

The John Muir Trust

Scottish Charity Number: SC002061

Company Number: SC081620

Trustees' Report and Consolidated Financial Statements

Year ended 31 December 2017

THE JOHN MUIR TRUST

Year ended 31 December 2017

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Trustees' Report

Year ended 31 December 2017

The trustees, who are also the Directors of the Company for the purposes of company law, present their report and the audited financial statements of the Company for the year ended 31 December 2017.

Objectives and activities

The objects of the Company are set out in the Memorandum of Association and are to conserve and protect wild places with their indigenous animals, plants and soils for the benefit of present and future generations, and in particular:

- to conserve wild places and their landscapes, both for their own sake and for the sustenance and the inspiration they give to humanity;
- to protect existing wild places so as to conserve their natural processes and their indigenous animals, plants and soils;
- to renew wild places, where they have been damaged, by encouraging natural processes;
- to work with local communities and to encourage them to live in harmony with wild places;
- to promote an awareness and understanding of wild places for their own sake and for the value to the benefit of humanity;
- to stimulate public support to help wild places;
- to encourage voluntary participation in the conservation and renewal of wild places.

The Trust's vision document and corporate strategy for 2015-2019, both available on the website, set out the priorities, aims and ambitions towards conserving and protecting wild places with their indigenous animals, plants and soils for the benefit of present and future generations. The corporate strategy document also details the monitoring and reporting framework and lists the success measures which are reported against.

The Trust's main activities are:

- **Managing wild land:** The Trust owns and manages over 24,000 hectares of some of the finest wild land in the UK. We own land to protect it, repair damage and to keep it wild for future generations. Helping us do this are the passionate volunteers who contribute thousands of hours to our conservation parties each year. We work to restore native woodlands and other important habitats and encourage the return of native species and natural processes. We maintain over 120km of footpaths, from woodland walks to coastal trails and world famous mountain routes. We regularly monitor the growth of tree seedlings, the condition of habitats such as dwarf shrub heath and blanket bog and track the state of wildlife across our properties.
- **Protecting wild land:** The Trust raises awareness of the unique and irreplaceable benefits of wild land - clean air, water, flood prevention, protection of rare peatlands, and retention of carbon in the ground and health and well-being. We work hard to persuade governments and policy makers of the benefits of wild land, the value in protecting and restoring it, and that there is strong public support for better protection for wild land. Current policy areas include work to ensure the principles of the Wild Land Areas map are upheld, energy, land reform in Scotland, campaigning for planning democracy and working to increase understanding of rewilding and the need for stronger deer control.
- **The John Muir Award:** An environmental award scheme (non-competitive, inclusive and accessible) for people of all backgrounds - groups, families and individuals. It supports people to connect with, enjoy and care for nature, landscape and the natural environment. The John Muir Award promotes educational, social and personal development through engagement with wild places and involvement in conservation; encourages an active environmental approach within organisations and ensures that social circumstances do not exclude people from opportunities to experience wild places.

The Company occasionally makes grants to other bodies or individuals for purposes in support of the Company's objectives.

Further details of the Company's activities during 2017, together with details of the Company's achievements and performance during 2017 and its future plans, are detailed in the Trustees' Annual Report which is published separately.

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Achievements and performance

Key achievements of the Trust in the past twelve months include:

Land management: At the end of 2017 the Lake District National Park Authority signed an agreement to transfer the management of Glenridding Common – which includes England's third highest mountain, Helvellyn – to the Trust on a three-year lease. A consultation revealed overwhelming local stakeholder support for the Trust to manage this special landscape in conjunction with the two local graziers with commoning rights. The Trust has committed to work with the local community respecting its cultural traditions over the three years of the lease. We were delighted to be awarded a substantial grant from the Patsy Wood Trust to help us manage the land. The year also saw the launch of the Heart of Scotland Forest Partnership – collaboration between the Trust and five neighbouring community, conservation, public and private landowners at Schiehallion – with the aim of linking and expanding existing woodland to create a rich, vibrant landscape in Highland Perthshire. Our focus on repairing and maintaining the 120km of paths we look after continued, thanks to funds from our ongoing Wild Ways appeal and other sources. Specifically, funding from the Heritage Lottery Fund (HLF) administered by the Coigach Assynt Living Landscape project, allowed repair of several short peaty sections of the Quinag path. The second year of the Skye footpath project (supported again by the HLF) involved completion of the Druim Hain path. At Nevis, rock fall required repairs to the Steall path and ongoing maintenance to the upper section of the Ben Nevis path was carried out. At Suilven contractors completed their first year of major path repairs, thanks to Coigach Assynt Living Landscape, Heritage Lottery, European Outdoor Conservation Association and John Muir Trust members' appeal. A grant from the Coastal Communities Fund has allowed the Trust to employ two new part-time staff at Sandwood to continue the Trust's activities in that area.

