

Registered number: SC200325

Charity number: SC043681

**THE MORVERN COMMUNITY DEVELOPMENT COMPANY
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

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THE MORVERN COMMUNITY DEVELOPMENT COMPANY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2026

Trustees R Jones (resigned 7 October 2025)
 H E Laidlaw, MCC Representative
 K W Laidlaw, Treasurer
 S Firth (appointed 27 May 2026)
 B Rendall (appointed 7 October 2025)
 A F G Robertson, Chair
 S Taylor
 M Welsh

**Company registered
number** SC200325

**Charity registered
number** SC043681

Registered office Lochaline Harbour
 Lochaline
 Morvern
 Oban
 PA80 5XT

Company secretary S Pender

Independent auditors Sumer Auditco Limited
 Chartered Accountants
 14 City Quay
 Dundee
 DD1 3JA

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2026

The trustees present their annual report together with the audited financial statements of the Company for the year ended 31 March 2026. The Annual report serves the purposes of both a trustees' report and a directors' report under company law. The Directors confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) 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).

Since the group and the Company qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

Our objectives are:

To provide or advance the accessibility of recreational facilities, and/or organising recreational activities, which will be available to members of the Community and public at large with the object of improving the conditions of life of the Community.

Advancement of citizenship or Community development, including rural or urban regeneration.

Article 4.1.3 To advance educational opportunities in the Community relating to environment, culture, heritage and/or history.

To advance environmental protection or improvement including preservation, sustainable development and conservation of the natural environment, the maintenance, improvement or provision of environmental amenities for the Community and/or the preservation of buildings or sites of architectural, historic or other importance to the Community.

b. Activities undertaken to achieve objectives

The Morvern Community Development Company (MCDC) worked on several projects during 2025/26: Morvern community affordable housing project- 14 family homes to commence construction in summer 2026 following securing a full funding package for the project.

Ongoing management of Miners Court affordable homes.

A management plan for Morvern Community Hazelwoods has been completed.

Supporting Morvern Community Trading Company (MCTC) to re-establish a community cafe at the Hub and to develop Lochaline Marina with the addition of sauna and gym.

Managing the key community assets, including the Hub, filling station, marina, Hazelwood and Barr Hydro.

Approximately £200,000 invested in the local economy through the provision of professional services to support the charity's work and assets.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

Achievements and performance

a. Main achievements of the Company

Managed the Lochaline Housing Project, which will ensure the construction of 14 affordable family homes. This includes securing all the funding required for the £4.3m project, with the ground works for construction to start in summer 2026.

Continued management and maintenance of Lochaline Filling Station.

Renting out of three affordable houses at Miner's court.

Via our subsidiary MCTC, the reopening of the Hub Cafe and the regeneration of Lochaline Marina, including the refurbishment of the showers, toilets, outside sheltered seating area and a new community gym.

Via our subsidiary, MorVolts, operation the Barr Hydro Scheme.

b. Fundraising activities and income generation

For many years our fund raising has very largely been through Government grants with occasional other sources of charitable grant funding. Our Development Officer, and our good record of delivering on funded projects, are the main keys to our success here. Morvolts, our hydro scheme has also able to make regular donations to our charity.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The policy of the company is to aim to retain sufficient reserves to meet the cost of any regular commitments as well as a contingency to enable it to continue to develop further projects. The company has built up considerable assets in terms of property and has some liquid reserves.

This year our focus has been to create a reserve of £450,000 in support of the affordable housing project.

MCDC's total reserves (as parent) at 31 March 2026 amounted to £5,700,060 (2025 - £2,126,773), of which £4,140,240 (2025 - £518,912) is restricted. The unrestricted funds amount to £1,559,820 (2025 - £1,607,861).

Free reserves amounted to £nil (2025 - £30,205) which is represented by the unrestricted funds net of fixed assets and designated funds.

c. Principal risks and uncertainties

We are a very small community, and we rely heavily on massive volunteer effort from our Trustees and others within the community. Likewise, for new development work and other activities, we rely heavily on government sponsored grant funding, both revenue and capital. The risk being, that we do not sufficient volunteer capacity.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

Structure, governance and management

a. Constitution

The Morvern Community Development Company is registered as a charitable company limited by guarantee and was set up by Memorandum of Association. This has been reviewed and updated using the Scottish Government template, it will go to the next AGM for consideration.

b. Methods of appointment or election of trustees

Trustees/Directors are appointed under the terms of the Articles of Association at the Annual General Meeting. Full details of the Articles are available, but a summary includes the following:

There shall always be a minimum of 3 Trustees/directors

There can be up to 7 individual persons elected as Directors by the Ordinary Members in terms of Article 33 ("the Elected Directors"), who must themselves be Ordinary Members; and up to 2 individual persons appointed by the Morvern Community Council or its successors in terms of Article 34 ("the Appointed Directors"); and a majority of the Directors/Trustees shall always be Elected Directors.

One third of Directors stand down at each AGM and are available for re-election for one further term and no longer than that without a minimum of one full year out of office.

c. Organisational structure and decision-making policies

The Company is run by the board of trustees/directors appointed by the membership, who meet every two months, with at least 2 public meetings a year. Other meetings are held as required. The Company has a part-time Operations Manager who is also our Company Secretary. Across all the companies we have 10 additional staff, many of whom are part time, working on admin, housing, harbour and in the café.

d. Policies adopted for the induction and training of trustees

We seek to offer new trustees/directors induction training including, information provided by Companies House and OSCR as well as a structure whereby they can learn from other trustees/directors and our Company Secretary. We also seek to offer regular training events, often provided by the Development Trust Association Scotland, though our membership of that organisation.

e. Financial risk management

The trustees have assessed the major risks to which the Group and the Company are exposed, in particular those related to the operations and finances of the Group and the Company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks. The risk register is reviewed and updated regularly.

f. Trustees' indemnities

Throughout the year, the Company purchased and maintained Directors' and Officers' liability insurance in respect of itself and for its Directors and Officers.

