

2025-26

Annual Report



Prepared by
Suzanne Pender &
Samantha Stuart



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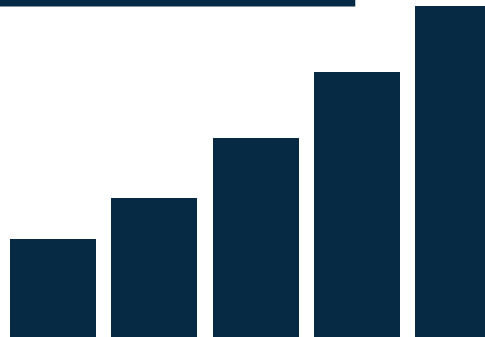
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Company Overview

Established in 1999, MCDC is managed by a board of volunteer directors. It operates as both a charity (SC043681) and a company limited by guarantee (SC200325).

The trading subsidiary of MCDC, Morvern Community Trading Company (MCTC), is managed by a separate board of directors and operates key community services, including the Hub Café, Lochaline Filling Station, Lochaline Harbour & Marina, the community gym, the community sauna, and the bike hire service.

Renewable energy operations are delivered through Morvolts, which manages Barr Hydro and operates under a separate, dedicated board of directors.

The Peninsula

Morvern is a remote peninsula in the Western Highlands and one of the most sparsely populated areas of the UK. It has approximately 300 residents, the majority of which live in the main settlement of Lochaline.

Morvern is approximately 200 square miles, and boasts a variety of habitats, including ancient woodlands, rolling hills, rivers, sea lochs, and 20 miles of rugged coastline. Separated from the Isle of Mull by a narrow strip of sea, Morvern is one of the few places in the UK barely touched by modern life, and boasting great wildlife diversity.





Mission and Assets

Mission

MCDC and its subsidiaries exist to benefit the Scottish community of Morvern, in line with the principles of sustainable development.

Its core purposes are to:

- Manage community land and associated assets for the benefit of the community and the wider public
- Provide, or support the provision of, recreational facilities and activities, to improve quality of life in the community
- Advance community development, including both urban and rural regeneration
- Promote community education relating to the local environment, culture, heritage, and history
- Support environmental protection and improvement, including conservation, maintenance, sustainable development, and the preservation of architecturally and historically significant buildings and sites

Assets

MCDC manages a range of community assets, including:



LOCHALINE HARBOUR & MARINA



COMMUNITY HUB & CAFE



LOCHALINE FILLING STATION



MINER'S COURT

THREE AFFORDABLE
HOMES IN LOCHALINE



HOUSING PROJECT LAND



HAZELWOOD

AMENITY WOODS



BARR HYDRO



ADDITIONAL LAND

CURRENTLY LEASED TO COMMUNITY LAND
ASSOCIATION (CLAM) AND SHIEL BUSES

Morvern Community Development Company



Key Achievements

The primary focus this year has been delivering an affordable housing project for Lochaline. Staff members Lilia Dobrokhodova and Isla Robertson, supported by the board, have worked tirelessly to secure over £4.6 million of funding to develop 14 new family homes. Construction is scheduled to begin in May 2026, with completion targeted within one year.

This represents a significant, long-term investment in the sustainability of the Lochaline community, providing much-needed accommodation for families and key workers.

Strengthening organisational resilience has also been a priority. We have secured digital support through The Apprentice Store, which now manages cybersecurity, website maintenance, and IT support. This partnership has additionally contributed over 240 hours towards apprentice salaries, supporting regional skills development.

Improvements to health and safety have been implemented through the development and adoption of updated corporate policies, including enhanced fire safety and legionella procedures. Ensuring the continued safety of our teams and our assets.

MCDC continues to act as landlord for the three one-bedroom affordable homes at Miner's Court in partnership with West Property.

Significant investment has been made in existing assets. Harbour upgrades include the installation of a nomadic tent for sheltered outdoor seating and events, upgrades to all shower facilities, and electrical refurbishment of the pontoons. The previously fire-damaged harbour shed has been rebuilt and repurposed as a community gym.

Work has also progressed on the management of Hazelwood woodland. Following consultation with the community, Woodland Trust, and Forestry and Land Scotland, a management plan has been developed and implemented using local contractors.

