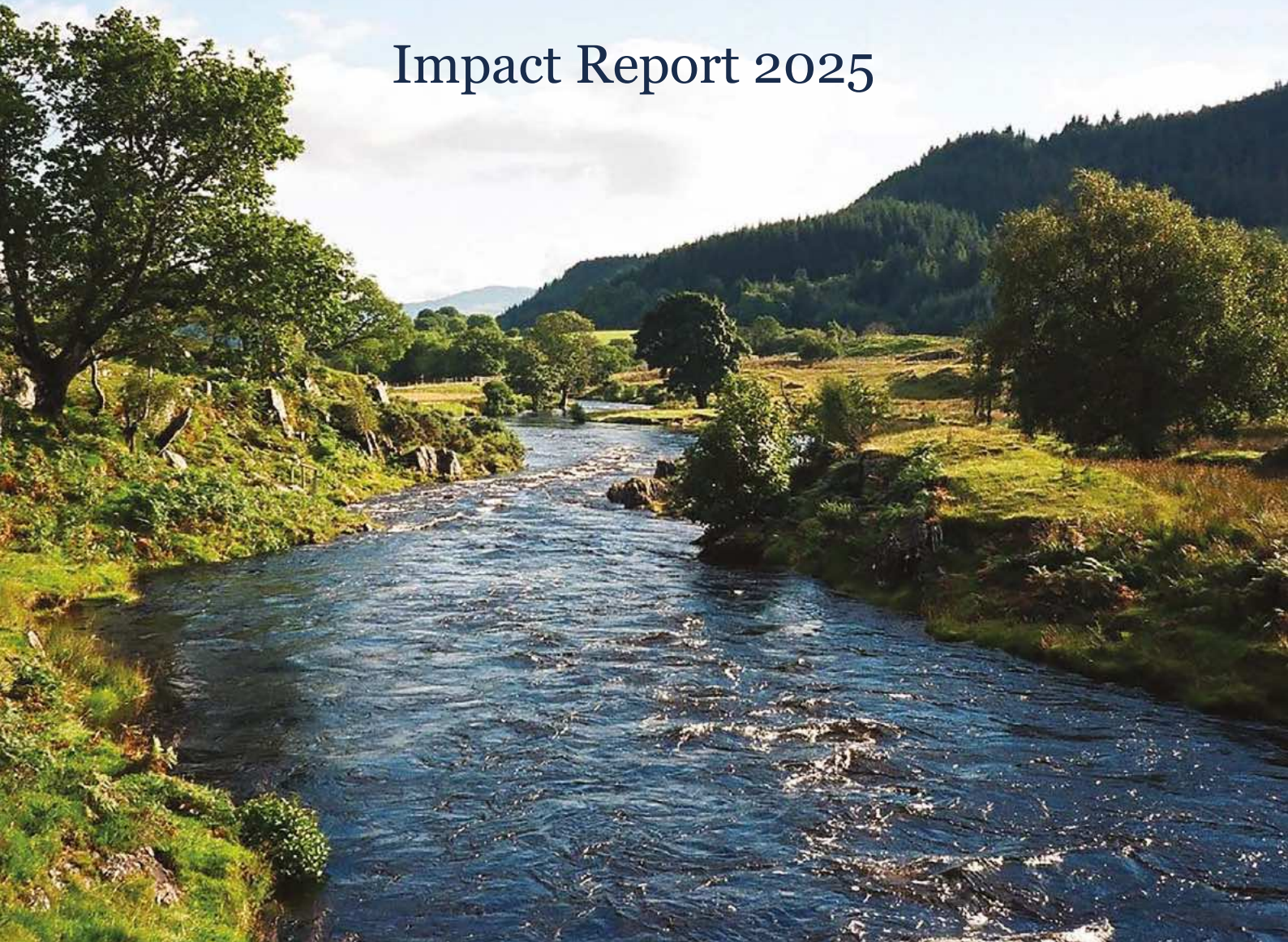
Ardtornish

Impact Report 2025





Ardtornish



Welcome.

Welcome to Ardtornish's second impact report. It records our activity during 2025 and considers how a large rural landholding and business can affect the communities, economy and environment around it. We're aiming to maintain a greater awareness of those impacts, be transparent in the way that we report them and accountable for making improvements.