Plans for future periods

We have been working to a 5-10 year Live Life Morvern Community plan and this year have been updating our own MCDC strategic plan, with support from Just Enterprise Scotland.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026**

Members' liability

The Members of the Company guarantee to contribute an amount not exceeding £1 to the assets of the Company in the event of winding up.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

Statement of trustees' responsibilities

The trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial . Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

Disclosure of information to auditors

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

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

Auditors

The auditors, Sumer Auditco Limited, have indicated their willingness to continue in office. The designated trustees will propose a motion reappointing the auditors at a meeting of the trustees.

Approved by order of the members of the board of trustees on 27 October 2026 and signed on their behalf by:

Signed by:

Angus Robertson

3B9D560354DC47D

A F G Robertson
Trustee

THE MORVERN COMMUNITY DEVELOPMENT COMPANY**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MORVERN COMMUNITY DEVELOPMENT COMPANY****Opinion**

We have audited the financial statements of The Morvern Community Development Company (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2026 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows, the Company Statement of Cash Flows and the related notes, including a summary of 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 of the parent charitable company's affairs as at 31 March 2026 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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's or the 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.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MORVERN COMMUNITY DEVELOPMENT COMPANY (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The trustees are responsible for the other information contained within the Annual report. 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.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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 our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 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's and the 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 the parent charitable company or to cease operations, or have no realistic alternative but to do so.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MORVERN COMMUNITY DEVELOPMENT COMPANY (CONTINUED)

Auditors' 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 Act 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 Auditors' 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:

We gained an understanding of the legal and regulatory framework applicable to the charitable company and group and the activities it undertakes. We considered the risk of acts by the company or its subsidiaries which were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error since fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. As part of this testing, we considered the possible motivations for fraud against the entity and whether there was adequate oversight by the board of activities where there is increased susceptibility to fraud.

We focused on laws and regulations which could give rise to material misstatement in the financial statements including, but not limited to, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and relevant UK tax legislation.

Our tests involved agreeing the financial statement disclosures to the underlying supporting documentation and enquiries with management. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors which represented a risk of material misstatement.

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MORVERN COMMUNITY DEVELOPMENT COMPANY (CONTINUED)

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 those matters we are required to state to them in an Auditors' 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, its members, as a body, and its trustees, as a body for our audit work, for this report, or for the opinions we have formed.

Signed by:

Sumer Auditco Limited

98E01EC2FD13436

Douglas Rae (Senior statutory auditor)

for and on behalf of

Sumer Auditco Limited

Chartered Accountants

Statutory Auditors

14 City Quay

Dundee

DD1 3JA

27 October 2026

Sumer Auditco Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2026

		Unrestricted funds 2026 £	Restricted funds 2026 £	Total funds 2026 £	Total funds 2025 £
Income from:					
Donations and legacies	3	899	3,709,936	3,710,835	38,419
Charitable activities	4	12,512	-	12,512	12,271
Other trading activities	5	1,154,794	-	1,154,794	1,344,527
Bank interest		38,121	-	38,121	29,375
Other income		16,775	-	16,775	10,322
Total income		1,223,101	3,709,936	4,933,037	1,434,914
Expenditure on:					
Raising funds	7	1,078,109	-	1,078,109	893,685
Charitable activities	9	233,511	41,309	274,820	237,061
Total expenditure		1,311,620	41,309	1,352,929	1,130,746
Net (expenditure)/income before taxation		(88,519)	3,668,627	3,580,108	304,168
Taxation		(12,175)	-	(12,175)	33,095
Net (expenditure)/income after taxation		(100,694)	3,668,627	3,567,933	337,263
Transfers between funds	23	47,299	(47,299)	-	-
Net movement in funds before other recognised gains/(losses)		(53,395)	3,621,328	3,567,933	337,263
Other recognised gains/(losses):					
Other gains/(losses)		500	-	500	(1,318)
Net movement in funds		(52,895)	3,621,328	3,568,433	335,945
Reconciliation of funds:					
Total funds brought forward		1,831,157	518,912	2,350,069	2,014,124
Net movement in funds		(52,895)	3,621,328	3,568,433	335,945
Total funds carried forward		1,778,262	4,140,240	5,918,502	2,350,069

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 19 to 45 form part of these financial statements.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

