175,427</u>	<u>495,609</u>
Net income / (expenditure)	<u>133,340</u>	<u>(113,780)</u>	<u>-</u>	<u>19,560</u>	<u>(267,778)</u>
Transfers between funds	13,602		(13,602)	-	-
Net movement in funds	146,942	(113,780)	(13,602)	19,560	(267,778)
Reconciliation of funds:					
Total funds brought forward	617,277	589,242	245,580	1,452,099	1,719,877
Total funds carried forward	<u><u>764,219</u></u>	<u><u>475,462</u></u>	<u><u>231,978</u></u>	<u><u>1,471,659</u></u>	<u><u>1,452,099</u></u>

Machrihanish Airbase Community Company

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20. Comparative Statement of Financial Activities	Unrestricted General Funds 2024	Unrestricted Designated Funds 2024	Restricted Funds 2024	Total Funds 2024	Total funds 2023
Income and endowments from:					
Donations and legacies	140,000	-	-	140,000	245,020
Charitable activities - grants	-	-	-	-	158,709
Investment income - rent	39,295	-	-	39,295	39,010
Other trading activities	48,536	-	-	48,536	-
Other income	-	-	-	-	38,039
Total Income	227,831	-	-	227,831	480,778
Expenditure on:					
Raising funds	-	-	-	-	-
Charitable activities	83,041	412,568	-	495,609	542,423
Total expenditure	83,041	412,568	-	495,609	542,423
Net income / (expenditure)	144,790	(412,568)	-	(267,778)	(61,645)
Transfers between funds	(400,000)	400,000	-	-	-
Net movement in funds	(255,210)	(12,568)	-	(267,778)	(61,645)
Reconciliation of funds:					
Total funds brought forward	872,487	601,810	245,580	1,719,877	1,781,522
Total funds carried forward	617,277	589,242	245,580	1,452,099	1,719,877