Ardtornish is a 12,000 ha landholding on Morvern, a remote peninsula on Scotland's west coast, in the Highland region. Our relative isolation shapes our management decisions, and we recognise how the concentration of our land ownership around the village of Lochaline influences outcomes for the local community.

Ardtornish's business includes renewable energy, tourism, housing, maintaining architectural heritage and stewardship of an ecologically significant landscape. Our core objective is to protect and enhance environmental, economic and social sustainability.

Our first report established a benchmark and set some targets for the years ahead. This edition shows how our impact changed in 2025. It looks at our spending, employment, housing, community support, public payments, energy use and land management. It shows where we have made progress, and where we have not.

2025 was perhaps our busiest year yet for land management. We completed the Aline Catchment Nature Restoration Fund project, began transitioning the farm to a regenerative system and started extending organic certification from part of the farm to the whole. We also started the Tir Àlainn na Mara Nature Restoration Fund Project, to restore and reconnect habitats across the entire holding, and, at the end of the year, began restoring 150 hectares of degraded peatland.

We continued to work with the community on future development in Lochaline, including responding to the Highland Council's Call for Development Sites. We sold the land at the harbour to Morvern Community Development Company.

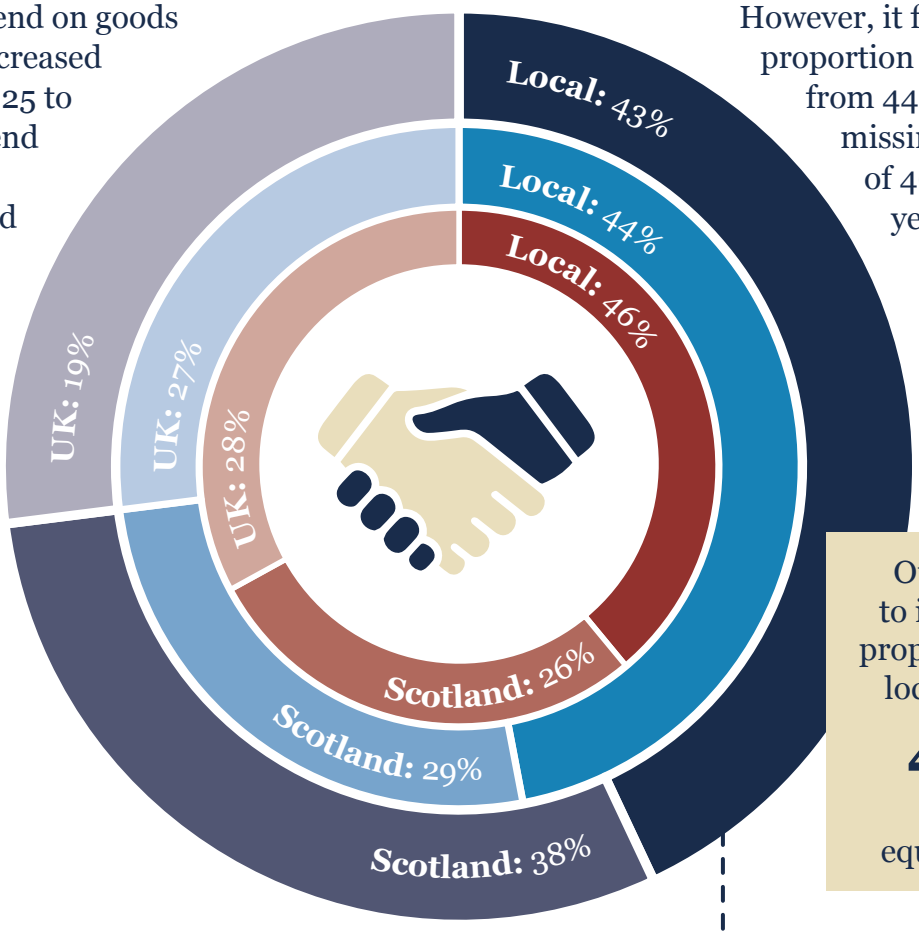
Following feedback, we have included a breakdown of our local spending, showing how it is distributed between Morvern and Mull, and Lochaber.

The report shows that progress is not linear. The proportion of our spend in the local area fell slightly, despite an increase in the total amount spent locally, and we did not complete the greenhouse gas baseline. We now aim to do it in 2027.

We are still learning how best to measure and communicate our impact. We hope this report is useful, and welcome feedback on what it includes and how we can improve it.