COMPANY STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2026

		Unrestricted funds 2026 £	Restricted funds 2026 £	Total funds 2026 £	<i>Total funds 2025 £</i>
Income from :					
Donations and legacies	3	200,200	3,709,936	3,910,136	718,419
Charitable activities	4	12,512	-	12,512	12,271
Bank interest		14,721	-	14,721	3,302
Other income		45,438	-	45,438	41,598
Total income		<u>272,871</u>	<u>3,709,936</u>	<u>3,982,807</u>	<u>775,590</u>
Expenditure on:					
Charitable activities	8,9	368,711	41,309	410,020	287,555
Total expenditure		<u>368,711</u>	<u>41,309</u>	<u>410,020</u>	<u>287,555</u>
Net (expenditure)/income		(95,840)	3,668,627	3,572,787	488,035
Transfers between funds		47,299	(47,299)	-	-
Net movement in funds before other recognised gains/(losses)		<u>(48,541)</u>	<u>3,621,328</u>	<u>3,572,787</u>	<u>488,035</u>
Other gains/(losses)		500		500	(1,318)
Net movement in funds		<u>(48,041)</u>	<u>3,621,328</u>	<u>3,573,287</u>	<u>486,717</u>
Reconciliation of Funds:					
Total funds brought forward		1,607,861	518,912	2,126,773	1,640,056
Net movement in funds		(48,041)	3,621,328	3,573,287	486,717
Total funds carried forward		<u>1,559,820</u>	<u>4,140,240</u>	<u>5,700,060</u>	<u>2,126,773</u>

THE MORVERN COMMUNITY DEVELOPMENT COMPANY
REGISTERED NUMBER: SC200325

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2026

		2026	2025
		£	£
Fixed assets			
Tangible assets	14	6,391,022	6,281,251
Investments	15	9,300	9,300
		6,400,322	6,290,551
Current assets			
Stocks	16	11,690	8,919
Debtors: amounts falling due after more than one year	17	50,000	50,000
Debtors: amounts falling due within one year	17	3,446,357	158,373
Cash at bank and in hand		1,574,935	1,667,220
		5,082,982	1,884,512
Current liabilities			
Creditors: amounts falling due within one year	18	(438,193)	(460,756)
Net current assets		4,644,789	1,423,756
Total assets less current liabilities		11,045,111	7,714,307
Creditors: amounts falling due after more than one year	19	(4,992,031)	(5,243,085)
Provisions for liabilities		(134,578)	(121,153)
Total net assets		5,918,502	2,350,069
Charity funds			
Restricted funds	23	4,140,240	518,912
Unrestricted funds	23	1,778,262	1,831,157
Total funds		5,918,502	2,350,069

THE MORVERN COMMUNITY DEVELOPMENT COMPANY
REGISTERED NUMBER: SC200325

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2026

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees on 27 October 2026 and signed on their behalf by:

Signed by:



3B9D560354DC470...

A F G Robertson
Trustee

The notes on pages 19 to 45 form part of these financial statements.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY
REGISTERED NUMBER: SC200325

COMPANY BALANCE SHEET
AS AT 31 MARCH 2026

		2026	2025
		£	£
Fixed assets			
Tangible assets	14	1,774,169	1,528,801
Investments	15	9,500	9,500
		1,783,669	1,538,301
Current assets			
Debtors: amounts falling due within one year	17	3,297,820	48,215
Cash at bank and in hand		682,182	614,498
		3,980,002	662,713
Current liabilities			
Creditors: amounts falling due within one year	18	(63,611)	(74,241)
Net current assets		3,916,391	588,472
Total assets less current liabilities		5,700,060	2,126,773
Total net assets		5,700,060	2,126,773
Charity funds			
Restricted funds	23	4,140,240	518,912
Unrestricted funds	23	1,559,820	1,607,861
Total funds		5,700,060	2,126,773

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees on 27 October 2026 and signed on their behalf by:

Signed by:

Angus Robertson

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A F G Robertson

Trustee

The notes on pages 19 to 45 form part of these financial statements.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2026**

	Note	2026 £	2025 £
Cash flows from operating activities			
Net cash used in operating activities	27	<u>707,649</u>	<u>827,655</u>
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		500	8,813
Purchase of tangible fixed assets		(331,627)	(101,372)
Interest received		38,121	29,375
		<u>(293,006)</u>	<u>(63,184)</u>
Cash flows from financing activities			
Repayments of borrowing		(225,456)	(287,771)
Interest paid		(281,472)	(301,467)
Net cash used in financing activities		<u>(506,928)</u>	<u>(589,238)</u>
Change in cash and cash equivalents in the year		(92,285)	175,233
Cash and cash equivalents at the beginning of the year		<u>1,667,220</u>	<u>1,491,987</u>
Cash and cash equivalents at the end of the year	28	<u><u>1,574,935</u></u>	<u><u>1,667,220</u></u>

The notes on pages 19 to 45 form part of these financial statements

THE MORVERN COMMUNITY DEVELOPMENT COMPANY**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2026**

	Note	2026 £	2025 £
Cash flows from operating activities			
Net cash used in operating activities	27	<u>374,075</u>	<u>629,988</u>
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		500	3,333
Purchase of tangible fixed assets		(331,627)	(84,833)
Interest received		14,736	3,302
Net cash used in investing activities		<u>(316,391)</u>	<u>(78,198)</u>
Cash flows from financing activities			
Cash inflows from new borrowing		10,000	-
Repayments of borrowing		-	(57,817)
Interest paid		-	(890)
Net cash provided by/(used in) financing activities		<u>10,000</u>	<u>(58,707)</u>
Change in cash and cash equivalents in the year		67,684	493,083
Cash and cash equivalents at the beginning of the year		<u>614,498</u>	<u>121,415</u>
Cash and cash equivalents at the end of the year	28	<u><u>682,182</u></u>	<u><u>614,498</u></u>

The notes on pages 19 to 45 form part of these financial statements

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

1. General information

The Morvern Community Development Company (MCDC) is a company limited by guarantee with no share capital registered in Scotland with company number SC200325. MCDC is also a registered charity under number SC043681. The registered address is Lochaline Harbour, Lochaline, Morvern, Oban, PA80 5XT.

