

Registered number: SC200325
Charity number: SC043681

THE MORVERN COMMUNITY DEVELOPMENT COMPANY
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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 2025**

Trustees

J Stuart-Smith (resigned 5 November 2024)
R Jones
H E Laidlaw, MCC representative
S Layton (resigned 4 December 2024)
A F G Robertson, Chair
S Firth, Vice Chair (resigned 5 November 2024)
K W Laidlaw, Treasurer (appointed 6 January 2024)
C Montgomery, MCC representative (resigned 19 September 2024)
E Bird (appointed 1 July 2024, resigned 11 September 2024)
J G Robertson (retired 6 January 2024)
A G Stammers (retired 6 January 2024)
N G Tordoff (retired 6 January 2024)
S Taylor (appointed 5 November 2024)
M Welsh (appointed 3 December 2024)

Company registered number SC200325

Charity registered number SC043681

Registered office Lochaline Harbour
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 2025

The trustees present their annual report together with the audited financial statements of the Company for the year ended 31 March 2025. 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

To manage community land and associated assets for the benefit of the Community and the public in general.

To provide, or assist in providing, 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.

To advance community development, including urban or rural regeneration within the Community.

To advance the education of the Community about its 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 2024/25:

Morvern community affordable housing project – 14 family homes to commence end of 2025.

Ongoing management of Miners Court affordable homes.

A management plan for Movern Community Hazelwoods.

Supporting Morvern Community Trading Company (MCTC) to re-establish a community café at the Hub and to develop Lochaline Marina.

We have also rebuilt a shed at the harbour lost in a fire and we are using this for a number of community purposes.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Achievements and performance

a. Main achievements of the Company

Managed the Lochaline Housing Project, that 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 at the end of 2025.

Continued management and maintenance of Lochaline Filling Station. This has included upgrading to take contactless payment this year.

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

Via our subsidiary MCTC, the reopening of the Hub Café and the regeneration of Lochaline Marina, including the refurbishment of the showers, toilets, outside sheltered seating area and a new community sauna. Provision of a café service for the Morvern Games.

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

Enabled a financial contribution to Urram Community lunch.

This year MCDC and all its subsidiaries have reviewed an updated all their operational, maintenance and safety procedures, engaging professional safety consultancy in more complex areas. All employee related policies and procedures have been reviewed and updated.

We have engaged a digital support service to ensure information security and transitioned from our previous "dropbox" to a more secure Microsoft Sharepoint for document management.

We are using a cash-management service to ensure all our funding is protected by the FSC guarantees and to ensure we are receiving the highest possible level of interest on any reserves.

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.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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 2025 amounted to £2,126,773 (2024 - £1,640,056), of which £518,912 (2024 - £525,891) is restricted. The unrestricted funds amount to £1,607,861 (2024 - £1,114,165).

Free reserves amounted to £30,205 (2024 - £70,412) 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.

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. This year the Company appointed 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.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Structure, governance and management (continued)

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.

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 2025

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.

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 19 September 2025 and signed on their behalf by:

Signed by:

3B9D560354DC470...
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 2025 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 2025 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

98E01EC2ED13436

Douglas Rae (Senior statutory auditor)

