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 2026

Machrihanish Airbase Community Company

For the year ended 31 March 2026

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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:	D Cook (resigned 19 June 2026) J Stolberger (resigned 27 November 2025) P Prosser D Ralston G Stevenson C McNair A Tait (appointed 23 October 2025) N Finn (appointed 02 December 2025)
Registered Auditors:	William Duncan + Co (Audit) Ltd Ellersley House 30 Miller Road Ayr South Ayrshire KA7 2AY
Bankers:	Bank of Scotland PO Box 17235 Edinburgh EH11 1YH

Report of the Directors

The directors present their report together with the consolidated financial statements for the year ended 31 March 2026.

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;
- observe the methods and principles in the Charities SORP; 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 200, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 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, 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 ("OSCR"), 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 2010.

The directors of the company also act as trustees for charity law purposes. The company endeavours to ensure that all directors 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.

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; aviation, education, research & development, engineering, manufacturing, logistics, public services, hospitality and tradesmen are all benefiting from being located on the site. The site benefits from a 250-kwh solar farm, where the electricity produced is used by our onsite businesses. Aviation movements from the site are increasing MACC continues to develop relationships with the UK Space Industry and supports an annual STEM rocketry event for university students across the UK.

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 2025, there were 7 directors, up from 6 in the previous year.

Achievements and performance

This year MACC has continued to invest significantly in the long-term sustainability and improvement of the Business Park, focusing on enhancing key infrastructure, modernising buildings and creating high-quality accommodation for new and existing tenants.

A program of capital investment has been undertaken across the site. Building 124's renovation was completed at the start of the year. These improvements enabled Discover Space UK Ltd to establish operations within the building, generating new rental income whilst supporting the continued growth of the local space sector. Building 172 also underwent refurbishment works internally with external works planned for next year. The building has already secured a new long-term tenant whose work encourages more space related activity on site and has created a new employment role for the area. Building 42 was similarly refurbished to accommodate expansion of a current tenants business, now offering more services under the one roof.

Alongside investment in buildings, MACC has continued to improve the site's core infrastructure. A significant electrical infrastructure upgrade commenced during the year with an £80,000 budget allocated to Site 1 electrical improvements. Approximately 1.4 kilometres of new underground cabling has been installed enabling 27 buildings to be repowered. Significant maintenance work was completed on our substations to ensure reliability of supply for the future, these improvement works continue into next year. MACC also undertook extensive resurfacing works on its main road network to improve accessibility and safety for tenants and visitors alike.

Following damage sustained during Storm Éowyn, Buildings 81 and 83 were safely demolished. Both demolitions form part of MACC's wider site strategy, ensuring that resources are focused on buildings with long-term commercial viability whilst removing ageing structures that are no longer economically sustainable.

Environmental improvements also continued across the estate. More than 4,000 tyres were removed from the former go-kart track and recycled, significantly improving the appearance and environmental condition of the site.

MACC continues to invest in its people as well as its physical assets. During the year, enhanced pension contributions were introduced for staff and employees undertook a wide range of professional training, including MEWP operation, PASMA, Substation Awareness, Abrasive Wheels and utility safety qualifications.

The site has continued to demonstrate its versatility by hosting a range of commercial, educational and community events throughout the year. STEM Fest once again welcomed schools and young people to inspire future careers in science and engineering, whilst MACH-25 successfully attracted universities from across the United Kingdom to participate in aerospace design and rocket engineering challenges. The Mach Rally returned to the site, alongside Straightliners events, police training exercises, weddings and accommodation bookings, all contributing valuable additional income and increasing public engagement with the Business Park.

The whisky sector continues to strengthen its presence at Machrihanish. Witchburn Distillery has continued progressing towards production, while Campbeltown Bond has established an impressive whisky storage operation within the former Gaydon Hangar. These investments demonstrate growing confidence in the site and continue to create skilled employment opportunities across Kintyre.

MACC remains committed to supporting the wider community through sponsorship, charitable support and the provision of facilities for local organisations. The Company continues to work closely with Highlands and Islands Enterprise and other stakeholders to attract inward investment, encourage innovation and secure the long-term future of the Business Park.