Policy: The annual "The Great Outdoors Awards" recognised the Trust's outdoor campaigning work for the fifth year running across a broad spectrum of activities. The ongoing campaign to have Scotland's wild land recognised and protected received a boost in January when we welcomed Scottish Natural Heritage's (SNH) detailed descriptions of the 42 Wild Land Areas (WLAs). However, while the 2014 WLA Map and now the descriptions, continues to improve the chances for wild land, it does not guarantee protection and some recent decisions has left the status of wild land in doubt. In 2017, we took two approaches to defending WLAs from large-scale infrastructure: We participated in Public Local Inquiries and we launched our Keep it Wild (KIW) Campaign to ensure that the proposed Planning (Scotland) Bill includes protection for WLAs, as well as National Parks and National Scenic Areas. The KIW campaign launch was boosted by the results of a YouGov poll which found that 4 out of 5 Scots back wild land protection. The Stronelairg wind farm campaign came to a conclusion with an agreement to pay Scottish and Southern Energy (SSE) £50,000 and the Scottish Government £75,000 in final settlement of their claims for reimbursement of legal expenses. The Trust is extremely grateful to everyone who donated to the campaign and to our legal team who supported us throughout and minimised their costs where possible. The year ended on a positive note, when the new Scottish Government energy strategy promised that any further expansion of onshore wind should be: "done in a way that is compatible with Scotland's magnificent landscapes, including our wild land areas". Further afield, we were delighted to hear that the plans for the North West Coast Connections transmission lines in Cumbria have been put on hold. In the same location the Trust, working alongside other environmental bodies, successfully objected to an application at Thirlmere, below Helvellyn, for an extensive zip wire attraction. 2017 saw a stronger commitment to tackling the environmental damage caused by deer in Scotland. In May there was the first full debate in the Scottish Parliament on deer management. This was followed the next month by the Cabinet Secretary announcing specific measures to tackle the problem. We also welcomed the Scottish Government's establishment of an independent group to examine the sustainability of grouse moor management.

John Muir Award: During 2017 we worked with 1,570 Award Providers, approximately 1,000 of them schools or educational establishments. This led to 36,715 Awards being achieved during the year – a 5% UK-wide annual increase. The Award's inclusion target of 25% was exceeded in 2017, with 29% (10,771) Awards achieved by people who experience disadvantage. Gender and age ratios remain consistent. We maintained a fairly even 52% male to 48% female gender split. While Award engagement is largely youth focused (50% is with under 11 year olds; 37% is with 12-16 year olds) there is significant involvement (13%) from adults aged 17 and above. Strategic partnerships continue to be important. All 15 National Parks use the John Muir Award to varying degrees, with Cairngorms, Lake District and Loch Lomond & the Trossachs all hosting Award staff and extending their partnership arrangements. A base was established in the Peak District head office and new links made with outreach roles. We are participating in a new three year London Wildlife Trust-led consortium to create a project involving hard-to-reach audiences in London's nature and wild places, and East

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Ayrshire Council is funding a dedicated 18-month post to explore how outdoor learning and the John Muir Award can contribute to pupil attainment outcomes. A core grant funding relationship with Scottish Natural Heritage has been continued, with funding for England activity from Heritage Lottery Fund continuing until the end of 2018.

Wild Space and the Alan Reece Gallery: Wild Space has increased its operational activity this year, through the Alan Reece Gallery and retail space, and through ongoing partnerships in the local business community designed to generate footfall, local goodwill and to maximise visitor engagement with the work of the Trust. The gallery hosted 7 solo exhibitions and was also proud to display the winners of the Scottish Landscape Photographer of the Year competition.

Volunteering: in 2017, thirty work parties involving 140 volunteers donated 649 days to help maintain and repair over 1,100 metres of path, remove rubbish from beaches and mountain tops, plant 4,400 trees and weed 10,000 trees. They were also involved in the monitoring of mountain ringlet butterflies and water voles at Nevis, red squirrels, adders and vegetation at Glenlude and helped erect two owl boxes in Glen Nevis in a project with the Nevis Partnership. In addition to the land activity, we are also grateful to the Wild Space volunteers who between them have contributed 47 days to promote the Trust and engage with visitors.

Growth in support: Local members' group meetings and events spanned the length and breadth of the country with events taking place in North West and South West England and North East and Central Scotland. In Edinburgh more than 120 people attended the Edinburgh Members' Gathering to hear guest speakers talk about land reform. Membership of the Trust grew by 2% to 11,110 in December 2017 while independent research in Scotland showed public awareness of the organisation at a new high. The Trust's reach through its website and social media channels continued to see valuable growth year on year.

Financial review

We began 2017 with a budgeted deficit of £844,000 but we are pleased to report that 2017 has been extremely successful and we have ended the year with a surplus of £1,654,000. This includes an amazing one off donation of £1,000,000 towards the purchase of land. We have once again been grateful recipients of a high level of legacy income which has reinforced this surplus. The Trust continues to be well supported by charitable trusts with donations of various sizes and focus, testament to the importance of the Trust's aims to a wide spectrum of donor.

The fundraising environment continues to be challenging for charities and the General Data Protection Regulations which come into effect in May 2018 could impact on our ability to generate and diversify income streams. That said, we welcome increased regulation in this area. Every donation should be considered a privilege and we are happy to adopt the revised principles to ensure that our communication with supporters continues to be lawful, fair and transparent.

We have ended 2017 with free reserves of just over £2 million which equates to 9 months of the budgeted expenditure for 2018. This is significantly higher than the Trust's policy of holding 4 to 6 months of budgeted expenditure as free reserves. We have strived in 2017 to ensure that our staff is, as far as possible, engaged in projects supported by restricted rather than unrestricted funds; a trend we are continuing with in 2018. Like most charities, the Trust relies on support functions (as analysed in note 8) which are largely delivered from unrestricted funds which can be difficult to generate and so we are striving to reduce those levels. We also commenced a cost review to identify areas of expenditure which can be reduced, particularly those that draw on unrestricted funds. This will continue in 2018, making the Trust as efficient and financially responsible as possible. Whilst the aggregate values have remained similar, the income from charitable trusts and grants have moved significantly from being restricted to unrestricted sources of income, thus further increasing the unrestricted reserves at year end. Forestry income from Skye of £72,000 has further increased these reserves.