for and on behalf of

Sumer Auditco Limited

Chartered Accountants

Statutory Auditors

14 City Quay

Dundee

DD1 3JA

22 September 2025

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 2025**

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Income from:					
Donations and legacies	3	9,208	29,211	38,419	52,507
Charitable activities	4	12,271	-	12,271	12,070
Other trading activities	5	1,344,527	-	1,344,527	1,399,152
Bank interest		29,375	-	29,375	7,904
Other income		10,322	-	10,322	16,967
Total income		1,405,703	29,211	1,434,914	1,488,600
Expenditure on:					
Raising funds	7	893,685	-	893,685	870,705
Charitable activities	9	193,186	43,875	237,061	187,837
Total expenditure		1,086,871	43,875	1,130,746	1,058,542
Net income/(expenditure) before taxation		318,832	(14,664)	304,168	430,058
Taxation		33,095	-	33,095	(75,648)
Net income/(expenditure) after taxation		351,927	(14,664)	337,263	354,410
Transfers between funds	23	(7,685)	7,685	-	-
Net movement in funds before other recognised gains/(losses)		344,242	(6,979)	337,263	354,410
Other recognised gains/(losses):					
Other losses		(1,318)	-	(1,318)	-
Net movement in funds		342,924	(6,979)	335,945	354,410
Reconciliation of funds:					
Total funds brought forward		1,488,233	525,891	2,014,124	1,659,714
Net movement in funds		342,924	(6,979)	335,945	354,410
Total funds carried forward		1,831,157	518,912	2,350,069	2,014,124

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

The notes on pages 18 to 43 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 2025**

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Income from :					
Donations and legacies	3	689,208	29,211	718,419	230,740
Charitable activities	4	12,271	-	12,271	12,070
Bank interest		3,302	-	3,302	253
Other income		41,598	-	41,598	13,938
Total income		<u>746,379</u>	<u>29,211</u>	<u>775,590</u>	<u>257,001</u>
Expenditure on:					
Charitable activities	8,9	243,680	43,875	287,555	226,205
Total expenditure		<u>243,680</u>	<u>43,875</u>	<u>287,555</u>	<u>226,205</u>
Net (expenditure)/income		502,699	(14,664)	488,035	30,796
Transfers between funds		(7,685)	7,685	-	-
Net movement in funds before other recognised gains/(losses)		<u>495,014</u>	<u>(6,979)</u>	<u>488,035</u>	<u>30,796</u>
Other gains/(losses)		(1,318)		(1,318)	
Net movement in funds		<u>493,696</u>	<u>(6,979)</u>	<u>486,717</u>	<u>30,796</u>
Reconciliation of Funds:					
Total funds brought forward		1,114,165	525,891	1,640,056	1,609,260
Net movement in funds		493,696	(6,979)	486,717	30,796
Total funds carried forward		<u>1,607,861</u>	<u>518,912</u>	<u>2,126,773</u>	<u>1,640,056</u>

THE MORVERN COMMUNITY DEVELOPMENT COMPANY
REGISTERED NUMBER: SC200325

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2025

		2025	2024
		£	£
Fixed assets			
Tangible assets	14	6,281,251	6,425,795
Investments	15	9,300	9,300
		<u>6,290,551</u>	<u>6,435,095</u>
Current assets			
Stocks	16	8,919	8,802
Debtors: amounts falling due after more than one year	17	50,000	50,000
Debtors: amounts falling due within one year	17	158,373	215,629
Cash at bank and in hand		1,667,220	1,491,987
		<u>1,884,512</u>	<u>1,766,418</u>
Current liabilities			
Creditors: amounts falling due within one year	18	(460,756)	(499,821)
		<u>1,423,756</u>	<u>1,266,597</u>
Net current assets		7,714,307	7,701,692
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	19	(5,243,085)	(5,534,570)
Provisions for liabilities		(121,153)	(152,998)
		<u>2,350,069</u>	<u>2,014,124</u>
Total net assets		2,350,069	2,014,124
Charity funds			
Restricted funds	23	518,912	525,891
Unrestricted funds	23	1,831,157	1,488,233
		<u>2,350,069</u>	<u>2,014,124</u>
Total funds		2,350,069	2,014,124


THE MORVERN COMMUNITY DEVELOPMENT COMPANY
REGISTERED NUMBER: SC200325

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2025

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 19 September 2025 and signed on their behalf by:

Signed by:

3B9D560354DC470...
A F G Robertson
Trustee

The notes on pages 18 to 43 form part of these financial statements.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY
REGISTERED NUMBER: SC200325