Within the Community Hub, office space continues to be provided to the RSPB for its Atlantic Rainforest Project, alongside facilities for The Attic's community reuse and recycling initiative. The conference room remains a well-used meeting space for local groups and businesses.

Efforts to strengthen community engagement have included the development and introduction of a communications strategy, featuring regular social media updates, a quarterly newsletter, and monthly drop-in sessions with the Operations Manager.

Operational demands remain high, with services such as the marina, Barr Hydro, and the filling station running 24/7. Staff are frequently required to respond outside standard hours, including evenings, weekends, bank holidays, and even Christmas Day. Ongoing focus has been placed on staff wellbeing, encouraging staff retention, through our fair wage principles and team engagement. We also thanked our teams for their work this year by hosting a summer BBQ down at the harbour, and Christmas meal at the Hub Café.





Challenges

Delivering services in a remote West Highland location continues to present challenges, including higher costs, limited suppliers, recruitment difficulties, housing availability, and wider issues relating to rural deprivation.

The housing project has been particularly complex, due to securing funding and ensuring we have a suitable client and contractor team. We had a limited number of applicants for Stage 1 Housing tender, where we selected our preferred supplier. Higher-than-projected costs at Stage 2 required us to carry out a value engineering exercise to ensure affordability. Funding of £4.6 million has now been secured, through a combination of the Scottish Government's Rural and Island's Housing Fund (RHIF), MorVolts donation, a loan from the Social Investment Fund, and grants from the Corran Foundation and Highlands and Island Enterprise.

Impact Summary

- Managing the key community assets, including the Hub, filling station, marina, Hazelwood and Barr Hydro
- Employment of 2.2 FTE staff
- Approximately £200,000 invested in the local economy through the provision of profession services to support the charity's work and assets
- Providing three affordable homes in Lochaline
- Housing contract signed with TSL, to break ground on £4.6m housing project for 14 affordable family homes in Lochaline, due to be finished by summer 2027

Morvern Community Trading Company



Key Achievements

This has been a pivotal year for the Trading Company. Following a strategy overhaul, all operations relaunched to prioritise service quality, safety, and sustainability.

The Hub Café reopened in November 2025 with support from Chris and Agi Stanley-Fotos of the Whitehouse. A new chef, Madi Elwell, joined in March 2025, enabling a full reopening with a focus on locally sourced, homemade, and affordable meals. Seasonal opening hours were introduced during the summer, increasing our operating days from 3 to 4. In October 2025, we also began a weekly evening service, providing homemade evening meals for locals and visitors. We also began a programme of community events, including Games Night, Thanksgiving, Gala Week Dinner, and Valentines Meal.

Following Madi's return to Canada in February, Robert Yeoman joined as our new head chef.

The Hub Café also provides catering services, which have supported a range of community events, including the Young at Heart Christmas meal with the Whitehouse, and the biweekly Urram Community Lunch. Aukje Denooz, our clerk, also opened our Hub Café on Christmas Day, making sure no one in the village was alone.

Thanks to contributions from The Attic, we expanded our community programmes to include crafting classes in the Community Hub. We provided basket weaving and film making classes, hosted by local instructors.

In the café we support community microbusinesses by hosting a commission-free space over 20 local crafters to sell their products.

Where sustainable, our café is committed to using local ingredients and suppliers. This currently includes 10 suppliers from the West of Scotland for meat, seafood, beers, biscuits and soft drinks. Thanks to our local sourcing, we are now featured on the extremely popular Mull & Iona Food Trail, which we anticipate will encourage an increased number of visitors to the Hub Café.

The Lochaline Harbour & Marina has received many upgrades (see MCDC section for details). Investments in the facilities include the showers, accessible restroom and outside seating area. MCTC directors developed a business plan for a community sauna. Thanks to support from the National Lottery's Awards for All grant, this was installed in March 2025. Positive feedback from locals and visitors alike continues to roll in.


In the summer of 2025 we opened the Harbar, providing an afternoon and evening bar at the Harbour and it has quickly gained popularity.