MACC donated £16K to local voluntary and charitable groups under its Charitable Giving Scheme:

Argyll & Bute Council – Live Argyll	£1,000
Peninver Village Hall	£750
Campbeltown Sea Cadets	£3,000
Campbeltown & District Juvenile Football Association	£2,460
The Kintyre Way	£2,200
Kintyre Canoe Club	£1,458
Kintyre Amenity Trust	£1,000
Laggan Opportunity & Amenity Fund	£1,000
1st Campbeltown Brownies	£640
Campbeltown Sailing Club	£480
Kintyre Link Club	£2,600

Financial Review

As shown on the Statement of Financial Activities (SOFA) on page 13, there was net income in the year of £180,702 (2025: net income of £231,776). At the year end, the Group had funds of £1,940,372 (2025: £1,759,670) of which £226,913 was restricted (2025: £231,978).

Future plans

2026/27 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 continue its annual charitable giving of reinvesting from its surplus by providing financial grants 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 2026 show total reserves of £1,940,372 which is comprised of £1,713,459 unrestricted funds (including a designated reserve of £790,870) and £226,913 of restricted funds. The restricted funds represents the current net book value of heritable 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:

D Cook (resigned 19 June 2026)
J Stolberger (resigned 27 November 2025)
P Prosser
D Ralston
G Stevenson
C McNair
A Tait (appointed 23 October 2025)
N Finn (appointed 02 December 2025)

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' 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 will be proposed at the Annual General Meeting.

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 2019) – ("Charities SORP (FRS 102)").

Approved by the Board on 21/10/26 and signed on its behalf by;

Director: Mr A Tait

Date 21/10/26

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 2026 which comprise group statement of financial activities, the group balance sheet, 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 2026, 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 directors 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 directors 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 directors annual report, other than the financial statements and our auditor's report thereon. The directors 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' 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 directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors 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 directors report and from the requirement to prepare a strategic report.

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

In preparing the financial statements, the directors are responsible for assessing the 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 directors 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;

- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Reviewing minutes of meetings of those charged with governance.

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: www.frc.org.uk/auditorsresponsibilities. 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 directors, 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 directors 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 directors as a body, for our audit work, for this report, or for the opinions we have formed.

David MacCallum CA (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 2026	Unrestricted Designated Funds 2026	Restricted Funds 2026	Total Funds 2026	Total Funds 2025
Income and endowments from:						
Investment income - rent		884,425	-	-	884,425	1,189,111
Other trading activities		425,669	-	-	425,669	8,303
Other income		107,302	-	-	107,302	31,486
Interest income		4,186	-	-	4,186	4,011
Total Income		1,421,582	-	-	1,421,582	1,232,911
Expenditure on:						
Raising funds	5	473,622	-	-	473,622	425,492
Charitable activities	6	720,196	41,997	5,065	767,258	575,643
Total expenditure		1,193,818	41,997	5,065	1,240,880	1,001,135
Net income / (expenditure)		227,764	(41,997)	(5,065)	180,702	231,776
Transfers between funds		(357,406)	357,406		-	-
Net movement in funds		227,764	(41,997)	(5,065)	180,702	231,776
Reconciliation of funds:						
Total funds brought forward		1,052,231	475,461	231,978	1,759,670	1,527,894
Total funds carried forward	15	922,589	790,870	226,913	1,940,372	1,759,670

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 17-29 form part of these accounts.

A comparative Statement of Financial Activities can be found at note 20.

Consolidated Balance Sheet

	Notes	31-Mar 2026 £	31-Mar 2025 £
Fixed assets			
Investments	8	-	-
Tangible fixed assets	9	505,724	449,194
		505,724	449,194
Current assets			
Debtors	10	106,966	181,156
Cash and cash equivalents		1,596,103	1,356,774
		1,703,069	1,537,930
Current liabilities			
Creditors: Amounts falling due within one year	11	(268,421)	(227,454)
NET CURRENT ASSETS		1,434,648	1,310,476
NET ASSETS		1,940,372	1,759,670
Funds			
Unrestricted funds - general	15	922,589	1,052,231
Unrestricted funds - designated reserves	15	790,870	475,461
Restricted funds	15	226,913	231,978
Total Funds		1,940,372	1,759,670

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 17-29 form part of these accounts.