COMPANY BALANCE SHEET
AS AT 31 MARCH 2025

		2025 £	2024 £
Fixed assets			
Tangible assets	14	1,528,801	1,550,039
Investments	15	9,500	9,500
		<u>1,538,301</u>	<u>1,559,539</u>
Current assets			
Debtors: amounts falling due within one year	17	48,215	67,534
Cash at bank and in hand		614,498	121,415
		<u>662,713</u>	<u>188,949</u>
Current liabilities			
Creditors: amounts falling due within one year	18	(74,241)	(52,206)
Net current assets		<u>588,472</u>	<u>136,743</u>
Total assets less current liabilities		<u>2,126,773</u>	<u>1,696,282</u>
Creditors: amounts falling due after more than one year	19	-	(56,226)
Total net assets		<u><u>2,126,773</u></u>	<u><u>1,640,056</u></u>
Charity funds			
Restricted funds	23	518,912	525,891
Unrestricted funds	23	1,607,861	1,114,165
Total funds		<u><u>2,126,773</u></u>	<u><u>1,640,056</u></u>

The Company's net movement in funds for the year was £486,717 (2024 - £30,796).

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 19 September 2025 and signed on their behalf by:

Signed by:

Angus Robertson

3B9D580354DC470...

A F G Robertson
Trustee

The notes on pages 18 to 43 form part of these financial statements.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	27	<u>827,655</u>	<u>1,077,865</u>
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		8,813	-
Purchase of tangible fixed assets		(101,372)	(55,923)
Interest received		29,375	7,904
		<u>(63,184)</u>	<u>(48,019)</u>
Cash flows from financing activities			
Repayments of borrowing		(287,771)	(226,007)
Interest paid		(301,467)	(322,722)
Net cash used in financing activities		<u>(589,238)</u>	<u>(548,729)</u>
Change in cash and cash equivalents in the year		175,233	481,117
Cash and cash equivalents at the beginning of the year		<u>1,491,987</u>	<u>1,010,870</u>
Cash and cash equivalents at the end of the year	28	<u><u>1,667,220</u></u>	<u><u>1,491,987</u></u>

The notes on pages 18 to 43 form part of these financial statements

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	27	629,988	126,009
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		3,333	-
Purchase of tangible fixed assets		(84,833)	(55,923)
Interest received		3,302	253
Net cash used in investing activities		(78,198)	(55,670)
Cash flows from financing activities			
Repayments of borrowing		(57,817)	(1,311)
Interest paid		(890)	(5,269)
Net cash used in financing activities		(58,707)	(6,580)
Change in cash and cash equivalents in the year			
Cash and cash equivalents at the beginning of the year		121,415	57,656
Cash and cash equivalents at the end of the year	28	614,498	121,415

The notes on pages 18 to 43 form part of these financial statements

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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 2025

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 2025****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.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

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.

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 2025**

3. Income from donations and legacies

Group

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

	<i>Unrestricted funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Donations	4,134	-	4,134
Grants	-	48,373	48,373
	<u>4,134</u>	<u>48,373</u>	<u>52,507</u>

Company

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

	<i>Unrestricted funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Donations	182,367	-	182,367
Grants	-	48,373	48,373
	<u>182,367</u>	<u>48,373</u>	<u>230,740</u>

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

4. Income from charitable activities

Group and Company

	Unrestricted funds 2025 £	Total funds 2025 £
Affordable housing rents	12,271	12,271
	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Affordable housing rents	12,070	12,070

5. Income from non-charitable trading activities

Group

	Unrestricted funds 2025 £	Total funds 2025 £
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
	1,344,527	1,344,527

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

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

(continued)

	<i>Unrestricted funds 2024</i>	<i>Total funds 2024</i>
	£	£
Sale of electricity	1,184,718	1,184,718
Other income	11,291	11,291
Sale of fuel	150,655	150,655
Harbour income	49,249	49,249
Car club income	3,239	3,239
	<u>1,399,152</u>	<u>1,399,152</u>

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

6. Other incoming resources

	Group 2025	<i>Group 2024</i>	Company 2025	<i>Company 2024</i>
	£	£	£	£
Profit share from EEL investment	340	2,229	404	2,229
Rent receivable	9,982	14,738	3,290	3,290
Management charges	-	-	37,904	8,419
	<u>10,322</u>	<u>16,967</u>	<u>41,598</u>	<u>13,938</u>

