

**FINANCIAL STATEMENTS FOR YEAR ENDED
31ST MARCH 2026**

MORVERN COMMUNITY TRUST

SCOTTISH CHARITY NO: SC040272

Morvern Community Trust
SC040272

Trustees' Annual Report for the period 1st April 2025 to 31st March 2026

Registered Office **Morvern Medical Centre, Lochaline, Morvern, By Oban, PA80 5XT**

Charity Trustees during the period

1	Keith W Adams MBE	Chairman	
2	Susan Taylor	Vice Chairman	resigned 11th February 2026
3	David Campbell	Treasurer	
4	Calum Finnigan	Secretary	
5	Rhian Evans		
6	Heather Pearson		resigned 15th February 2026
7	Beth Revill		
8	James Rottger		

Governing document

The purposes, powers and other arrangements of the Morvern Community Trust are set out in its Trust Deed registered at Edinburgh on the 4th February 2009.

Trust recruitment and appointment

The Trustees are entitled, by majority vote at a meeting of the Trustees, to appoint as a Trustee any individual registered on the Electoral Roll in the area represented by Morvern Community Council. Community Councillors and those disqualified from acting as a charity trustee are not eligible.

The Trustees accepted the resignations of both Heather Pearson and Susan Taylor; the latter having served as vice-chair. The Trustees thank them both for their very substantial contribution to the running of the Trust.

Objectives

The purposes of the Trust are set out in detail in the governing Trust Deed.

Through raising funds and other contributions the Trust will provide support to a range of projects which advance any of these aims including: community development and regeneration; education; health; citizenship; culture and the arts; participation in sport and the provision of recreational facilities; environmental protection; and the relief of those in need or disadvantaged.

Activities relating to the objectives

The Trust has set quarterly deadline dates for receipt of grant applications. Following these dates the Trustees meet to consider proposals and agree, decline or make recommendations as to how the application may succeed. Full grants are rare; applicants are expected to make a contribution to the project either from their own resources or from fundraising activities. For applications greater than 20% of unallocated funds the Trust will consult with the community through the Community Council to determine a broader perspective on the project.

The Trustee meetings also review the performance and administration of the Trust.

All grants awarded are published on our website and in the annual Trustees' Report.

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Achievements and performance

Income

The Trust has been a beneficiary under a Community Fund Agreement with Aggregate Industries UK Ltd (Glensanda). The Agreement with Aggregate Industries ended as planned in 2021 with a final payment being received in 2022. The Trust and Morvern Community Council are in discussion with Aggregate Industries in relation to a possible follow on agreement and hope that a new agreement may be signed in 2026.

Ardtornish Estate made a similar legal commitment to make payments to the Trust until 2032. These payments were paused by Ardtornish during the year.

The Trust benefits from an arrangement with Elemental Energy Limited. The Trust receives funds from Elemental Energy through two payment streams; a company performance royalty and a generation royalty. The former is geared to dividends paid by Elemental Energy to its shareholders; the latter to the electricity generated by the Salachan Hydro Scheme.

Morvern Community Development Company made a significant donation during the year.

The income received is of great value to the small community of Morvern and the grants which are enabled by these funds continue to have a marked effect on the development and regeneration of our community. The Trustees are members of this community and are uniquely placed to assess need for and the likely benefits of grant awards.

The Trust's financial position at the year-end is very strong.

The money available to the Trust and the uncertainty about future income levels mean that the Trustees may need to reduce both the number of grant application which they approve and the proportion of project costs which the Trust's grant covers.

Grants

The Trustees take account of the contents of the existing local plan (Live Life Morvern) and the Local Place Plan.

During the year, 16 new grant awards plus 14 student bursary awards were made.

Indigo Grier and Helen Woolston were awarded business development grants.

In addition to the student bursaries, two grants for educational purposes were made to Lochaline Primary School.

Urram received a grant to support its activities in health.