The strengthened reserves position will allow us to support areas of the Trust's activity which fall out of agreed funding at the end of 2018 and also allow further expansion south of the border as and when the need arises. Aware of this funding coming to an end and the ability therefore of the Trust to retain and recruit skilled staff in England and Wales in the absence of secured project funding the Board approved, on the 2nd March 2018, the designation of £300,000 of general reserves towards these activities. This signifies the support from the Board and indeed the wider Trust to continue and develop Award activity in England and Wales. Staff will of course continue to source avenues of funding for this work and will report to the Board the progress thereon at quarterly intervals.

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We are delighted to have started 2018 with higher than normal free reserves and we plan to utilise those through 2018 to meet our charitable objectives and also to provide some support to a slightly understaffed fundraising team while they increase their talent and resource base.

Giving slightly more detail, total income in 2017 was £3.9 million compared to £2.9m in 2016. The major component of this increase was a significant land purchase donation.

Significant constituents of 2017 income were:

- Anonymous donation from an individual couple towards any future purchase of Glenridding; Common, failing which it will be applied to land acquisition in the North of Scotland of £1m, plus a further £19,000 towards our work at Quinag, from the same donor;
- A grant of £96,000 (2016: £96,000) from SNH to support our work with the John Muir Award in Scotland;
- Legacy income of £802,000 (2016: £914,000) from 33 (2016: 23) individuals;
- Membership subscriptions of £326,000 (2016: £319,000), an increase of 2%;
- Appeal income of £69,000 for the Heart of Scotland, £46,000 for our KIW campaign, and £27,000 towards the ongoing Wild Ways appeal;
- £268,000 from the Patsy Wood Trust in respect of the management of Glenridding over the 3 year lease;
- £100,000 from the Reece Foundation;
- Harvesting income of £72,000 (2016: £nil);
- Coastal Community Fund grant of £51,000;

Total expenditure in 2017 was £2.35 million which increased from £2.16 million in 2016 as in the year the Trust filled some of the resources gaps identified in 2016 in order to support and promote charitable activities. £1.9m of that (including allocated overheads) (2016: £1.7m) is spent directly on our charitable activities, with £90,000 (2016: £105,000) (including allocated overheads) spent on our membership team and £210,000 (2016: £192,000) (including allocated overheads) on our fundraising team.

The JMT Trading Company made a profit of £44,000 (2016: loss of £63) which comprised trading income of £166,000 (2016: £105,000) offset by merchandising costs and the recharge of certain salary costs from the Trust. 2017 turnover includes £72,000 from the sale of Skye timber, a new activity through JMT Trading Company in the year. Due to the nature of this specific timber selling process, there are very low costs involved which is why the gross margin has increased to 63% (2016: 43%).

The budget for 2018 is expenditure of £2.7 million including extensive work on footpaths and other improvements to our properties, including Glenridding. There are also significant costs associated with fencing works under the Heart of Scotland partnership. Staff costs are budgeted to increase as a result of the full year impact of the additional resources employed in 2017. We have also budgeted for an IT hardware upgrade to increase collaborative working and ease secure knowledge sharing. The latter being of particular importance in light of the General Data Protection Regulations (effective May 2018).

The Trust continues to work towards increasing stable, secure income streams but remains too reliant on legacy income, albeit less now than in the recent past. The Trust may be fortunate and again receive significant legacy income but this cannot be budgeted for with any level of confidence. We have been prudent and budgeted income of £2.3 million in 2018. The fundraising team has experienced significant natural staff turnover which means they are starting the year understaffed although recruitment is progressing. This will certainly impact on their ability to generate funds – something the Board and the Management Team are very aware of and so are providing additional support as required. The 2018 budget therefore shows a deficit of over £430,000. This deficit will be met from funds already raised within reserves (restricted or unrestricted).

Reserves

The Company ordinarily works to a five year business plan, with budgets prepared on a three-year rolling basis. In 2018, however, we have undertaken a review of the corporate strategy (a revised version of which will be discussed at the AGM in May and approved by the Board in June), meaning budgets have only been prepared to cover 2018 and 2019.

A charity's reserves are made up of unrestricted and restricted funds. Restricted funds are those received with

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conditions imposed by the donor as to their use (for example a donation to a specific appeal or place). Unrestricted funds are those received with no conditions attached. Trustees may earmark part of the Trust's unrestricted funds to be used for particular purposes in the future. These are called designated funds and are accounted for separately within unrestricted funds. The trustees have the power to re-designate such funds within unrestricted funds. Free reserves are those funds within unrestricted funds which have not been designated.

The purpose of free reserves is to absorb peaks and troughs in income and expenditure over the course of a year. The Trust's policy is that free reserves should be held at a level equivalent of 4-6 months' total budgeted expenditure for the coming year.

Heritage Properties (land holdings) and fixed assets (including buildings, motor vehicles and equipment) are designated and are therefore not taken into account into the calculation of free reserves.

Free reserves	2017	2016
Total budgeted expenditure for the coming year	£2,702,000	£2,496,000
FREE RESERVES POLICY		
Lower limit (4 months)	£901,000	£832,000
Upper limit (6 months)	£1,351,000	£1,248,000
ACTUAL FREE RESERVES HELD at 31 December	£2,017,000	£1,481,000
Number of months' budgeted expenditure for the coming year:	9 months	7.1 months

The trustees consider that the present reserves policy is prudent, taking account of the Company's objects and 2018 budget as discussed above. They are satisfied that the free reserves held as at the year-end are sufficient to meet the on-going requirements of the Company.