The Group's functional and presentational currency is GBP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Morvern Community Development Company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

2.2 Going concern

The directors have reviewed the group's position, including the performance of the subsidiaries, and are satisfied that there are no material uncertainties around the appropriateness of the going concern basis, on which these accounts are prepared.

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income from the sale of electricity is recognised at the point the electricity is transferred through the customer's meter at the output of the Barr Hydro Scheme.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Assets in the course of construction are included at costs incurred to date. Depreciation on these assets is not charged until they are brought into use.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Land	- Not depreciated
Buildings (inc shore facilities)	- 4% -Straight-line from completion
Plant and machinery	- 25% - Reducing balance
Motor vehicles	- 25% - Reducing balance
Sheds, tools & allotments	- 25% - Reducing balance
Pontoons (included in plant and machinery)	- 7.5% - Straight-line
Hydro-Renewables (included in plant and machinery)	- 2.5% - Straight-line

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

2. Accounting policies (continued)

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at cost less impairment at the Balance sheet date. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

The provision made by Triodos in respect of the restoration requirement for the lease is charged to the Profit and Loss on a straight-line basis over the life of the lease.

2.12 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

2. Accounting policies (continued)

2.13 Financial instruments

The Group 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 their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight-line basis over the lease term.

2.15 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026****3. Income from donations and legacies****Group**

	Unrestricted funds 2026 £	Restricted funds 2026 £	Total funds 2026 £
Donations	899	4,392	5,291
Grants	-	3,705,544	3,705,544
	<u>899</u>	<u>3,709,936</u>	<u>3,710,835</u>

	<i>Unrestricted funds 2025 £</i>	<i>Restricted funds 2025 £</i>	<i>Total funds 2025 £</i>
Donations	9,208	-	9,208
Grants	-	29,211	29,211
	<u>9,208</u>	<u>29,211</u>	<u>38,419</u>

Company

	Unrestricted funds 2026 £	Restricted funds 2026 £	Total funds 2026 £
Donations	200,200	4,392	204,592
Grants	-	3,705,544	3,705,544
	<u>200,200</u>	<u>3,709,936</u>	<u>3,910,136</u>

	<i>Unrestricted funds 2025 £</i>	<i>Restricted funds 2025 £</i>	<i>Total funds 2025 £</i>
Donations	689,208	-	689,208
Grants	-	29,211	29,211
	<u>689,208</u>	<u>29,211</u>	<u>718,419</u>

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

4. Income from charitable activities

Group and Company

	Unrestricted funds 2026 £	Total funds 2026 £
Affordable housing rents	12,512	12,512

	Unrestricted funds 2025 £	Total funds 2025 £
Affordable housing rents	12,271	12,271

5. Income from non-charitable trading activities

Group

	Unrestricted funds 2026 £	Total funds 2026 £
Sale of electricity	823,349	823,349
Sale of fuel	163,083	163,083
Harbour income	91,577	91,577
Car club income	3,770	3,770
Cafe sales	73,015	73,015
	1,154,794	1,154,794

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

5. Income from non-charitable trading activities (continued)

(continued)

	<i>Unrestricted funds 2025 £</i>	<i>Total funds 2025 £</i>
Sale of electricity	1,111,992	1,111,992
Other income	204	204
Sale of fuel	151,621	151,621
Harbour income	61,302	61,302
Car club income	3,271	3,271
Cafe sales	16,137	16,137
	<u>1,344,527</u>	<u>1,344,527</u>

The Company had no income from non-charitable trading activity in the current or prior year.

6. Other incoming resources

	Group 2026 £	<i>Group 2025 £</i>	Company 2026 £	<i>Company 2025 £</i>
Profit share from EEL investment	12	340	12	404
Rent receivable	11,302	9,982	5,290	3,290
Management charges	5,461	-	40,136	37,904
	<u>16,775</u>	<u>10,322</u>	<u>45,438</u>	<u>41,598</u>

All other incoming resources are unrestricted.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

7. Expenditure on raising funds

Group

	Unrestricted funds 2026 £	Total funds 2026 £
Cost of sales - Fuel	138,406	138,406
Cost of sales - Harbour	17,645	17,645
Cost of sales - Car club	3,241	3,241
Cafe expenses	39,813	39,813
Cost of sales - Electricity	82,218	82,218
Administration expenses	143,913	143,913
Interest payable	281,472	281,472
Administration staff costs	235,804	235,804
Depreciation of Hydro Electric Scheme	135,597	135,597
	1,078,109	1,078,109
	Unrestricted funds 2025 £	Total funds 2025 £
Cost of sales - Fuel	134,186	134,186
Cost of sales - Car club	3,420	3,420
Cafe expenses	7,655	7,655
Staff costs	88,961	88,961
Cost of sales - Electricity	54,760	54,760
Administration expenses	167,641	167,641
Interest payable	301,467	301,467
Depreciation of Hydro Electric Scheme	135,595	135,595
	893,685	893,685

The Company did not have any expenditure on raising funds in the current or prior year.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

8. Analysis of grants

	Grants to Institutions 2026 £	Total funds 2026 £
Grants for community development	14,262	14,262
	<i>Grants to Institutions 2025 £</i>	<i>Total funds 2025 £</i>
Grants for community development	12,971	12,971