Under the culture and recreation heading, Drimnin Village Hall was awarded a grant to cover around 50% of the cost of their major renovation and Lochaline Social Club was awarded 50% of the cost of its renovation. A loan was made to MCDC to enable the launch of the community gym. All three of these awards, totalling £38,500, will lead to a long-term enhancement to community assets. Other awards in this category were made to Music Morvern for equipment, Sway to provide a safety net against poor ticket sales, Lacunae Films, CLAM and Heather Pearson's writers' workshop.

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The Morvern Community Council was awarded two grants totalling £9,000 to pay for work on grass areas within the village of Lochaline to assist in maintaining the quality of the local environment. Morvern Community Woodlands received an award to pay for the felling of diseased trees.

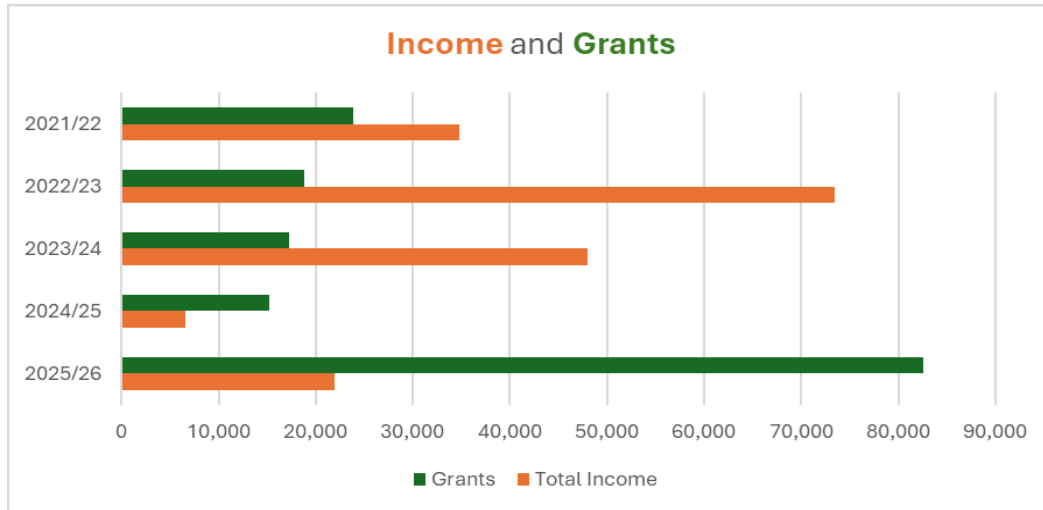
The ultimate beneficiaries of the grants awarded represent a wide range of community membership. available locally.

The Trust is empowered to assist in cases of disadvantage and one grant was awarded this year.

The ultimate beneficiaries of the grants awarded represent a wide range of community membership.

Review of the past 5 years (April 2021 to March 2026)

In the past 5 years, the Trust has awarded total grants of £157,715 representing 85% of the Trust's income over that period. The Trust's income was much lower in the most recent 2 years, and the Trust paid out over 300% of its income for those two years.



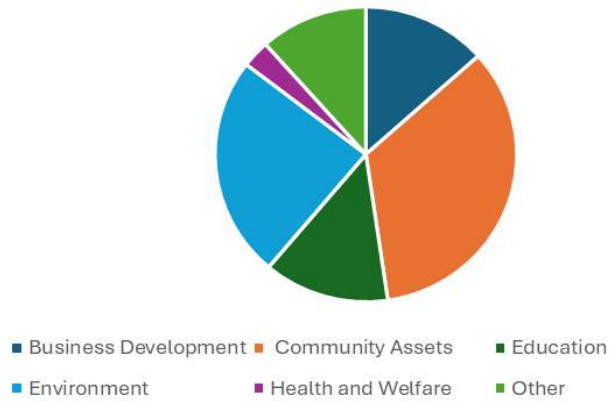
The recipients of total grant awards above £5,000 over the most recent 5 years are listed below.