In March 2026, we opened the community gym with support from the Morvern Community Trust, Scottish Sea Farms, and The Attic. Thanks to their contributions we have been able to provide a great range of cardio and weights equipment, and to hire and train gym instructors for new member inductions, helping ensure the safety of our community gym members.

We have partnered with Strontian-based company Two Steps Forward to maintain our regular and e-bikes for the bike hire service we provide for locals and visitors.

MCTC employs approximately 3 FTE staff, supplemented by seasonal staff, and local contractors. Additionally, we use a local supply chain to maintain our assets, including electricians, plumbers, and timber suppliers.





This year, we have worked extensively to strengthen our health and safety systems. With support from Clarity Safety, our Oban-based advisers, we now have a comprehensive health and safety policy, a full suite of risk assessments, including legionella and fire risk assessments, and a DSEAR assessment for the Lochaline Filling Station.

Challenges

Achieving financial sustainability remains the primary challenge of MCTC. Operating in a remote area brings constraints, such as limited tourism, supply chain pressures, and higher costs. Despite this, steady progress is being made towards a sustainable financial position.

Impact Summary

- 6250 café visitors this year
- 1,000 boats visited the marina
- 15 seasonal harbour passes purchased
- 900 sauna users
- 37 members of the Winter Sauna Club
- 19 new gym members
- 28 participants in winter classes
- 250 bike hires and 10 long-term local users
- 3 FTE employees

Morvolts



Key Achievements

Morvolts continues to operate Barr Hydro safely and effectively, supported by our partners, Glen Hydro and Quartzelec. Loan repayments to Triodos Bank remain on track.

Significant operational improvements have included enhanced health and safety procedures, lone working arrangements, updated risk assessments, fire safety arrangements, and method statements.

We have completed the recurring hydro pipe clean (known as 'pigging'), and infrastructure upgrades include replacement of main breakers, reducing post-outage maintenance callouts.

Energy generation for the year reached approximately 4,500 MWh, with an estimated operating profit of £150,000. This will be reinvested into community projects, including the affordable housing development.

Feasibility work is ongoing to ensure the sustainability of Morvolts renewable energy operations. This includes the exploration of potential wind and solar energy (with battery storage) opportunities.

Challenges

Reduced energy market prices have impacted income, requiring careful negotiation in a volatile market to secure a viable supplier agreement. This has now been secured with Smartest Energy. Additional pressures include first-time reductions in Feed-in Tariff grant rates, increased operational and maintenance costs, and rising administrative and business rate expenses.

Impact Summary

- £150,000 generated for community investment
- Employment of 0.1 FTE Hydro Technician (through MCTC)





Special Thanks

Morvern Community Development Company and its subsidiaries are dedicated to empowering and improving the Morvern community. This would not be possible without the hard work, dedication, and contributions of:

Our operations manager, Suzanne Pender.

Our project officer, Lilia Dobrokhodova.

Our amazing café team this year: Robert Yeoman, Madi Elwell, Indigo Grier, Samantha Stuart, Sam Firth, James Rottger, Aukje Delnooz, Eadie Kennedy, Lucy Hodgson, Jenny Rennie and Annie Tordoff.

Our back-office staff, Adeline Callander, Isla Robertson and Samantha Stuart.

Our harbour team, Alastair Grier, Heather Fyfe & Quinten Fyfe.

MCDC Board of Directors

Morvern Community Council

MCTC Board of Directors

Morvern Community Trust

Morvolts Board of Directors

The Attic volunteers

The Whitehouse, Lochaline

Corran Foundation

Scottish Government's RHIF

Highlands and Islands Enterprise

The Woodland Trust

National Lottery

Forestry and Land Scotland

EQ Accounting

Urram

West Property

Scottish Sea Farms

Social Investment Fund

...and to the community for their ongoing support.



Contact Us

Significant progress has been made across all areas during 2025-26, with continued focus on strengthening services and delivering long-term community benefit.

Engagement and feedback are welcomed. Further information, including minutes and annual accounts, can be viewed on our website www.morvern.org or requested via operations@morvern.org.

Thanks are extended to all staff, volunteers, directors, and the wider community for their continued support.



01967 421 301



operations@morvern.org



www.morvern.org