9. Analysis of expenditure on charitable activities

Summary by fund type

Group

	Unrestricted funds 2026 £	Restricted funds 2026 £	Total 2026 £
Core development activities	206,054	22,751	228,805
Marina & pontoons	25,158	18,558	43,716
Affordable housing	2,299	-	2,299
	233,511	41,309	274,820
	<i>Unrestricted funds 2025 £</i>	<i>Restricted funds 2025 £</i>	<i>Total 2025 £</i>
Core development activities	162,050	20,461	182,511
Marina & pontoons	31,136	18,558	49,694
Affordable housing	-	4,856	4,856
	193,186	43,875	237,061

THE MORVERN COMMUNITY DEVELOPMENT COMPANY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

Company

	Unrestricted funds 2026 £	Restricted funds 2026 £	Total funds 2026 £
Core development activities - Direct costs	341,254	22,751	364,005
Marina & pontoons - Direct costs	25,158	18,558	43,716
Affordable housing - Direct costs	2,299	-	-
Total 2026	368,711	41,309	410,020

	<i>Unrestricted funds 2025 £</i>	<i>Restricted funds 2025 £</i>	<i>Total funds 2025 £</i>
Core development activities - Direct costs	199,573	20,461	220,034
Marina & pontoons - Direct costs	31,136	18,558	49,694
Affordable housing - Direct costs	-	4,856	4,856
<i>Total 2025</i>	<i>230,709</i>	<i>43,875</i>	<i>274,584</i>

10. Analysis of expenditure by activities

Group

	Activities undertaken directly 2026 £	Grant funding of activities 2026 £	Total funds 2026 £
Core development activities	214,543	14,262	228,805
Marina & pontoons	43,716	-	43,716
Affordable housing	2,299	-	2,299
	260,558	14,262	274,820

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

10. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2025</i>	<i>Grant funding of activities 2025</i>	<i>Total funds 2025</i>
	£	£	£
Core development activities	169,540	12,971	182,511
Marina & pontoons	49,694	-	49,694
Affordable housing	4,856	-	4,856
	<u>224,090</u>	<u>12,971</u>	<u>237,061</u>

Company

	Unrestricted funds 2026 £	Total funds 2026 £
Core development activities - Direct costs	364,005	364,005
Marina & pontoons - Direct costs	43,716	43,716
Affordable housing - Direct costs	2,299	2,299
Total 2026	<u>410,020</u>	<u>410,020</u>

	<i>Unrestricted funds 2025 £</i>	<i>Total funds 2025 £</i>
Core development activities - Direct costs	220,034	220,034
Marina & pontoons - Direct costs	49,694	49,694
Affordable housing - Direct costs	4,856	4,856
<i>Total 2025</i>	<u>274,584</u>	<u>274,584</u>

THE MORVERN COMMUNITY DEVELOPMENT COMPANY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026****11. Auditors' remuneration**

The auditors' remuneration amounts to:

	Group 2026 £	<i>Group 2025 £</i>	Company 2026 £	<i>Company 2025 £</i>
Audit services	10,250	9,950	7,250	4,450
Non-audit services	10,275	10,464	4,000	3,852
	20,525	20,414	11,250	8,302

12. Staff costs

	Group 2026 £	<i>Group 2025 £</i>	Company 2026 £	<i>Company 2025 £</i>
Wages and salaries	255,584	112,242	133,593	67,112
Contribution to defined contribution pension schemes	3,571	2,038	-	-
	259,155	114,280	133,593	67,112

The average number of persons employed by the Company during the year was as follows:

	Group 2026 No.	<i>Group 2025 No.</i>	Company 2026 No.	<i>Company 2025 No.</i>
Directors	7	11	9	6
Employees	6	6	3	2
	13	17	12	8

No employee received remuneration amounting to more than £60,000 in either year.

All staff costs in the Company relate to key management personnel.

13. Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2025 - £NIL).

During the year ended 31 March 2026, no trustee expenses have been incurred (2025 - £NIL).

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

14. Tangible fixed assets

Group

	Land £	Buildings (inc shore facilities) £	Plant and machinery £	Motor vehicles £	Sheds, tools, allotments, etc £	Assets under construction £	Total £
Cost or valuation							
At 1 April 2025	140,311	1,549,839	5,770,736	16,539	86,478	132,468	7,696,371
Additions	29,219	-	-	-	18,250	284,158	331,627
At 31 March 2026	<u>169,530</u>	<u>1,549,839</u>	<u>5,770,736</u>	<u>16,539</u>	<u>104,728</u>	<u>416,626</u>	<u>8,027,998</u>
Depreciation							
At 1 April 2025	-	371,176	966,969	4,135	72,840	-	1,415,120
Charge for the year	-	60,039	149,703	4,137	7,977	-	221,856
At 31 March 2026	<u>-</u>	<u>431,215</u>	<u>1,116,672</u>	<u>8,272</u>	<u>80,817</u>	<u>-</u>	<u>1,636,976</u>
Net book value							
At 31 March 2026	<u>169,530</u>	<u>1,118,624</u>	<u>4,654,064</u>	<u>8,267</u>	<u>23,911</u>	<u>416,626</u>	<u>6,391,022</u>
At 31 March 2025	<u>140,311</u>	<u>1,178,663</u>	<u>4,803,767</u>	<u>12,404</u>	<u>13,638</u>	<u>132,468</u>	<u>6,281,251</u>