The reserves policy enables the Company to apply excess free reserves to our charitable objectives on a timely basis. Where possible we use our reserves to match-fund areas of work. As noted in the financial review, the Board approved post year end the designation of £300,000 of the above free reserves towards Award activity in England and Wales. The monies are likely to be utilised from 2019 onwards since funding is in place until the end of 2018.

Further details of the Company's funds are given in notes 24 and 25 to the accounts.

Investment policy and performance

The overall objective is to hold investments to generate income and provide long-term capital growth. During the year income generated has been reinvested. The Investment Managers, Brown Shipley, are instructed to maximise the return on the Company's investments, consistent with an acceptable level of risk whilst maintaining the real value of the portfolio over time. The investment powers of the Company are general ones conferred by the Company's Memorandum of Association, having regard to such social and ethical issues as the trustees consider to be appropriate.

The portfolio ended the year with a market value of £2.8m (2016: £1.7 million) which includes a net gain on investments over the year of £154,000 (2016: £76,000). During the year investment income of £55,000 (2016: £65,000) was reinvested. The Trust received a major donation of £1,019,000 in the year, made up £819,000 in shares and £200,000 in cash, hence the notable increase in market value at 31 December 2017. The donation was split £1m to land purchase and £19,000 to our ongoing work at Quinag.

Risk

An assessment of all risks is undertaken on an annual basis. Risks are analysed, quantified and prioritised and actions and responsibilities identified to minimise or mitigate these risks. This results in the production of the annual risk register. Trustees and staff are informed of these risks and the actions identified to minimise or mitigate them.

Routine monitoring and evaluation of all risks is undertaken on a quarterly basis by the Management Team, and annually by trustees. Any risks that are deemed to be outside a pre-defined level of acceptable risk are subject to a quarterly review by trustees. If, at any time through continuous financial monitoring and

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forecasting, staff become aware that the risks are likely to exceed the parameters set out in the Company's free reserves policy, trustees are alerted immediately.

Trustees approve the revised risk management policy, process and register each March.

The principal risks and uncertainties facing the charity (those where the impact would be considerable and the probability is modest, medium or high), and the plans and strategies to manage them are as follows:

- Over-reliance on key or restricted funding sources to deliver core objectives. The revised corporate strategy and the Trust's investment in its fundraising capabilities aim to reduce the risk profile over the short to medium term. Additional short-term resources for the fundraising team have also been approved by the CEO to allow support for one-off pieces of consultancy into sourcing diversified income streams.
- Poor financial performance leading to considerable operational restrictions. The Trust has good financial controls and robust budgeting and reforecasting procedures in place. The unrestricted reserves at the end of the year are higher than the policy and so provide some support in the event of poor financial results. Reliance on those reserves would, however, be a last resort and reparative action in terms of re-assessing spending and activities would take place first.
- Shortfall in unrestricted funding from legacies and other sources of income. The Trust has a policy of holding 4-6 months of budgeted expenditure in free reserves. The level of reserves plus fundraising investment in other income streams, increased profile and membership reviews, together with a legacy marketing campaign (issued Jan 2018) aims to reduce the risk profile.
- Lack of capacity in some key business areas – leading to significant stress and poor performance. Targeted recruitment is planned to fill gaps, both short and medium term. This is particularly noticeable in the fundraising function as noted above but recruitment is underway to close that gap.
- Ongoing uncertainty around Scottish Independence could undermine the Trust's UK business model. The Trust operates across the UK, including significant work with the John Muir Award in England in Wales. The Trust's management lease of the area at Glenridding will help to promote the message that it is a UK-wide organisation.

Future plans

The Trust is working to a five year strategic plan covering 2015 – 2019, which is currently being revised and a new corporate strategy will be approved by the Board in June 2018, covering the period from 2019 to 2021. The current strategy involves continuing to urge better protection of wild land, responding to specific development threats, campaigning for appropriate legislative change, continuing to work to restore ecosystems and natural systems to degraded wild land, bringing increasing numbers of people together with wild places through the John Muir Award and highlighting the value of wild places and key environmental issues through our visitor centre, online engagement and our work with volunteers, partners and communities. Early work on the revised strategy does not see a material change from the above.

Our strategic objectives are:

- to protect the wildest places across the United Kingdom;
- to enhance wild places for people and nature;
- to encourage people to value and care for wild places;
- to be an efficient, effective, creative and sustainable organisation;

One of the key achievements in 2017 was signing the lease at Glenridding, the first piece of land under the Trust's management outside of Scotland. We are delighted to already have a very knowledgeable member of staff in place, with additional support coming in 2018. Significant work will focus around creating and implementing the first year of a 3 year management plan. This will include community engagement, Common Land Management and increasing the understanding thereof, monitoring and restoration to continue the improvement of the SSSI, survey and monitoring different uses of the area and footpath restoration works, stabilisation, repair, enhancement and interpretation work on the archaeological aspects of the site, continuing the work of the John Muir Award and manage visitor engagement. Agreement between the Trust and the Lake District National Park Authority will shape activities at Glenridding in 2018.