Approved by the Board on 21/10/26 and authorised to be signed on its behalf by:

Director: Mr A Tait

Date 21/10/26

Charity Balance Sheet

	Notes	31-Mar 2026 £	31-Mar 2026 £	31-Mar 2025 £	31-Mar 2025 £
Fixed assets					
Investments	8		1		1
Tangible fixed assets	9		401,246		403,592
			401,247		403,593
Current assets					
Debtors	10	33,584		46,826	
Cash and cash equivalents		1,194,922		1,070,145	
		1,228,506		1,116,971	
Current liabilities					
Creditors: Amounts falling due within one year	11	(15,157)		(48,905)	
NET CURRENT ASSETS			1,213,349		1,068,066
NET ASSETS			1,614,596		1,471,659
Funds					
Unrestricted funds - general	15		596,812		764,219
Unrestricted funds - designated reserves	15		790,871		475,462
Restricted funds	15		226,913		231,978
Total funds			1,614,596		1,471,659

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 17-29 form part of these accounts.

Approved by the Board on 21/10/26 and authorised to be signed on its behalf by:

M A Tait

Director: Mr A Tait

21/10/26

Date

Consolidated Statement of Cash Flows

	2026 £	2025 £
Cash flows from operating activities:		
Net movement in funds	180,702	231,776
Depreciation charges	56,979	36,336
(Increase) / decrease in debtors	74,190	(90,575)
Increase / (decrease) in creditors	40,967	(101,193)
Net cash provided by operating activities	352,838	76,344
Cash flows from investing activities:		
Purchase of tangible fixed assets	(113,509)	(33,048)
Net cash used in investing activities	(113,509)	(33,048)
Net (decrease) / increase in cash during the reporting period	239,329	43,296
Cash at bank and in hand at 1 April 2025	1,356,774	1,313,478
Cash at bank and in hand at 31 March 2026	1,596,103	1,356,774
	239,329	43,296

Charity Statement of Cash Flows

	2026 £	2025 £
Cash flows from operating activities:		
Net movement in funds	142,937	19,560
Depreciation charges	23,642	18,647
Increase / (decrease) in debtors	13,243	2,564
Increase / (decrease) in creditors	(33,748)	(59,185)
Net cash provided by operating activities	146,074	(18,414)
Cash flows from investing activities:		
Purchase of tangible fixed assets	(21,297)	(819)
Net cash used in investing activities	(21,297)	(819)
Net (decrease) / increase in cash during the reporting period	124,777	(19,233)
Cash at bank and in hand at 1 April 2025	1,070,145	1,089,378
Cash at bank and in hand at 31 March 2026	1,194,922	1,070,145
	124,777	(19,233)

Notes to the Consolidated Financial Statements

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Charitable company's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and 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 2019) – ("Charities SORP (FRS 102)") and the Companies Act 2006 and applicable accounting standards. The Charitable company is a Public Benefit Entity as defined by FRS 102. The financial statements have been prepared under the historic cost convention. The financial statements are prepared in Sterling which is the functional currency of the Charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

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 Charitable funds

Unrestricted funds are available for use at the discretion of the directors in furtherance of their charitable objectives.

Designated funds comprise unrestricted funds that have been set aside by the directors for particular purposes. The aim and use of each designated fund is set out in the note 15 of the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the note 15 of the financial statements.

1.4 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.

1.5 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.

1.6 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.

1.7 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.

1.8 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).

1.9 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

The land and buildings comprising Machrihanish Airbase are classified as tangible fixed assets rather than investment property. Although parts of the site are let to third-party tenants and generate rental income, the directors consider that the property is held principally as an operational asset through which the charity delivers its charitable objectives of promoting economic regeneration, employment, business development and inward investment in South Kintyre. The provision, development and management of the property and infrastructure for occupation by business is therefore considered integral to the charity's charitable activities, rather than the property being held principally to earn rentals or for capital appreciation.

The land and buildings were originally acquired for £1. Subsequent expenditure is capitalised where it is expected to provide future economic benefits or service potential to the charity. Expenditure on repairs and maintenance which does not enhance the asset or extend its useful economic life is recognised as expenditure as incurred.