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

14. Tangible fixed assets (continued)

Company

	Land £	Buildings (inc shore facilities) £	Plant and machinery £	Sheds, tools, allotments, etc £	Assets under construction £	Total £
Cost or valuation						
At 1 April 2025	140,311	1,549,839	504,934	86,478	132,468	2,414,030
Additions	29,219	-	-	18,250	284,158	331,627
At 31 March 2026	<u>169,530</u>	<u>1,549,839</u>	<u>504,934</u>	<u>104,728</u>	<u>416,626</u>	<u>2,745,657</u>
Depreciation						
At 1 April 2025	-	371,176	441,213	72,840	-	885,229
Charge for the year	-	60,039	18,243	7,977	-	86,259
At 31 March 2026	<u>-</u>	<u>431,215</u>	<u>459,456</u>	<u>80,817</u>	<u>-</u>	<u>971,488</u>
Net book value						
At 31 March 2026	<u>169,530</u>	<u>1,118,624</u>	<u>45,478</u>	<u>23,911</u>	<u>416,626</u>	<u>1,774,169</u>
At 31 March 2025	<u>140,311</u>	<u>1,178,663</u>	<u>63,721</u>	<u>13,638</u>	<u>132,468</u>	<u>1,528,801</u>

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

15. Fixed asset investments

Group	Unlisted investments £
Cost or valuation	
At 1 April 2025	9,300
Disposals	-
At 31 March 2026	<u>9,300</u>
Net book value	
At 31 March 2026	<u>9,300</u>
At 31 March 2025	<u>9,300</u>

Company	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2025	200	9,300	9,500
Disposals	-	-	-
At 31 March 2026	<u>200</u>	<u>9,300</u>	<u>9,500</u>
Net book value			
At 31 March 2026	<u>200</u>	<u>9,300</u>	<u>9,500</u>
At 31 March 2025	<u>200</u>	<u>9,300</u>	<u>9,500</u>

16. Stocks

	Group 2026 £	Group 2025 £
Fuel	<u>11,690</u>	<u>8,919</u>

There were no stocks held by the Company in the current or prior year.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

17. Debtors

	Group 2026 £	Group 2025 £
Due after more than one year		
Other debtors	50,000	50,000

Included within other debtors is £50,000 (2025 - £50,000) lodged by MorVolts with Forestry and Land Scotland to provide security for the restoration of the land leased by MorVolts at the end of the lease term.

	Group 2026 £	Group 2025 £	Company 2026 £	Company 2025 £
Due within one year				
Trade debtors	10,771	6,693	2,250	-
Amounts owed by group undertakings	-	-	25,000	38,000
Other debtors	13,375	701	12,850	-
Prepayments and accrued income	3,422,211	150,979	3,257,720	10,215
	3,446,357	158,373	3,297,820	48,215

18. Creditors: Amounts falling due within one year

	Group 2026 £	Group 2025 £	Company 2026 £	Company 2025 £
Bank loans	157,230	141,632	-	-
Other loans	108,826	98,826	15,000	5,000
Trade creditors	41,295	54,823	22,746	50,963
Other taxation and social security	19,856	58,578	-	6,921
Other creditors	-	140	-	-
Accruals and deferred income	110,986	106,757	25,865	11,357
	438,193	460,756	63,611	74,241

THE MORVERN COMMUNITY DEVELOPMENT COMPANY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026****19. Creditors: Amounts falling due after more than one year**

	Group 2026 £	Group 2025 £	Company 2025 £
Bank loans	3,537,732	3,694,960	-
Other loans	1,454,299	1,548,125	-
	4,992,031	5,243,085	-

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	Group 2026 £	Group 2025 £	Company 2025 £
Payable or repayable by instalments	3,785,109	4,099,409	-
	3,785,109	4,099,409	-

20. Creditors: Security

MorVolts' bank overdrafts and loans are secured by a standard security in favour of Triodos Bank UK Limited over their lease at Barr Forrest and a floating charge over all assets and undertakings of the company. MorVolts' other loan from the Energy Investment Fund (EIF) is secured by a standard security in favour of Scottish Enterprise as administrators of the fund over their lease at Barr Forest. A ranking agreement is in place giving first charge to Triodos Bank. In addition, Triodos have the right of set-off for any liability against any accounts held with the bank by the company. The borrowings secured at the year end from Triodos amount to £3,694,962 and from EIF amount to £1,548,125.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

21. Deferred taxation

Group

	2026 £	2025 £
At the beginning of the year	116,153	149,248
Charge/(Credit) for the year	12,175	(33,095)
	<u>128,328</u>	<u>116,153</u>

There was no deferred tax charge in the Company in the current or prior year.

The deferred tax liability is made up as follows:

	Group 2026 £	Group 2025 £
Accelerated capital allowances	(128,328)	(116,153)

22. Provisions

Group and Company

	Land restoration provision £
At 1 April 2025	5,000
Additions	1,250
	<u>6,250</u>

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

23. Statement of funds

Statement of funds - current year

	Balance at 1 April 2025 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2026 £
Unrestricted funds						
Designated funds						
Fuel Pump Renewal Fund	17,238	-	-	587	-	17,825
Housing contribution	500,000	-	-	(50,000)	-	450,000
	<u>517,238</u>	<u>-</u>	<u>-</u>	<u>(49,413)</u>	<u>-</u>	<u>467,825</u>
General funds						
General Funds - all funds	1,313,919	1,223,101	(1,323,795)	96,712	500	1,310,437
Total Unrestricted funds	<u>1,831,157</u>	<u>1,223,101</u>	<u>(1,323,795)</u>	<u>47,299</u>	<u>500</u>	<u>1,778,262</u>
Restricted funds						
Land & Housing (phase 1)	474,675	-	(18,558)	-	-	456,117
Land & Housing (staff costs)	32,644	-	(22,751)	-	-	9,893
Housing (phase 2)	-	3,662,637	-	-	-	3,662,637
RCGF (Hub)	-	25,299	-	(25,299)	-	-
Harbour land	-	22,000	-	(22,000)	-	-
Harbour improvements	8,750	-	-	-	-	8,750
Other balances	2,843	-	-	-	-	2,843
	<u>518,912</u>	<u>3,709,936</u>	<u>(41,309)</u>	<u>(47,299)</u>	<u>-</u>	<u>4,140,240</u>
Total of funds	<u><u>2,350,069</u></u>	<u><u>4,933,037</u></u>	<u><u>(1,365,104)</u></u>	<u><u>-</u></u>	<u><u>500</u></u>	<u><u>5,918,502</u></u>