All other incoming resources are unrestricted.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

7. Expenditure on raising funds

Group

	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
	<u>893,685</u>	<u>893,685</u>
	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Cost of sales - Fuel	127,243	127,243
Cost of sales - Car club	2,564	2,564
Staff costs	87,496	87,496
Cost of sales - Electricity	46,740	46,740
Administration expenses	155,624	155,624
Interest payable	317,453	317,453
Depreciation of Hydro Electric Scheme	133,585	133,585
	<u>870,705</u>	<u>870,705</u>

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

8. Analysis of grants

	Grants to Institutions 2025 £	Total funds 2025 £
Grants for community development	12,971	12,971
	<u>12,971</u>	<u>12,971</u>

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

8. Analysis of grants (continued)

	<i>Grants to Institutions 2024</i>	<i>Total funds 2024</i>
	£	£
Grants for community development	8,000	8,000

9. Analysis of expenditure on charitable activities

Summary by fund type

Group

	Unrestricted funds 2025	Restricted funds 2025	Total 2025
	£	£	£
Core development activities	162,050	20,461	182,511
Marina & pontoons	31,136	18,558	49,694
Affordable housing	-	4,856	4,856
	<u>193,186</u>	<u>43,875</u>	<u>237,061</u>

	<i>Unrestricted funds 2024</i>	<i>Restricted funds 2024</i>	<i>Total 2024</i>
	£	£	£
Core development activities	138,414	-	138,414
Marina & pontoons	30,865	18,558	49,423
	<u>169,279</u>	<u>18,558</u>	<u>187,837</u>

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

Company

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Core development activities - Direct costs	212,544	20,461	233,005
Marina & pontoons - Direct costs	31,136	18,558	49,694
Affordable housing - Direct costs	-	4,856	-
Total 2025	<u>243,680</u>	<u>43,875</u>	<u>287,555</u>

	<i>Unrestricted funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Core development activities - Direct costs	168,782	-	168,782
Marina & pontoons - Direct costs	30,865	18,558	49,423
<i>Total 2024</i>	<u>199,647</u>	<u>18,558</u>	<u>218,205</u>

10. Analysis of expenditure by activities

Group

	Activities undertaken directly 2025 £	Grant funding of activities 2025 £	Total funds 2025 £
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>

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

10. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2024</i>	<i>Grant funding of activities 2024</i>	<i>Total funds 2024</i>
	£	£	£
Core development activities	130,414	8,000	138,414
Marina & pontoons	49,423	-	49,423
	<u>179,837</u>	<u>8,000</u>	<u>187,837</u>

Company

	Unrestricted funds 2025	Total funds 2025
	£	£
Core development activities - Direct costs	233,005	233,005
Marina & pontoons - Direct costs	49,694	49,694
Affordable housing - Direct costs	4,856	4,856
Total 2025	<u>287,555</u>	<u>287,555</u>

	<i>Unrestricted funds 2024</i>	<i>Total funds 2024</i>
	£	£
Core development activities - Direct costs	168,782	168,782
Marina & pontoons - Direct costs	49,423	49,423
<i>Total 2024</i>	<u>218,205</u>	<u>218,205</u>

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

11. Auditors' remuneration

The auditors' remuneration amounts to:

	Group 2025 £	<i>Group 2024 £</i>	Company 2025 £	<i>Company 2024 £</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 2025 £	<i>Group 2024 £</i>	Company 2025 £	<i>Company 2024 £</i>
Wages and salaries	112,242	84,911	67,112	39,383
Contribution to defined contribution pension schemes	2,038	2,585	-	832
	114,280	87,496	67,112	40,215

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

	Group 2025 No.	<i>Group 2024 No.</i>	Company 2025 No.	<i>Company 2024 No.</i>
Directors	11	12	6	9
Employees	6	6	2	1
	17	18	8	10

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 (2024 - £NIL).