Depreciation is provided on tangible fixed assets, other than freehold land, at rates calculated to write off their cost, less any estimated residual value, over their estimated useful economic lives. Significant parts of an asset with materially different useful economic lives are depreciated separately where appropriate.

The principle depreciation rates are:

- Heritable buildings and structural improvements: 5% straight line
- Leasehold improvements: 10% straight line
- Motor vehicles: 25% reducing balance
- Office equipment and furniture: 20% straight line
- Plant and machinery: 20% straight line
- Solar panels: 5% straight line

The residual values, useful economic lives and depreciation methods are reviewed where there is an indication that there has been a significant change since the previous reporting date.

1.10 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.

1.11 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

1.12 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.

1.13 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.

1.14 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.

1.15 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.

1.16 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

Classification of land and buildings

The classification of the land and buildings comprising Machrihanish Airbase requires significant judgement. The site includes properties which are let to third parties and consequently generate rental income. Investment property is property held to earn rentals, for capital appreciation, or both, rather than for use in the production or supply of goods or services or for administrative purposes.

The directors have considered the nature and purpose for which the Airbase is held and have concluded that the site is an operational asset used directly in furtherance of the charity's objectives. In particular, the provision, development and management of property and infrastructure for businesses forms an integral part of the charity's activities in promoting economic regeneration, employment and inward investment in South Kintyre. The directors therefore consider that the primary purpose for holding the property is the delivery of the charity's objectives rather than the generation of rental returns or capital appreciation.

Accordingly, the land and buildings are classified as tangible fixed assets rather than investment property and are accounted for in accordance with the charity's tangible fixed asset accounting policy.

The directors have also considered the arrangements under which the site is leased to the charity's wholly owned trading subsidiary, which manages and lets properties on the site to third parties, and consider that these arrangements do not alter the underlying purpose for which the site is held by the charitable group.

3. Net income is stated after charging	Group 2026 £	Group 2025 £
Auditor's remuneration	11,000	9,000
Depreciation	56,979	36,336
	67,979	45,336

4. Staff costs	Group 2026 £	Group 2025 £
Salaries	219,208	229,753
Social Security	14,480	16,780
Pension	15,524	4,874
	249,212	251,407

	Group 2026 Number	Group 2025 Number
Staff	7	8

No employees received employee benefits exceeding £60,000 (2025: none). The Directors are regarded as being key management personnel and received no remuneration (2025: nil).

5.	Costs of raising funds	Group 2026 £	Group 2025 £
	Wages and salaries	122,995	142,761
	Heat, light and electricity	242,777	223,280
	Insurance	107,850	59,451
		473,622	425,492

6.	Charitable activities	Group 2026 £	Group 2025 £
	Accountancy fees	17,568	18,380
	Advertising	7,446	2,150
	Bad debts	1,276	6,467
	Bank charges	763	690
	Charitable donations	16,588	13,923
	Donations refunded	7,500	-
	Cleaning	5,193	6,333
	Computer costs	10,897	7,451
	Depreciation of tangible fixed assets	56,979	36,336
	Profit / loss on disposal of fixed asset	(24,000)	(6,000)
	Equipment hire	9,086	17,200
	Governance costs - audit fees	11,000	9,000
	Irrecoverable VAT	22,947	7,712
	Legal, consultancy and other professional fees	35,721	45,275
	Motor expenses	11,957	7,221
	Pension costs	15,524	4,874
	Printing, postage and stationery	1,299	1,042
	Project and event costs	278,856	148,876
	Rates	20,552	6,632
	Repairs and maintenance	131,012	82,632
	Staff salaries	110,693	136,543
	Staff training	5,163	-
	Subscriptions	1,404	4,072
	Sundry expenses	10,729	12,707
	Telephone expenses	1,105	6,127
		767,258	575,643

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 HM Revenue & Customs for the purposes of tax relief granted by Section 505 of the Income and Corporation Taxes Act 2010.