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Aside from Glenridding, there are a number of additional initiatives being planned for 2018, including:

- Defend wild land areas through engagement with the Limekiln & Drum Hollistan and Glenshero PLI's;
- Campaign on landscape and land use policies;
- Advocacy on Scottish planning White Paper and Bill;
- Consolidate and deliver further on the Heart of Scotland partnership, following its successful launch in 2017, and other strategic partnerships;
- Perform scheduled path works across multiple properties;
- Communicate the value of wild places for health and well-being to a broad audience;
- Continue to promote the Award across the UK, maintaining a 25% inclusion rate;
- An engagement and support audit followed by an implementation plan to improve website, social media and physical engagement performance;
- Increase membership by 2.2% and through the Membership Research Panel, better understand our members;
- Implementation of Full Cost Recovery and revised costing process to promote better oversight, control and utilisation of funds;
- Roll out of new database across all aspects of the Trust to allow us better understanding and communication with supporters, increasing an already high standard of data management and improving income diversification;
- Creating an appropriately resourced workforce supported by a range of wellbeing policies to maintain a motivated workforce, striving towards the aims of the Trust;
- Development activities including engagement events, individual strategies and the maintenance and creation of new relationships to explore previously untapped funding sources.

Organisational structure, governance and management

The John Muir Trust is a private charitable company registered in Scotland. It is limited by guarantee and incorporated under the Companies Act. Its governing document is the Memorandum and Articles of Association, the current version of which was adopted at the Annual General Meeting in 1997. The Articles were modified following resolutions in August 2002, May 2012, May 2013 and May 2017. The Company's main activity is the conservation of wild areas of the United Kingdom for nature and people.

The Company is governed by trustees who delegate day to day operational business to the CEO and his senior management team.

The trustees are elected by the Company members by ballot. The Chair is appointed by the trustees out of the trustee body. Trustees are offered induction and training which is appropriate to them given their personal qualifications and experience and the particular role they are to play within the Company. The trustees are responsible for policy setting and strategic decisions, and the duties imposed by statute.

The remuneration of the CEO and key management is set by reference to external equivalent roles. Periodic benchmarking is carried out. Any annual salary increases are recommended by the finance committee to the HR committee and are then incorporated into the annual budget which is approved by the whole board.

The Group consists of the following entities:

- The John Muir Trust (the Parent Company) and
- JMT Trading Company Limited – its wholly owned trading subsidiary. To protect the charitable status of the Parent Company, this trading subsidiary was established on 1 February 1995 to carry on the agriculture and forestry activities on the Strathaird Estate and also the merchandising activities of the Company.

The results of the trading subsidiary have been consolidated with the Company results in line with the Companies Act 2006 and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (effective 1 January 2015).

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Reference and administrative details

The John Muir Trust

Charitable Company registered in Scotland.

Company Number SC081620

Scottish Charity Number SC002061

REGISTERED OFFICE

Tower House
Station Road
Pitlochry
PH16 5AN

AUDITOR:

Scott-Moncrieff
Chartered Accountants
Exchange Place 3
Sempie Street
Edinburgh
EH3 8BL

SOLICITORS:

Turcan Connell W.S.
Princes Exchange
1 Earl Grey Street
Edinburgh
EH3 9EE

BANKERS:

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

The Royal Bank of Scotland plc
Edinburgh St Andrew Square
36 St Andrew Square
Edinburgh
EH2 2YB

INVESTMENT MANAGERS:

Brown Shipley & Co Limited
2 Multrees Walk
Edinburgh
EH1 3DQ

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The trustees who held office during the year and up to the date of signing of the financial statements are as follows:

Peter Pearson (Chair)
David Broom
John Finney (retired 27 May 2017)
Peter Foulkes
John Fox-Davies
Jim Gibson (retired 27 May 2017)
Steve Green
Patricia Jordan
Duncan Macniven
David MacLehose (retired 27 May 2017)
Jo Moulin
Hugh Salvesen
Chris Townsend
Deirdre Wilson
Douglas Wynn
Alan Dobie (appointed 27 May 2017)
Derek Johnston (appointed 27 May 2017)
Andrew Whitfield (appointed 27 May 2017)

Day to day management is delegated to the Chief Executive, in which he is assisted by members of the Management Team (listed below) and other employees:

Andrew Bachell	Chief Executive (appointed 16 June 2017)
Stuart Brooks	Chief Executive (resigned 24 February 2017)
Kerry Ross	Director of Finance & Resources (appointed 16 June 2017)
Fiona Kindness	Director of Resources (resigned 16 June 2017)
Rob Bushby	John Muir Award Manager
Mike Daniels	Head of Land
Kevin Lelland	Head of Development & Communications
Helen McDade	Head of Policy
Gavin McLellan	Head of Fundraising (resigned 30 June 2017)

The Company Secretary is Kerry Ross (appointed 16 June 2017), previously Fiona Kindness (resigned 16 June 2017).

Statement of trustees' responsibilities

The trustees (who are also directors of The John Muir Trust for the purposes of company law) are responsible for preparing the Trustees' Annual 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 year which give a true and fair view of the state of affairs of the Charitable Company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Group 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 in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable 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 Charitable Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to the auditor

In so far as the trustees are aware:

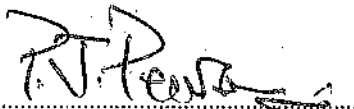
- there is no relevant information of which the Company's auditor is unaware, and
- the trustees have taken all the steps they ought to have taken to make themselves aware of any relevant audit information, and to establish that the auditor is aware of that information.

Auditors

Messrs Scott-Moncrieff, Chartered Accountants, is the auditor of the Company and is deemed to be reappointed under section 487(2) of the Companies Act 2006.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

BY ORDER OF THE BOARD



P Pearson
Chair
Tower House
Station Road
Pittochry
PH16 5AN

26 March 2018

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Independent Auditor's Report to the Members and Trustees for the year ended 31 December 2017

Opinion

We have audited the financial statements of The John Muir Trust (the parent charitable company) and its subsidiary (the group) for the year ended 31 December 2017 which comprise the Consolidated and Parent Charitable Company Statement of Financial Activities (incorporating the Income and Expenditure Account), the Consolidated and Parent Charitable Company Balance Sheet, the Consolidated and Parent Charitable Company Statement of Cash Flows, and the notes to the financial statements, 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 the parent charitable company's affairs as at 31 December 2017 and of the group's and the parent charitable company's 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 (as amended).