During the year ended 31 March 2025, no trustee expenses have been incurred (2024 - £NIL).

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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 2024	140,311	1,549,839	5,767,129	31,473	82,071	55,649	7,626,472
Additions	-	-	3,607	16,539	4,407	76,819	101,372
Disposals	-	-	-	(31,473)	-	-	(31,473)
At 31 March 2025	<u>140,311</u>	<u>1,549,839</u>	<u>5,770,736</u>	<u>16,539</u>	<u>86,478</u>	<u>132,468</u>	<u>7,696,371</u>
Depreciation							
At 1 April 2024	-	309,181	800,634	22,572	68,290	-	1,200,677
Charge for the year	-	61,995	166,335	4,135	4,550	-	237,015
On disposals	-	-	-	(22,572)	-	-	(22,572)
At 31 March 2025	<u>-</u>	<u>371,176</u>	<u>966,969</u>	<u>4,135</u>	<u>72,840</u>	<u>-</u>	<u>1,415,120</u>
Net book value							
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>
At 31 March 2024	<u>140,311</u>	<u>1,240,658</u>	<u>4,966,495</u>	<u>8,901</u>	<u>13,781</u>	<u>55,649</u>	<u>6,425,795</u>

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

14. Tangible fixed assets (continued)

Company

	Land £	Buildings (inc shore facilities) £	Plant and machinery £	Motor vehicles £	Sheds, tools, allotments, etc £	Assets under construction £	Total £
Cost or valuation							
At 1 April 2024	140,311	1,549,839	501,327	22,973	82,071	55,649	2,352,170
Additions	-	-	3,607	-	4,407	76,819	84,833
Disposals	-	-	-	(22,973)	-	-	(22,973)
At 31 March 2025	140,311	1,549,839	504,934	-	86,478	132,468	2,414,030
Depreciation							
At 1 April 2024	-	309,181	406,338	18,322	68,290	-	802,131
Charge for the year	-	61,995	34,875	-	4,550	-	101,420
On disposals	-	-	-	(18,322)	-	-	(18,322)
At 31 March 2025	-	371,176	441,213	-	72,840	-	885,229
Net book value							
At 31 March 2025	140,311	1,178,663	63,721	-	13,638	132,468	1,528,801
At 31 March 2024	140,311	1,240,658	94,989	4,651	13,781	55,649	1,550,039

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

15. Fixed asset investments

Group	Unlisted investments £
Cost or valuation	
At 1 April 2024	9,300
Disposals	-
At 31 March 2025	<u>9,300</u>
 Net book value	
At 31 March 2025	<u>9,300</u>
At 31 March 2024	<u>9,300</u>

Company	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2024	200	9,300	9,500
Disposals	-	-	-
At 31 March 2025	<u>200</u>	<u>9,300</u>	<u>9,500</u>
 Net book value			
At 31 March 2025	<u>200</u>	<u>9,300</u>	<u>9,500</u>
At 31 March 2024	<u>200</u>	<u>9,300</u>	<u>9,500</u>

16. Stocks

	Group 2025 £	<i>Group 2024 £</i>
Fuel	<u>8,919</u>	<u>8,802</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 2025

17. Debtors

	Group 2025 £	<i>Group 2024 £</i>
Due after more than one year		
Other debtors	50,000	50,000

Included within other debtors is £50,000 (2024 - £50,000) lodged by MorVolts Limited with Forestry and Land Scotland to provide security for the restoration of the land leased by MorVolts Limited at the end of the lease term.