Large Grant Recipients	
Total over £5,000, five years ending March 2026	
	£
Morvern Community Council	33,543
Drimnin Village Hall	24,756
*Morvern Community Dev. Co.	10,000
Lochaline Social Club	10,000
CLAM (allotments)	9,327
Lochaline Primary School	7,501
Morvern Games	5,000
*loan	

The breakdown of grant awards over the last 5 years by category is shown below

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grant totals by purpose
5 years ending March 2026



Categories	
	£
Business Development	21,113
Community Assets*	54,083
Education	21,251
Environment	38,293
Health and Welfare	4,700
Other	18,275
Total	157,715

**Community Assets mean projects which provide a long-term enhancement of community assets such as public spaces. These almost always fall into the culture and recreation heading. The remainder of grants under this heading fall into Other.*

Over the last 5 years, 14 businesses have been awarded development grants. Support for education is made up of student bursaries, usually for those going away for tertiary education, and the awards made to Lochaline Primary School to support swimming lessons and other initiatives.

Grant Award Policies

When considering grant applications, the Trust rarely awards the full amount of the cost of a project, and this practice is likely to be tightened while income remains depressed.

In the light of its reduced income, the Trustees recently decided to re-emphasise our preference for projects which meet one of the following criteria.

1. Extend or support the educational opportunities open to local children and young adults.
2. Facilitate the start up or expansion of young businesses locally, especially

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where other possible sources of funding present bureaucratic or qualification requirements which the applicants would struggle to meet.

3. Lead to a tangible, long term addition to community assets.

Policy on Reserves

The aims of Morvern Community Trust are to provide support to projects which advance one or more of the following in respect of the community of Morvern

- Community development and regeneration
- Education
- Health
- Citizenship
- Culture and Arts
- Participation in sport and the provision of recreational facilities
- Environmental protection
- The relief of those in need or disadvantaged

This policy on reserves approved by the Trustees on 7th May 2025 has been reviewed and the Trustees have decided to amend the policy.

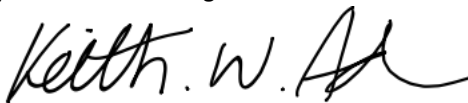
The local community has a level of expectation that the Trust will attempt to support worthwhile projects which meet its aims. A revised Community Development Plan has recently been completed. This anticipates projects which may require seed funding from the Trust, in addition to the usual requirement to fund small community initiatives.

The ups and downs of the Trust's income means that the Trustees have decided to hold an additional reserve to cover a period of normal grant levels to give time for local groups to adjust to a reduced capacity for grants should the need arise.

The Trustees have reviewed the policy and level of reserves held as set out above. The reserve levels have been determined taking all of the factors outlined above into account. The Trustees consider that minimum reserves should be set at £30,000, subject to review no later than 31st May 2027. The minimum reserves roughly equal the annual average grant total over the previous 5 years.

As at 31st March 2026, the unrestricted funds of £144,242 exceeded the minimum reserves by £119,242.

Approved by the Trustees and signed on their behalf:

Signed 

Name Keith Adams

Position Chairman

Date 22/05/2026

Morvern Community Trust**SC040272****Independent Examiner's Report to the Trustees
Year Ended 31 March 2026****Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) 2005 Act and the Charities Accounts (Scotland) Regulation 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (d) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, I do not express an audit opinion on the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention;

- 1 which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulations.
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed

Name

Mrs Kirsty MacIntyre BA, ACPA MICB PM Dip
Bachelor of Arts (with distinction) Accounting & Finance

Professional Body

Member of The Institute of Certified Bookkeepers
Associate of The Certified Public Accountants Association
Associate Member of IAgSA

Address

2 Achnaha View, Lochaline, Morvern PA80 5AB

Date

11.05.2026

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Statement of Receipts and Payments
For The Year Ended 31st March 2026