Economic Impacts

Our total spend on goods and services[1] increased by £209 k in 2025 to **£2.436 M**. Spend in the Highland region[2] increased by £69 k to **£1.04 M**.



However, it fell as a proportion of total spend, from 44% to 43%, missing the target of 46% set in last year's report.

Totals:

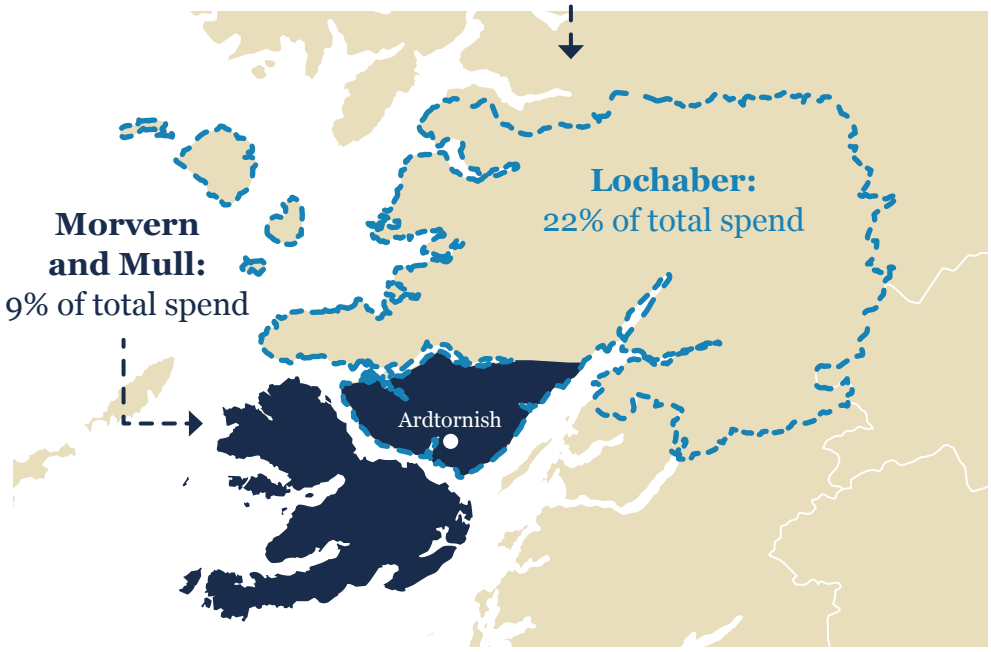
2023 **£1.526 M**

2024 **£2.227 M**

2025 **£2.436 M**

Our target is to increase the proportion of our local spend to **46%** in 2026, equal to 2023.

You told us last year that, because the Highland Council area is so large, it would be helpful to show **how much Ardtornish spends closer to home**. In 2025, we spent **£216 k in Morvern and Mull** - 9% of our total spend - and a **further £545 k across the wider Lochaber area**, equivalent to 22%.



[1] We haven't included the cost of utilities and insurance in this figure, there being no local market for either.

[2] We've defined Highland region as the Highland Council local authority area, and used the registered office or HQ of suppliers to determine their location.

Economic Impacts continued

Staff costs:
Salaries and wages

2023	£607 k
2024	£651 k
2025	£723 k

Pension and NI

2023	£90 k
2024	£86 k
2025	£113k

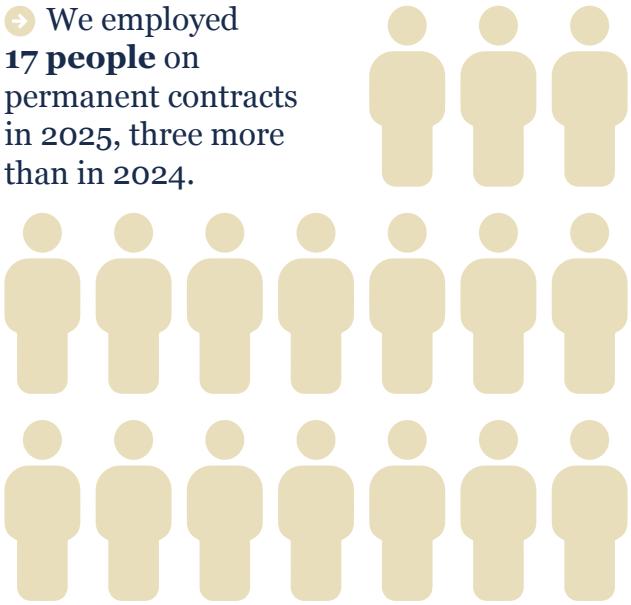
Total of salaries, wages, pension and NI



Our spend on staff salaries and wages **increased by £72 k** - or 11% - between 2024 and 2025.