	Group 2025 £	<i>Group 2024 £</i>	Company 2025 £	<i>Company 2024 £</i>
Due within one year				
Trade debtors	6,693	9,646	-	-
Amounts owed by group undertakings	-	-	38,000	12,617
Other debtors	701	10,138	-	9,687
Prepayments and accrued income	150,979	195,845	10,215	45,230
	158,373	215,629	48,215	67,534

18. Creditors: Amounts falling due within one year

	Group 2025 £	<i>Group 2024 £</i>	Company 2025 £	<i>Company 2024 £</i>
Bank loans	141,632	137,918	-	1,591
Other loans	98,826	98,826	5,000	5,000
Trade creditors	54,823	51,082	50,963	36,390
Other taxation and social security	58,578	97,610	6,921	-
Other creditors	140	834	-	-
Accruals and deferred income	106,757	113,551	11,357	9,225
	460,756	499,821	74,241	52,206

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

19. Creditors: Amounts falling due after more than one year

	Group 2025 £	<i>Group 2024 £</i>	Company 2025 £	<i>Company 2024 £</i>
Bank loans	3,694,960	3,892,620	-	56,226
Other loans	1,548,125	1,641,950	-	-
	5,243,085	5,534,570	-	56,226

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

	Group 2025 £	<i>Group 2024 £</i>	Company 2025 £	<i>Company 2024 £</i>
Payable or repayable by instalments	4,099,409	4,443,562	-	48,431
	4,099,409	4,443,562	-	48,431

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 £3,836,592 and from EIF amount to £1,646,951.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

21. Deferred taxation

Group

	2025	<i>2024</i>
	£	£
At the beginning of the year	149,248	73,600
(Credit)/Charge for the year	(33,095)	75,648
	116,153	149,248

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	<i>Group</i>
	2025	<i>2024</i>
	£	£
Accelerated capital allowances	(116,153)	<i>(149,248)</i>

22. Provisions

Group and Company

	Land restoration provision £
At 1 April 2024	3,750
Additions	1,250
	5,000

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

23. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2025 £
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	1,471,527	1,405,703	(1,052,706)	(509,287)	(1,318)	1,313,919
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	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 2025**

23. Statement of funds (continued)

23. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2024 £</i>
Unrestricted funds					
Designated funds					
Fuel Pump Renewal Fund	16,509	-	(1,426)	1,623	16,706
General funds					
General Funds	1,148,441	1,440,227	(1,114,206)	(2,935)	1,471,527
Total Unrestricted funds	1,164,950	1,440,227	(1,115,632)	(1,312)	1,488,233
Restricted funds					
Land & Housing	491,921	10,873	(18,558)	1,312	485,548
Land & Housing (staff costs)	-	37,500	-	-	37,500
Other balances	2,843	-	-	-	2,843
	494,764	48,373	(18,558)	1,312	525,891
Total of funds	1,659,714	1,488,600	(1,134,190)	-	2,014,124

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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 2025 £	<i>Group 2024 £</i>	Company 2025 £	<i>Company 2024 £</i>
Opening balance	1,488,233	<i>1,164,950</i>	1,114,165	<i>1,114,496</i>
Income	1,349,102	<i>1,440,227</i>	746,379	<i>208,628</i>
Expenditure	(997,175)	<i>(1,115,632)</i>	(243,680)	<i>(207,647)</i>
Transfers	(7,685)	<i>(1,312)</i>	(7,685)	<i>(1,312)</i>
Gains	(1,318)	<i>-</i>	(1,318)	<i>-</i>
Closing balance	1,831,157	<i>1,488,233</i>	1,607,861	<i>1,114,165</i>
Designated	517,238	<i>16,706</i>	517,238	<i>16,706</i>
Unrestricted	1,303,046	<i>1,471,527</i>	1,090,623	<i>1,097,459</i>
	1,831,157	<i>1,488,233</i>	1,607,861	<i>1,114,165</i>

25. Purposes of restricted & designated funds

The Land and Housing 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 Project/Development officer represents grants received towards the employment of a Project Officer for MCDC.

The designated Fuel Pump fund has been formed from the balance of the Fuel Pump Renewal Fund, which was used in the year to finance the acquisition of a replacement fuel pump. 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. Depreciation will be charged to this fund and transfers made into this fund from the operating profit of the fuel pump to provide for replacement at the end of its useful working life.