		Notes	Unrestricted Funds	Restricted Funds	Year End 31.03.26	Year End 31.03.25
Receipts						
Grants	NcNean Distillery	3a	-	-	-	1,963
	MCDC*		8,000	-	8,000	1,200
Donations	Dr M Bramble		-	5,000	5,000	-
Investment						
Income	EEL Scheme	3b	8,964	-	8,964	3,374
Total receipts			16,964	5,000	21,964	6,537
Payments						
Grants						
<i>Education</i>						
	14 x Student burseries		7,000		7,000	
<i>Culture & Recreation</i>						
	Drimnin Village Hall		18,500		18,500	
<i>Health & Wellbeing</i>						
	Urram			1,200	1,200	
<i>Social Support</i>						
	Total		1,000		1,000	
<i>Environment</i>						
	Morvern Community Council		14,800		14,800	
<i>Small Business Development</i>						
	George Logue		1,302		1,302	
	Indigo Grier		2,211		2,211	
	Helen Woolston		1,261		1,261	
Total Grants			46,074	1,200	47,274	15,256
Costs of charitable activities			Secretary exps		650	670
Governance			Accountancy		300	300
			Other Expenses		243	27
Total Payments					1,193	997
Surplus/(Deficit) for the year					- 26,503	- 9,716

*Morvern Community Development Company

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Statement of Balances as at 31 March 2026

	Notes	Unrestricted Funds	Restricted Funds	Total 2026	Total 2025
Opening cash at bank and in hand		210,690	1,200	211,890	221,606
Surplus/(Deficit) for the year	-	30,303	3,800	- 26,503	- 9,716
Closing cash at bank and in hand		180,387	5,000	185,387	211,890

Bank and cash balances

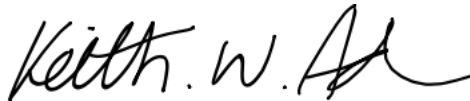
The Co-operative Bank				175,387	211,890
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Other Assets

Loan to MCDC	3c			10,000	-
				<u>185,387</u>	<u>211,890</u>

Liabilities	4			26,145	4,767
				<u>26,145</u>	<u>4,767</u>

Signed
Name
Position
Date



Keith Adams
Chairman

22/05/2026

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Notes to the Accounts for the Year Ended 31.03.26

1. Basis of accounting

These accounts have been prepared on the Receipts and Payments basis in accordance with the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

2. Nature and purpose of funds

Unrestricted funds are those that may be used at the discretion of the Trustees in furtherance of the objectives of the charity. Restricted funds may only be used for specific purposes usually specified by the donor.

3. Receipts (Income)

3a. The Trust has in the past benefitted from Community Benefit Agreements with Aggregate Industries and Ardtornish Estate.

The agreement with Aggregate Industries has expired but the Trustees believe a new agreement may be signed in 2026.

The agreement with Ardtornish Estate runs until 2032, but payments were paused by Ardtornish from 2024/25 onwards because of a deterioration in the financial position of the Estate's hydro schemes.

3b. The Trust's only current source of regular income derives from a grant made by the Trustees in 2014 to the Morvern Community Development Company to facilitate community investment in Elementary Energy Limited, developers of the Sallachan Hydro Electric Scheme (EEL scheme). The grant was used for a loan to EEL Scheme and for the purchase of shares.

During 2022/23, the loan to EEL from MCDC was repaid early, with the agreement of both the Trust and MCDC.

Half of any future loss on the shares is to be met by the Trust. During 2021/22, MCDC rejected an offer to buy back the shares. Taking into account the offer price and the decision made by MCDC, the Trustees consider the possibility of a loss being crystallised is extremely low.

A royalty payment linked to the dividends paid to shareholders is paid to the Trust. In addition, the Trust receives a community benefit payment from EEL Scheme.

3c. The Trust advanced a loan of £10,000 to Morvern Community Development Company during the year to assist with the opening of a community gym. The loan runs for 3 years and attracts interest at 8% per annum.

4. Liabilities

Liabilities consist of grants awarded during the accounting period but not yet paid. A

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grant is considered awarded once the Trustees have taken a decision in favour of the application and consider that payment will follow in due course.

The liabilities are made up as follows:

George Logue (Morvern Tree Services)	802
Lochaline Social Club	10,000
Morvern Community Woodlands	3,750
Music Morvern	2,905
Lochaline Primary School	1,885
Lacunae Films Ltd	1,800
Morvern Community Council	3,000
Community Land Association Morvern	1,503
Heather Pearson (writers group)	500
	<u>26,145</u>