Ardtornish paid all staff at least the **real Living Wage** in 2025.[3]

We employed **17 people** on permanent contracts in 2025, three more than in 2024.



14 members of staff were provided with **accommodation** for them and their families.



In 2025, our contribution to local authority taxes[4] increased by 71% to **£672 k**, because of a large increase in the rateable values for small hydro schemes and Ardtornish's ineligibility for Renewables Relief.[5]



[3] https://scottishlivingwage.org/what-is-the-real-living-wage

[4] Local authority taxes include council tax and non-domestic rate payments made to the Highland Council

[5] https://www.highland.gov.uk/business-rates/business-discounts/6

Economic Impacts continued

We made payments averaging **£11k** per year directly to local community funds or causes. Some of these annual payments are linked to profits from our hydro schemes, so the increase in business rates reduced the amount available to the community.



The business received a total of **£245 k** in agricultural subsidies from the Scottish Government in 2025.

2023	2024
£245 k	£186 k

£100 k under the Basic Payment Scheme (BPS). The BPS is an area-based income support subsidy for active farmers.[6]

2023	2024
£164 k	£100 k

£35 k under the Less Favoured Area Support Scheme (LFASS). LFASS provides additional income support to farmers in remote and constrained rural areas.[7]

2023	2024
£31 k	£35 k

£44 k under the Scottish Upland Sheep Support (SUSS)[8] and Scottish Suckler Beef Support Scheme (SSBSS).[9]

2023	2024
£38 k	£39 k

£66 k under the Agri-environment Climate Scheme (AECS), up from £12 k in 2024 following the conversion of the whole holding to organic certification

2023	2024
£12 k	£12 k



The business also received **£25 k** in forestry grants from the Scottish Government to support the maintenance of 244ha of newly planted native woodland.

2023	2024
£40 k	£25 k

[6] More information about the BPS can be found here: https://www.ruralpayments.org/topics/all-schemes/basic-payment-scheme

[7] More information about LFASS can be found here: https://www.ruralpayments.org/publicsite/futures/topics/all-schemes/lfass/#:~:text=The%20Less%20Favoured%20Area%20Support,remote%20and%20constrained%20rural%20areas

[8] More information about SUSS can be found here: https://www.ruralpayments.org/topics/all-schemes/scottish-upland-sheep-support-scheme

[9] More information about SSBSS can be found here: https://www.ruralpayments.org/topics/all-schemes/scottish-suckler-beef-support-scheme

Local Community & Social Impacts

Last year we provided Ardtornish's facilities for a range of **community events** and **learning opportunities**.



Christmas Party in Ardtornish House



26 miles of footpaths and tracks



Coastguard training on River Aline



Use of crushed stone for community projects



Land provided for the Morvern Gun Club and Community Land Association Morvern

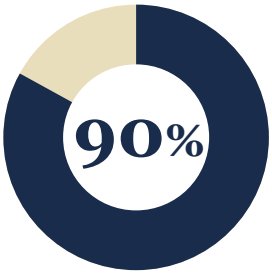
Fire Brigade training at Ardtornish House

Ardtornish is committed to providing the local community with affordable housing.[10] **Including our own staff, we provide 20 families with homes.**





In **2025**, **90%** of our long-term occupied houses meet the Repairing Standard.[11] We aim to make sure all occupied properties meet the Repairing Standard by the end of 2026.