This report is made solely to the parent 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 (as amended).

Our audit work has been undertaken so that we might state to the parent charitable company's members, as a body, and the charitable company's trustees, as a body, those matters we are required to state to them in an auditor's 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 parent charitable company, the parent charitable company's members, as a body, and the parent charitable company's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company 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 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 audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE JOHN MUIR TRUST

Independent Auditor's Report to the Members and Trustees for the year ended 31 December 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions 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; and
- 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 the knowledge and understanding of the group and parent charitable company and their 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 the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, 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' exemption in preparing the Trustees' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on pages 9 and 10, the trustees (who are the directors for the purposes of company law and trustees for the purposes of charity 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

THE JOHN MUIR TRUST

**Independent Auditor's Report to the Members and Trustees
for the year ended 31 December 2017**

going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 Acts 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 auditor's 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 auditor's report.

Scott - Moncrieff

Michael Harkness, Senior Statutory Auditor

For and on behalf of

Scott-Moncrieff, Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Chartered Accountants

Exchange Place 3

Seemple Street

Edinburgh

EH3 8BL

Date: 26 March 2018

THE JOHN MUIR TRUST
Year ended 31 December 2017

Consolidated Statement of Financial Activities
(Incorporating Income & Expenditure Account)

	Notes	Unrestricted Funds		Restricted Funds	TOTAL 2017	TOTAL 2016
		General	Designated			
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	4	1,438,317	8,209	1,655,977	3,102,503	2,006,935
Charitable activities	5	133,203	25,330	334,271	492,804	623,723
Other trading activities	6	185,588	940	-	186,528	138,966
Investments		51,915	-	3,046	54,961	64,811
Other		15,281	-	-	15,281	16,164
Total income		1,824,304	34,479	1,993,294	3,852,077	2,850,599
Expenditure on:						
Raising funds	7	428,446	3,392	4,238	436,076	413,905
Charitable activities:	5					
Land		400,314	29,506	351,091	780,911	666,076
Awareness		399,428	120,051	333,060	852,539	796,851
Policy		185,295	3,012	94,924	283,231	281,199
Total expenditure		1,413,483	155,961	783,313	2,352,757	2,158,031
Net gains/(losses) on investments		154,438	-	-	154,438	76,483
Gains on sale of fixed assets		-	450	-	450	-
Net income/(expenditure)		565,259	(121,032)	1,209,981	1,654,208	769,051
Transfers between funds	24	(29,461)	4,858	24,603	-	-
Net movement in funds		535,798	(116,174)	1,234,584	1,654,208	769,051
Reconciliation of funds:						
Total funds brought forward 1 January 2017						
Heritage properties		-	2,573,442	-	2,573,442	2,573,442
Other funds		1,480,750	1,337,115	1,586,413	4,404,278	3,635,227
Total funds carried forward		2,016,548	3,794,383	2,820,997	8,631,928	6,977,720

There are no other gains and losses other than those included in the Consolidated Statement of Financial Activities. All activities of the Group relate to continuing operations.

The notes on pages 18 to 35 form part of these financial statements.

THE JOHN MUIR TRUST
Year ended 31 December 2017

Parent Company Statement of Financial Activities
(incorporating Income & Expenditure Account)

	Notes	Unrestricted Funds		Restricted Funds	TOTAL 2017	TOTAL 2016
		General	Designated			
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	4	1,438,317	8,209	1,655,977	3,102,503	2,006,935
Charitable activities	5	133,203	25,330	334,271	492,804	623,723
Other trading activities	6	19,319	940	-	20,259	33,816
Investments		51,901	-	3,046	54,947	65,026
Other		15,281	-	-	15,281	16,164
Total income		1,658,021	34,479	1,993,294	3,685,794	2,745,664
Expenditure on:						
Raising funds	7	306,282	3,392	4,238	313,912	308,907
Charitable activities:	5					
Land		400,314	29,506	351,091	780,911	666,076
Awareness		399,428	120,051	333,060	852,539	796,851
Policy		185,295	3,012	94,924	283,231	281,199
Total expenditure		1,291,319	155,961	783,313	2,230,593	2,053,033
Net gains/(losses) on investments		154,438	-	-	154,438	76,483
Gains on sale of fixed assets		-	450	-	450	-
Net income/(expenditure)		521,140	(121,032)	1,209,981	1,610,089	769,114
Transfers between funds	24	(29,461)	4,858	24,603	-	-
Net movement in funds		491,679	(116,174)	1,234,584	1,610,089	769,114
Reconciliation of funds:						
Total funds brought forward 1 January 2017						
Heritage properties		-	2,573,442	-	2,573,442	2,573,442
Other funds		1,473,372	1,337,115	1,586,413	4,396,900	3,627,786
Total funds carried forward		1,965,051	3,794,383	2,820,997	8,580,431	6,970,342

There are no other gains and losses other than those included in the Company Statement of Financial Activities. All activities of the Company relate to continuing operations.


The notes on pages 18 to 35 form part of these financial statements.