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

23. Statement of funds (continued)

23. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2024 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2025 £</i>
Unrestricted funds						
Designated funds						
Fuel Pump Renewal Fund	16,706	-	(1,070)	1,602	-	17,238
Housing contribution	-	-	-	500,000	-	500,000
	<u>16,706</u>	<u>-</u>	<u>(1,070)</u>	<u>501,602</u>	<u>-</u>	<u>517,238</u>
General funds						
General Funds	<u>1,471,527</u>	<u>1,405,703</u>	<u>(1,052,706)</u>	<u>(509,287)</u>	<u>(1,318)</u>	<u>1,313,919</u>
Total Unrestricted funds	<u>1,488,233</u>	<u>1,405,703</u>	<u>(1,053,776)</u>	<u>(7,685)</u>	<u>(1,318)</u>	<u>1,831,157</u>
Restricted funds						
Land & Housing (phase 1)	485,548	-	(18,558)	7,685	-	474,675
Land & Housing (staff costs)	37,500	-	(4,856)	-	-	32,644
Project/Develop ment Officer	-	20,461	(20,461)	-	-	-
Harbour improvements	-	8,750	-	-	-	8,750
Other balances	2,843	-	-	-	-	2,843
	<u>525,891</u>	<u>29,211</u>	<u>(43,875)</u>	<u>7,685</u>	<u>-</u>	<u>518,912</u>
Total of funds	<u><u>2,014,124</u></u>	<u><u>1,434,914</u></u>	<u><u>(1,097,651)</u></u>	<u><u>-</u></u>	<u><u>(1,318)</u></u>	<u><u>2,350,069</u></u>

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

24. Analysis of funds between parent and group

All restricted funds are held in the Company. The split of unrestricted funds between the Group and Parent is as follows:

	Group 2026 £	<i>Group 2025 £</i>	Company 2026 £	<i>Company 2025 £</i>
Opening balance	1,831,157	1,488,233	1,607,861	1,114,165
Income	1,223,101	1,405,703	272,871	746,379
Expenditure	(1,323,795)	(1,053,776)	(368,711)	(243,680)
Transfers	47,299	(7,685)	47,299	(7,685)
Gains	500	(1,318)	500	(1,318)
Closing balance	1,778,262	1,831,157	1,559,820	1,607,861
Designated	467,825	517,238	467,825	517,238
Unrestricted	1,310,437	1,313,919	1,091,995	1,090,623
	1,778,262	1,831,157	1,559,820	1,607,861

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

25. Purposes of restricted & designated funds

The Land and Housing (phase 1) Fund comprises the land, buildings and mortgage associated with the Affordable Housing project, which are subject to ongoing restriction on their use under the terms of the grant funding.

The Land and Housing (staff costs) fund represents grants received towards the employment of an individual to direct the affordable housing (phase 2) project.

The Housing (phase 2) fund comprises the assets under construction associated with the second phase of the affordable housing project, along with grant income received (or accrued) towards this project.

The Project/Development officer represented grants received towards the employment of a Project Officer for MDCD.

The RCGF (Hub) fund represents a balancing payment received in respect of grant funding for the construction of the hub. The snagging works intended to be covered by these funds had already been completed from general reserves and so a transfer was recorded of these amounts.

The Harbour improvements fund is held to finance improvements in the harbour area.

The Harbour land fund was grant money received to purchase an area of land at Lochaline Harbour. There are no ongoing restrictions on the use of the land, and so the funds have been transferred to the general reserve.

The designated Fuel Pump fund is held to ensure the company can, if required, replace the Fuel Pump operated by MCTC. The directors' view is that the purpose of this fund is to protect the ability of residents and visitors to Lochaline to purchase fuel and so the asset is included in this fund, along with the savings account held for this purpose. Transfers are made into this fund from the operating profit to offset depreciation and to account for interest received in the savings account

The designated Housing Fund represents funds ring-fenced by the board for the group's anticipated expenditure on the affordable housing project. £50,000 was transferred from this fund to general reserves in the year as the budget for the project evolved.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026****26. Analysis of net assets between funds****Group - current year**

	Unrestricted funds 2026 £	Restricted funds 2026 £	Total funds 2026 £
Tangible fixed assets	5,518,279	872,743	6,391,022
Fixed asset investments	9,300	-	9,300
Debtors due after more than one year	50,000	-	50,000
Current assets	1,765,485	3,267,497	5,032,982
Creditors due within one year	(438,193)	-	(438,193)
Creditors due in more than one year	(4,992,031)	-	(4,992,031)
Provisions for liabilities and charges	(134,578)	-	(134,578)
Total	1,778,262	4,140,240	5,918,502