[10] There's no universal definition of an affordable home. We referred to this research paper published by the Scottish Government in 2019 when thinking about what affordable means in Morvern: https://www.gov.scot/publications/rent-affordability-affordable-housing-sector-literature-review/pages/3/#:~:text=In%20the%20context%20of%20Scottish,ownership%2C%20shared%20equity%2C%20discounted%20low

[11] https://www.gov.scot/publications/repairing-standard

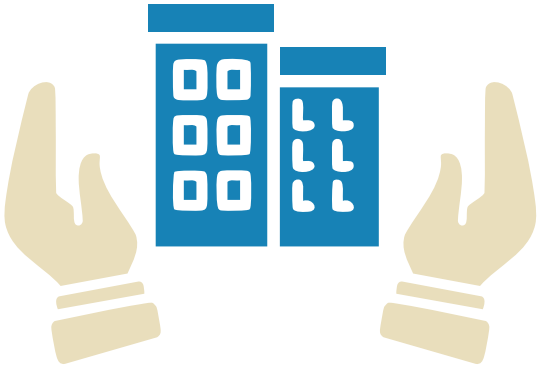
Local Community & Social Impacts

continued

We continue to **diversify land ownership** within the local community. We're doing that by considering the **sale of land** to community groups and long-standing tenants, and by **making housing plots available** to staff to build their own homes.

In **2023** we sold the **47 acre Knock Park**, used for the Morvern Games and Gala Week to the local community - at a discount from market value, and a further **21 acres** to long standing grazing tenants.





There were no land sales in **2024**.

We contributed **£5 k to the community** to fund the production of the Local Place Plan,[12] an initiative led by Morvern Community Council as a response to the community's desire to be more involved in and have more control over future development on the peninsula.

In **2025** we responded to the Highland Council's Call for Development Sites in and around Lochaline, using information gathered by the Local Place Plan.

We also **sold the land previously let to the Morvern Community Development Company at Lochaline Harbour**. Ownership gives MCDC long-term security and greater control over an important community asset, which has led to investment to develop the harbour facilities, supporting local activity and enterprise.



[12] https://www.morvern.org/its-our-future-have-your-say-local-place-plan-morvern

Environmental Impacts

Ardtornish is conscious of its environmental impacts. We're aiming to both reduce our operational environmental footprint and realise the huge potential of the landholding to mitigate the climate crisis and reverse nature loss.

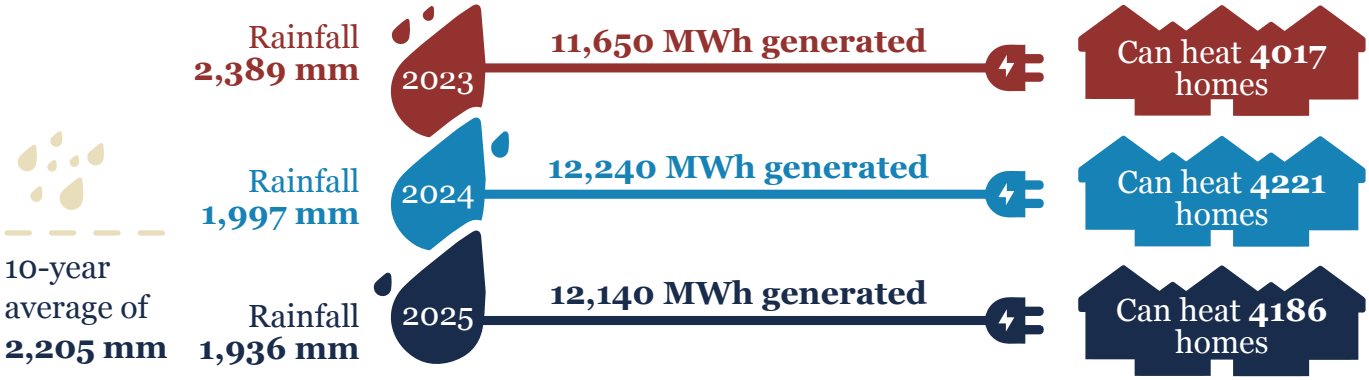


One of our targets for **2025** was to establish a baseline for the business's greenhouse gas emissions, allowing us to set reduction targets and develop a strategy for meeting them. We didn't achieve this and don't expect to complete it in 2026; aiming instead for 2027.



Our focus has been on transitioning the farm to a regenerative system and delivering on our ambitions to restore natural processes at landscape scale. We've introduced some new indicators this year which we hope help demonstrate the impact of this work. You can read more about those on the last page.

A large part of the Ardtornish business is the generation of renewable energy and heat.