THE JOHN MUIR TRUST
as at 31 December 2017

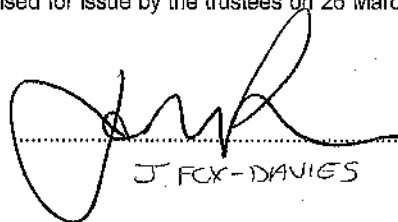
Consolidated and Parent Company
Balance Sheets

	Notes	GROUP		COMPANY	
		2017 £	2016 £	2017 £	2016 £
FIXED ASSETS					
Tangible assets	14	487,425	539,432	480,465	539,432
Heritage properties	15	2,573,442	2,573,442	2,573,442	2,573,442
Investments	16	2,782,572	1,671,404	2,786,001	1,694,833
		<u>5,823,439</u>	<u>4,784,278</u>	<u>5,839,908</u>	<u>4,807,707</u>
CURRENT ASSETS					
Stock		16,745	15,603	-	-
Debtors	17	742,864	482,186	757,179	532,081
Cash at bank and in hand		2,185,255	1,894,668	2,097,163	1,808,896
		<u>2,944,864</u>	<u>2,392,457</u>	<u>2,854,342</u>	<u>2,340,977</u>
LIABILITIES					
Creditors: Amounts falling due within one year	19	(136,375)	(199,015)	(113,819)	(178,342)
		<u>2,808,489</u>	<u>2,193,442</u>	<u>2,740,523</u>	<u>2,162,635</u>
NET CURRENT ASSETS					
		<u>8,631,928</u>	<u>6,977,720</u>	<u>8,580,431</u>	<u>6,970,342</u>
TOTAL NET ASSETS					
The funds of the charity:	20, 24 & 25				
Unrestricted Funds		5,810,931	5,391,307	5,759,434	5,383,929
Restricted Funds		2,820,997	1,586,413	2,820,997	1,586,413
		<u>8,631,928</u>	<u>6,977,720</u>	<u>8,580,431</u>	<u>6,970,342</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The financial statements were authorised for issue by the trustees on 26 March 2018 and signed on their behalf by:


P PEARSON

, Trustee


J FOX-DAVIES

, Trustee

Registered company number SC081620

The notes on pages 18 to 35 form part of these financial statements.

THE JOHN MUIR TRUST
as at 31 December 2017

Consolidated and Parent Company
Statement of Cash Flows

	Note	GROUP		COMPANY	
		2017 £	2016 £	2017 £	2016 £
CASH FLOWS FROM OPERATING ACTIVITIES:					
NET CASH PROVIDED BY:	26	291,659	614,152	278,912	589,438
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income		54,960	64,811	54,947	65,026
Purchase of tangible fixed assets		(16,257)	(21,729)	(16,257)	(21,729)
Proceeds from sale of investments		625,280	287,953	625,280	287,953
Proceeds from sale of fixed assets		450	-	450	-
Transfer of fixed assets		-	-	10,440	-
Purchase of investments		(665,505)	(337,469)	(665,505)	(337,469)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		(1,072)	(6,434)	9,355	(6,219)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD		290,587	607,718	288,267	583,219
CASH AT THE BEGINNING OF THE REPORTING PERIOD		1,894,668	1,286,950	1,808,896	1,225,677
CASH AT THE END OF THE REPORTING PERIOD		2,185,255	1,894,668	2,097,163	1,808,896

The notes on pages 18 to 35 form part of these financial statements.

THE JOHN MUIR TRUST
Year ended 31 December 2017

Notes to the Financial Statements

1 ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard 102, as issued by the Financial Reporting Council (effective 1 January 2015) the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" and the Companies Act 2006. They are prepared on the historical cost basis, except for investments which have been included at fair value and Tower House, Pitlochry which is included at cost but depreciated on the revalued amount following an impairment charge in 2012.

The John Muir Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charity's transactions are denominated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

The financial statements consolidate the results of the Company and its wholly owned subsidiary JMT Trading Company Limited (Company Number SC153018) on a line by line basis. The Company together with JMT Trading Company Limited comprises the Group. The registered office of the JMT Trading Company Limited is Tower House, Station Road, Pitlochry, PH16 5AN.

b) Going concern

The trustees are of the opinion that the Charitable Company and Group can continue to meet its obligations as they fall due for the foreseeable future due to the current level of financial reserves and expectations of future income. As a consequence the trustees have prepared the financial statements on the going concern basis.

c) Recognition and allocation of income

Income is recognised when the Company has legal entitlement to the funds, the receipt is probable and the amount can be measured reliably. Where practicable, income is related to the operating activities of the Company (e.g. Land, Awareness and Policy).

Where there are performance conditions attached to any grants and donations, income is recognised when the conditions have been met or when meeting the conditions is within the Company's control and there is sufficient evidence that they have been met or will be met. Where a grant condition allows for the recovery of any unexpended grant, a liability is recognised when repayment becomes probable.

Where there are terms placed on income that limit the Company's discretion over how that income can be used, that income is shown as restricted income in the accounts.

Subscriptions from members are credited in full as income in the period in which they are received.

THE JOHN MUIR TRUST
Year ended 31 December 2017

Notes to the Financial Statements

1 ACCOUNTING POLICIES

Entitlement to legacy income exists when the Company has sufficient evidence that a gift has been left, the executor is satisfied that the gift will not be required to satisfy claims on the estate and any conditions are within the control of the Company or have been met. Where legacies have been notified to the charity and the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material. Legacy income is measured at fair value, generally the cash amount receivable, and is discounted if deferred for more than 12 months. The unwinding of the discount is recognised as interest receivable.

Interest receivable is recognised using the effective interest rate applicable to the asset and dividend income is recognised when the right to receipt is established and is measured at fair value, generally the transaction value.