8. Investments	Charity 2026 £	Charity 2025 £
Shares in MACC Developments Limited - SC413390	1	1
	1	1

Details of the investments at the year end are as follows:

Name	% held	Class of shares	Aggregate capital & reserves	Profit / (loss) after tax
MACC Developments Limited	100%	Ordinary	325,776	329,435

Details of the subsidiary company are provided in note 16.

9. Tangible fixed assets	Heritable assets £	Motor Vehicles £	Office equipment & furniture £	Plant & machinery £	Solar panels £	Total £
			GROUP			
Cost						
As at 31 March 2025	242,493	52,189	76,542	99,278	221,194	691,696
Additions	21,297	-	2,000	90,212	-	113,509
Disposals	-	-	-	(42,650)	-	(42,650)
As at 31 March 2026	263,790	52,189	78,542	146,840	221,194	762,555
Depreciation						
As at 31 March 2025	6,309	29,045	52,951	82,993	71,204	242,502
Charge for the year	6,117	5,786	8,636	25,380	11,060	56,979
Disposals	-	-	-	(42,650)	-	(42,650)
As at 31 March 2026	12,426	34,831	61,587	65,723	82,264	256,831
Net Book Value						
As at 31 March 2026	251,364	17,358	16,955	81,117	138,930	505,724
As at 31 March 2025	236,184	23,144	23,591	16,285	149,990	449,194

Tangible fixed assets	Heritable assets £	Motor Vehicles £	Office equipment & furniture £	Plant & machinery £	Solar panels £	Total £
			Charity			
Cost						
As at 31 March 2025	231,978		67,001	3,478	221,194	523,651
Additions	21,297					21,297
Disposals						
As at 31 March 2026	253,275		67,001	3,478	221,194	544,948
Depreciation						
As at 31 March 2025			45,377	3,478	71,204	120,059
Charge for the year	5,065		7,517		11,060	23,642
Disposals						
As at 31 March 2026	5,065		52,894	3,478	82,264	143,701
Net Book Value						
As at 31 March 2026	248,210		14,107	-	138,930	401,247
As at 31 March 2025	231,978		21,624		149,990	403,592

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

10. Debtors	Group 2026 £	Group 2025 £	Charity 2026 £	Charity 2025 £
Trade debtors	75,862	129,718	10,260	650
Amounts due from subsidiary undertaking (note 17)	-	-	20,356	17,358
Amount due from joint venture (note 17)	-	23,403	-	23,403
Prepayments and accrued income	28,136	22,620	-	-
VAT receivable	2,968	5,415	2,968	5,415
	106,966	181,156	33,584	46,826

11 Creditors	Group 2026 £	Group 2025 £	Charity 2026 £	Charity 2025 £
Trade creditors	24,550	3,229	452	509
Other creditors	43,177	49,227		
Amounts due to subsidiary undertaking			-	35,058
Accruals and deferred income (see below)	171,675	141,848	14,705	13,338
VAT, PAYE & NI	29,019	33,150	-	-
	268,421	227,454	15,157	48,905

Deferred income	Group 2026 £	Group 2025 £	Charity 2026 £	Charity 2025 £
Balance at 1 April	99,134	84,617	-	-
Amount released to income during the period	(99,134)	(84,617)	-	-
Amount deferred during the year	124,228	99,134	260	958
Balance at 31 March	124,228	99,134	260	958

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 £15,524 (2025: £4,874). Contributions totalling £nil (2025 - £nil) were payable to the fund at the reporting date

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

	2026	2025
Due in less than 1 year	761,943	711,563
Due in more than one year and less than five years	2,318,507	2,226,046
Due in more than five years	17,531,075	18,060,925
	20,611,525	20,998,534

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	139,881	138,930	226,913	505,724
Current assets	1,051,129	651,940	-	1,703,069
Current liabilities	(268,421)	-	-	(268,421)
Net assets at 31 March 2026	922,589	790,870	226,913	1,940,372

15. Analysis of charitable funds

Analysis of group fund movement	01 April 2025	Income	Expenditure	Transfers	31 March 2026
	£	£	£	£	£
General	1,052,231	1,421,582	(1,193,818)	(357,406)	922,589
Designated reserves	475,461	-	(41,997)	357,406	790,870
Unrestricted funds	1,527,692	1,421,582	(1,235,815)	-	1,713,459
Property improvement fund	231,978	-	(5,065)	-	226,913
Restricted funds	231,978	-	(5,065)	-	226,913