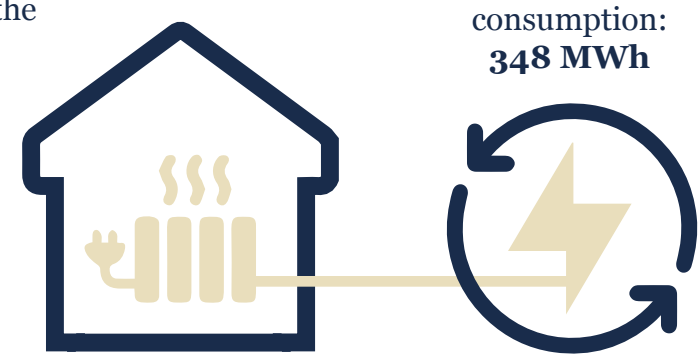
We don't have a low voltage network which allows us to supply our properties with the electricity generated by our hydro schemes, so it's purchased from the national grid.

26 properties are supplied from a central 100% renewable electricity supply contract.

That allows us to track consumption in those properties: **8** of which are heated by electricity.

Total electricity consumption: **348 MWh**

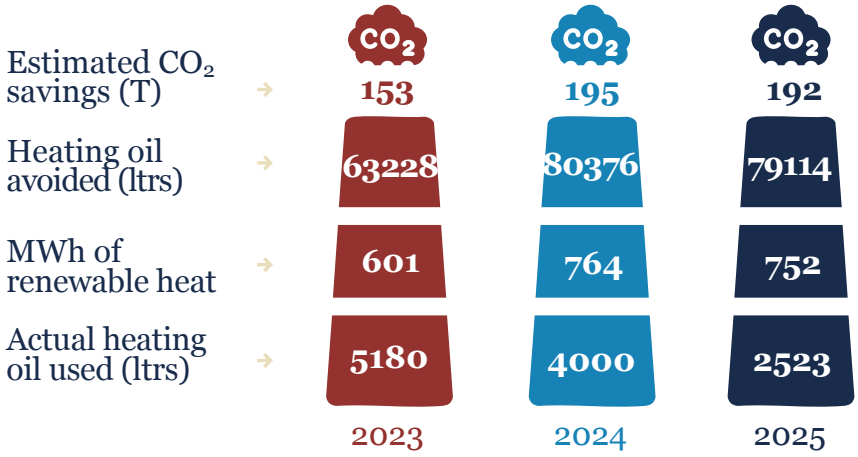
30% of properties on electric heating



We're aiming to increase the number of properties with electric heating and continue to explore the viability of installing a low voltage network so that we can supply our properties with electricity generated by the hydro's, starting with the grade A listed Ardtornish House.

Environmental Impacts continued

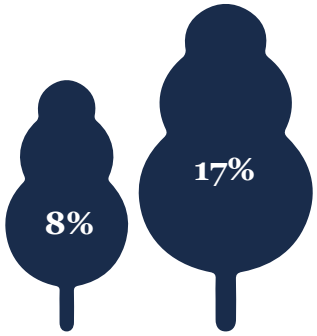
Our biomass district heating scheme supplies **renewable heat, reducing fossil fuel use and CO_2 emissions.** All biomass fuel is sourced from the peninsula.



The business reduced its annual vehicle fuel use from **12,250 to 9,114 litres** and red diesel use from **7,465 to 5,551 litres** between 2023 and 2025.

We didn't install any EV chargers in 2025, but hope to in 2027.

8% of Ardtornish is currently covered by woodland. We aim to **increase woodland cover to 17% by 2033.** The Scottish Government aims to increase national woodland cover to 21% by 2032.[13]



The woodland area will be increased by both encouraging natural regeneration and planting native trees.

Ardtornish is ecologically significant, and we have **5 sites** that are designated for their national and international importance – 2 partly, and 3 entirely on land owned by Ardtornish.



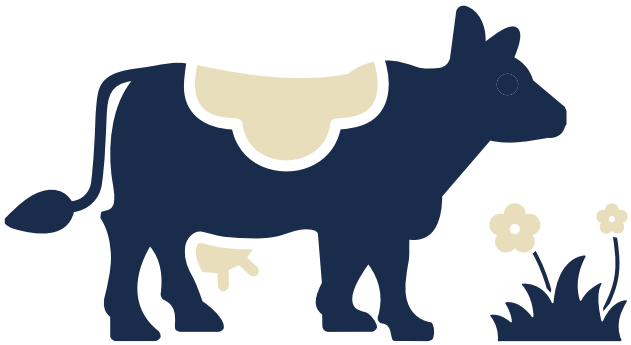
The designated sites are **surveyed at intervals** to assess their condition. Ardtornish has a legal obligation to keep those sites in a **good condition**.