The designated Housing Fund represents funds ring-fenced by the board for the group's anticipated expenditure on the affordable housing project.

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

26. Analysis of net assets between funds

Group - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
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

Group - prior year

	<i>Unrestricted funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Tangible fixed assets	5,893,303	532,492	6,425,795
Fixed asset investments	9,300	-	9,300
Debtors due after more than one year	50,000	-	50,000
Current assets	1,665,202	51,216	1,716,418
Creditors due within one year	(498,230)	(1,591)	(499,821)
Creditors due in more than one year	(5,478,344)	(56,226)	(5,534,570)
Provisions for liabilities and charges	(152,998)	-	(152,998)
Total	1,488,233	525,891	2,014,124

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

26. Analysis of net assets between funds (continued)

Company - current 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	<u><u>1,607,861</u></u>	<u><u>518,912</u></u>	<u><u>2,126,773</u></u>

Company - prior year

	<i>Unrestricted funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Tangible fixed assets	1,017,547	532,492	1,550,039
Fixed asset investments	9,500	-	9,500
Current assets	137,733	51,216	188,949
Creditors due within one year	(50,615)	(1,591)	(52,206)
Creditors due in more than one year	-	(56,226)	(56,226)
<i>Total 2024</i>	<u><u>1,114,165</u></u>	<u><u>525,891</u></u>	<u><u>1,640,056</u></u>

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Net income for the year (as per Statement of Financial Activities)	337,263	354,410	488,035	30,796
Adjustments for:				
Depreciation charges	235,785	237,582	101,420	103,997
Increase in stocks	(117)	(4,571)	-	-
Decrease/(increase) in debtors	57,256	(47,023)	19,319	(42,981)
Increase/(decrease) in creditors	(41,529)	147,001	23,626	29,181
Interest paid	301,467	322,722	890	5,269
Interest received	(29,375)	(7,904)	(3,302)	(253)
Tax charge	(33,095)	75,648	-	-
Net cash provided by operating activities	827,655	1,077,865	629,988	126,009

28. Analysis of cash and cash equivalents

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Cash in hand	1,667,220	1,491,987	614,498	121,415
Total cash and cash equivalents	1,667,220	1,491,987	614,498	121,415

29. Analysis of changes in net debt

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	1,491,987	175,233	1,667,220
Debt due within 1 year	(236,744)	(3,714)	(240,458)
Debt due after 1 year	(5,534,570)	291,485	(5,243,085)
	(4,279,327)	463,004	(3,816,323)

THE MORVERN COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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 £2,038 (2024 - £2,585). Of this cost, £nil (2024 - £832) relates to the parent charity.

At the balance sheet date there was £140 (2024 - £334) payable to the pension scheme of which £nil (2024 - £nil) relates to the parent company.

31. Operating lease commitments

At 31 March 2025 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025 £	<i>Group 2024 £</i>
Not later than 1 year	1	1
Later than 1 year and not later than 5 years	4	4
Later than 5 years	31	32
	36	37

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 (2024 - £2,400) and leased the harbour and marina to MCTC with receipts of £2,500 (2024 - £4,500). At the year end, there was a balance of £38,000 due from MCTC to MCDC (2024 - £12,617). In addition, MCDC awarded grants of £11,782 (2024 - £nil) to MCTC in respect of community development works carried out by MCTC. MCDC charged MCTC £25,312 (2024 - £nil) in management charges.

MorVolts - MCDC received a donation of £680,000 (2024 - £178,233) from MorVolts. MCDC charged Morvolts £12,656 (2024 - £nil) in management charges.

Mr R M Jones was paid £600 (2024 - £nil) for services relating to the harbour repairs. £720, comprising his invoice including VAT, was outstanding at the balance sheet date (2024 - £nil).

The daughter of a director, Isla Robertson, was employed as Administration Assistant & Housing Officer. During the year, her remuneration amounted to £17,066 (2024 - £11,846).

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 2025****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	(19,924)	(110)
MorVolts Limited	549,152	215,993

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.