Group - prior year

	<i>Unrestricted funds 2025 £</i>	<i>Restricted funds 2025 £</i>	<i>Total funds 2025 £</i>
Tangible fixed assets	5,806,576	474,675	6,281,251
Fixed asset investments	9,300	-	9,300
Debtors due after more than one year	50,000	-	50,000
Current assets	1,790,275	44,237	1,834,512
Creditors due within one year	(460,756)	-	(460,756)
Creditors due in more than one year	(5,243,085)	-	(5,243,085)
Provisions for liabilities and charges	(121,153)	-	(121,153)
Total	1,831,157	518,912	2,350,069

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

26. Analysis of net assets between funds (continued)

Company - current year

	Unrestricted funds 2026 £	Restricted funds 2026 £	Total funds 2026 £
Tangible fixed assets	901,426	872,743	1,774,169
Fixed asset investments	9,500	-	9,500
Current assets	442,505	3,537,497	3,980,002
Creditors due within one year	(63,611)	-	(63,611)
Total 2026	1,289,820	4,410,240	5,700,060

Company - prior year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	1,054,126	474,675	1,528,801
Fixed asset investments	9,500	-	9,500
Current assets	618,476	44,237	662,713
Creditors due within one year	(74,241)	-	(74,241)
Total 2025	1,607,861	518,912	2,126,773

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

27. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2026 £	Group 2025 £	Company 2026 £	Company 2025 £
Net income for the year (as per Statement of Financial Activities)	3,567,933	337,263	3,572,787	488,035
Adjustments for:				
Depreciation charges	221,856	235,785	86,259	101,420
Increase in stocks	(2,771)	(117)	-	-
Decrease/(increase) in debtors	(3,287,984)	57,256	(3,249,605)	19,319
Increase/(decrease) in creditors	(46,911)	(41,529)	(20,630)	23,626
Interest paid	281,472	301,467	-	890
Interest received	(38,121)	(29,375)	(14,736)	(3,302)
Tax charge	12,175	(33,095)	-	-
Net cash provided by operating activities	707,649	827,655	374,075	629,988

28. Analysis of cash and cash equivalents

	Group 2026 £	Group 2025 £	Company 2026 £	Company 2025 £
Cash in hand	1,574,935	1,667,220	682,182	614,498
Total cash and cash equivalents	1,574,935	1,667,220	682,182	614,498

29. Analysis of changes in net debt

	At 1 April 2025 £	Cash flows £	At 31 March 2026 £
Cash at bank and in hand	1,667,220	(92,285)	1,574,935
Debt due within 1 year	(240,458)	(25,598)	(266,056)
Debt due after 1 year	(5,243,085)	251,054	(4,992,031)
	(3,816,323)	133,171	(3,683,152)

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

30. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £3,571 (2025 - £2,038). Of this cost, £nil (2025 - £nil) relates to the parent charity.

At the balance sheet date there was £nil (2025 - £140) payable to the pension scheme of which £nil (2025 - £nil) relates to the parent company.

31. Operating lease commitments

At 31 March 2026 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2026 £	Group 2025 £
Not later than 1 year	1	1
Later than 1 year and not later than 5 years	4	4
Later than 5 years	30	31
	<u>35</u>	<u>36</u>

In addition to the annual rental charge of £1, MorVolts is obliged to pay the landlord:

- 2.5% of gross revenue from commissioning to the 13th anniversary; and
- 5% thereafter

32. Related party transactions

The Morvern Community Development Company (MCDC) entered into transactions with related parties as follows:

Morvern Community Trading Company Limited (MCTC) - MCDC rented office space from MCTC at a cost of £2,400 (2025 - £2,400), leased the harbour and marina to MCTC with receipts of £2,000 (2025 - £2,500) and leased the petrol pump to MCTC with receipts of £2,500 (2025 - £2,500). At the year end, there was a balance of £27,250 due from MCTC to MCDC (2025 - £38,000). In addition, MCDC awarded grants of £25,000 (2025 - £11,782) to MCTC in respect of community development works carried out by MCTC. MCDC charged MCTC £12,152 (2025 - £25,312) in management charges.

MorVolts - MCDC received a donation of £200,000 (2025 - £680,000) from MorVolts. MCDC charged Morvolts £23,058 (2025 - £12,656) in management charges.

Mr R M Jones was paid £3,117 (2025 - £600) for services relating to the harbour repairs. £3,740, comprising his invoice including VAT, nothing was outstanding at the balance sheet date (2025 - £nil).

The daughter of a director, Isla Robertson, was employed as Administration Assistant & Housing Officer. During the year, her remuneration amounted to £17,469 (2025 - £17,066).

All other related party transactions to which the group was party were carried out of the same commercial terms as other customers, in particular the supply of fuel and harbour services.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

33. Principal subsidiaries

The following were subsidiary undertakings of the Company, both of which were included in the consolidation:

Names	Company number	Registered office or principal place of business	Holding
Morvern Community Trading Company Ltd	SC441180	Lochaline Harbour, Morvern	100%
MorVolts Limited	SC631215	Lochaline Harbour, Morvern	100%

The financial results of the subsidiaries for the year were:

Names	Profit/(Loss)/ Surplus/ (Deficit) for the year £	Net assets £
Morvern Community Trading Company Ltd	(3,320)	(3,430)
MorVolts Limited	197,767	213,760

As part of the loan covenants agreed between MorVolts and Triodos Bank, there are restrictions on the payment of dividends to MCDC based on gearing and interest cover. The directors do not believe this will impact their plans to benefit from the parent's investment in MorVolts.