All the designated sites are currently classified as being in **unfavourable condition**. The main cause is overgrazing, by both sheep and red deer. Our objective is to bring all designated sites into a state of recovery by 2027.

[13] https://www.nature.scot/professional-advice/land-and-sea-management/managing-land/forests-and-woodlands/woodland-expansion-across-scotland

Environmental Impacts continued

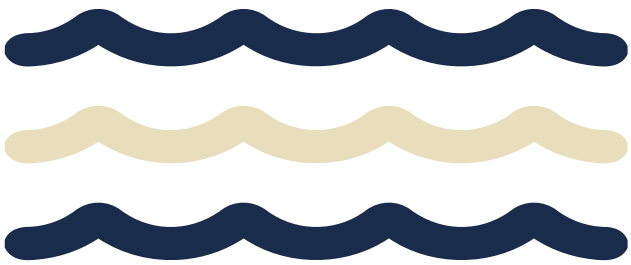
2025 was perhaps our busiest year yet for land management...



We began extending organic certification from part of the farm to the whole and transitioning the livestock enterprise to a regenerative system, using our 100 GPS Nofence collars.



We completed the Aline Catchment Nature Restoration Fund Project (NRF), working from hilltop to river mouth to create a healthier, better-connected and more climate-resilient catchment across 1,200 ha. Working with local and national partners, we reduced grazing pressure, restored riverbank and in-river habitats, trialled conservation grazing and expanded the Lochaline Native Oyster Project in partnership with Morvern-based charity CAOLAS.[14]





We started our second NRF project: Tir Àlainn na Mara, Gaelic for "Beautiful Land of the Sea" - covering Ardtornish's 12,000 hectares, the project will restore and reconnect a landscape of fragmented biodiversity - from rainforests to saltmarsh - from the summits to the sea. Using innovative methods such as drone seeding, reintroducing cattle and ponies as natural grazers, and creating natural fire breaks.





In November, we started the long-planned restoration of 150 ha of blanket bog peatland habitat in partnership with the University of Edinburgh.[15]



[14] caolas.org

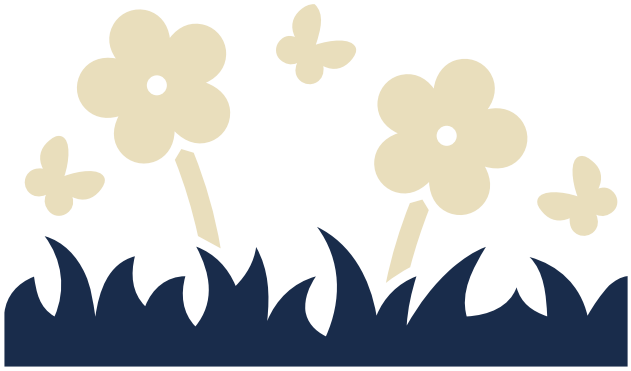
[15] sustainability.ed.ac.uk/operations/forest-peatland/partnerships/ardtornish

Environmental Impacts continued

We think these **indicators help demonstrate** the impact of our land management work, and we aim to improve the scores against them each year.

5

Number of fields rested over the summer: allowing plants to recover, rebuild their roots and protect the soil, producing healthier pasture over time.





2

New species recorded on Ardtornish: 2 – Hairy Wood Ant *Formica lugubris* (introduced) and crab apple *Malus Sylvestris* (introduced).

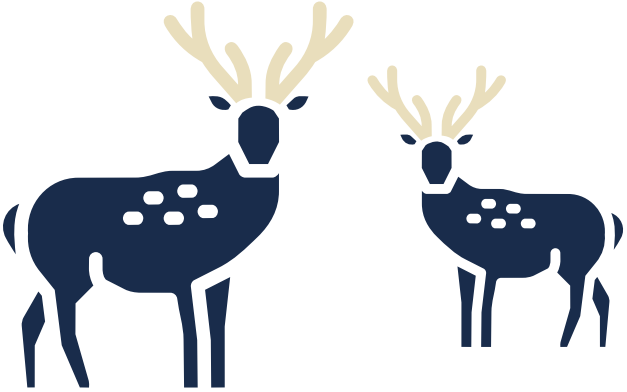


1m

Number of naturally regenerated seedlings counted in our Wild Tree surveys.

9.5%

of surveyed woodland where deer impacts are low enough for recovery.





Ardtornish

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