Analysis of charity fund movement	01 April 2025 £	Income £	Expenditure £	Transfers £	31 March 2026 £
General	764,219	404,344	(214,345)	(357,406)	596,812
Designated reserves	475,462	-	(41,997)	357,406	790,871
Unrestricted funds	1,239,681	404,344	(256,342)	-	1,387,683
Property improvement fund	231,978	-	(5,065)		226,913
Restricted funds	231,978	-	(5,065)	-	226,913

Analysis of designated reserves	£
Electrical improvements	170,000
Water pipes	200,000
Building improvements	220,871
Sewage works	200,000
	790,871

The designated reserves are held to deal with emergency repairs if and when a major issue occurs that may need immediate attention.

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.

17. Related party transactions

During the year, MACC Developments Limited donated £291,674 (2025: £94,000) to Machrihanish Airbase Community Company, which is it's parent company, in respect of the profits of the previous period.

As at 31 March 2026, the Company owed it's parent company £20,356 (2025: £17,700). No interest is charged on the balance owed to Machrihanish Airbase Community Company.

During the year, MACC Developments Limited, paid head lease rentals of £28,000 (2025 - £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 £5,280 (2025: £34,230) for electricity generated from their solar panels and a further £41,571 (2025 - £0) for repair and maintenance recharges.

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

- £2,620 (2025 - £8,294) was paid to Jim Martin Supplies, which is owned by J Martin (Director of the subsidiary), and £6,000 (2025: £9,920) was received from Jim Martin Supplies for property rental.
- £632 (2025 - £1,725) rental income from D Ralston (Director of the Charity).
- £7,459 (2025 - £7,192) rental income was received from MACC Gym Ltd, which is owned by E Eynon (Director of the subsidiary).
- £1,294 (2025 - £1,694) rental income from MACC Livery Yard, which is owned by E Eynon (Director of the subsidiary).
- £0 (2025 - £3,850) consulting expenses paid to I Wardrop (Director of the subsidiary).
- £10,421 (2025 - £38,232) accommodation income and MACC Lab site costs recharged to Discover Space UK Limited, a joint-venture with its parent company in FY26 until it was disposed of on 5 May 2025. There was still a loan of £10,000 (2025 - £23,403) to Discover Space UK Limited at the year end which should be repaid in FY27.

18. Ultimate controlling party

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

19.	Charity only Statement of Financial Activities	Unrestricted General Funds 2026	Unrestricted Designated Funds 2026	Restricted Funds 2026	Total Funds 2026	Total funds 2025
	Income and endowments from:					
	Donations and legacies	291,674	-	-	291,674	99,225
	Investment income - rent	40,815	-	-	40,815	49,230
	Other trading activities	67,669	-	-	67,669	42,521
	Other income	4,186	-	-	4,186	4,011
	Total Income	404,344	-	-	404,344	194,987
	Expenditure on:					
	Charitable activities	214,345	41,997	5,065	261,407	175,427
	Total expenditure	214,345	41,997	5,065	261,407	175,427
	Net income / (expenditure)	189,999	(41,997)	(5,065)	142,937	19,560
	Transfers between funds	(357,406)	357,406		-	-
	Net movement in funds	(167,407)	315,409	(5,065)	142,937	19,560
	Reconciliation of funds:					
	Total funds brought forward	764,219	475,462	231,978	1,471,659	1,452,099
	Total funds carried forward	596,812	790,871	226,913	1,614,596	1,471,659

20. Comparative 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
Investment income - rent	49,230	-	-	49,230	39,295
Other trading activities	42,521	-	-	42,521	48,536
Other income	4,011	-	-	4,011	-
Total Income	194,987	-	-	194,987	227,831
Expenditure on:					
Charitable activities	61,647	113,780	-	175,427	495,609
Total expenditure	61,647	113,780	-	175,427	495,609
Net income / (expenditure)	133,340	(113,780)	-	19,560	(267,778)
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	764,219	475,462	231,978	1,471,659	1,452,099