Fundraising activities are mostly initiated by members with the support of the Company, and generate income such as sponsorship.

Gift aid is treated as part of the related gift unless the donor or terms of appeal have specified otherwise and is credited when receivable.

d) Recognition and allocation of expenditure

Expenditure is recognised when the Company has entered into a legal or constructive obligation and related where practicable to the operating activities of the Company (e.g. Land, Awareness and Policy). Where possible, expenditure is attributed directly to the function to which it relates. Where this is not possible it is allocated on the basis of full time equivalent employees in each function or on a fixed basis which has been agreed with funders. The allocation of support costs is shown in Note 8.

Costs of generating funds comprise those costs which are associated with the generation of income from sources other than from undertaking charitable activities, and includes membership, fundraising, trading and investment management costs.

Charitable expenditure comprises those costs incurred by the Company in the delivery of its charitable activities and services.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Company and include costs linked to the strategic management of the Company.

e) Funds

Restricted funds are those which have been given to the Company for use in accordance with the wishes of the donors, commonly for use in relation to a particular Heritage property, a group of such properties or for other specific projects.

Unrestricted funds are available for use at the discretion of the trustees. In order to ensure that funds are available for specific projects, certain funds are set aside and designated by the trustees into separate funds.

f) Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses.

Depreciation is provided on all tangible fixed assets at a rate calculated to write off the cost or valuation on a straight line basis, less estimated residual value of each asset, over its expected useful life as follows:

Tower House development (buildings)	50 years
Other buildings	10 years
Wild Space exhibition materials	5 years
Office, computer and field equipment	4 years
Motor vehicles & plant	4 years

THE JOHN MUIR TRUST
Year ended 31 December 2017

Notes to the Financial Statements

- g) **Heritage assets**
Heritage assets are recognised at cost less impairment. No depreciation is charged on the heritage properties which comprise freehold land considered by the trustees to have an indefinitely long useful life. These are regarded as heritage assets for the purposes of the charity SORP requirements as they are held for the purpose of conservation.
- h) **Investments**
Quoted investments are stated at fair value at the reporting date. The wholly owned trading subsidiary of the Company is included in the financial statements at cost less impairment. Gains and losses arising on revaluation are recognised in the Statement of Financial Activities in the period in which they arise.
- i) **Pensions**
Contributions are charged to the Statement of Financial Activities (incorporating the Income & Expenditure Account) as they become payable. The Trust makes contributions to a qualifying workplace pension scheme for all eligible employees.
- j) **Taxation**
No taxation is provided for given the Parent Company's charitable status.
- k) **VAT**
The Trust is not registered for VAT and therefore expenditure is stated inclusive of VAT. The trading subsidiary is VAT registered.
- l) **Financial assets and financial liabilities**
Financial instruments are recognised in the statements of financial activities when the Charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are accounted for as set out below. A financing transaction is measured at the present value of the future payments discounted at the market rate of interest for similar debt instrument.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective rate method. All financial instruments not classified as basic are measured at fair value at the end of the reporting period with the resulting changes recognised in income or expenditure. Where the fair value cannot be reliably measured, they are recognised at cost less impairment.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the Charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.
- m) **Cash and cash equivalents**
Cash and cash equivalents consist of cash on hand and balances with banks and are measured at fair value.
- n) **Debtors**
Trade debtors are amounts due from customers for merchandise sold or services performed. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally invoice price, less any allowances for doubtful debts.
- o) **Creditors**
Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

THE JOHN MUIR TRUST
Year ended 31 December 2017

Notes to the Financial Statements (continued)

2 CRITICAL JUDGEMENTS AND ESTIMATES

In preparing the financial statements trustees make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The estimates and assumptions with a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Legacy income is measured at fair value, but where part of a legacy left to the Company includes property or shares to be sold, judgement is used to estimate the amount receivable.

3 COMPARATIVE STATEMENTS OF FINANCIAL ACTIVITIES

Set out below are the comparative statements of financial activities for the Group and Company for the prior year showing the detail split by unrestricted and restricted funds.

	GROUP			
	Unrestricted Funds		Restricted Funds	TOTAL
	General	Designated		2016
	£	£	£	£
Income and endowments from:				
Donations and legacies	1,500,477	6,253	500,205	2,006,935
Charitable activities	232,878	33,526	337,519	623,723
Other trading activities	138,531	2,435	-	138,966
Investments	58,927	-	5,884	64,811
Other	16,164	-	-	16,164
Total income	1,944,777	42,214	863,608	2,850,599
Expenditure on:				
Raising funds	400,795	8,180	4,930	413,905
Charitable activities:				
Land	399,643	41,039	225,394	666,076
Awareness	390,918	108,024	297,909	796,851
Policy	160,862	4,069	116,268	281,199
Total expenditure	1,352,218	161,312	644,501	2,158,031
Net gains on investments	76,483	-	-	76,483
Net (expenditure)/income	669,042	(119,098)	219,107	769,051
Transfers between funds	(21,729)	21,729	-	-
Net movement in funds	647,313	(97,369)	219,107	769,051

THE JOHN MUIR TRUST
Year ended 31 December 2017

Notes to the Financial Statements (continued)

	COMPANY			TOTAL 2016
	Unrestricted Funds		Restricted Funds	
	General	Designated		
	£	£	£	£
Income and endowments from:				
Donations and legacies	1,500,477	6,253	500,205	2,006,935
Charitable activities	232,678	33,526	337,519	623,723
Other trading activities	31,381	2,435	-	33,816
Investments	59,142	-	5,884	65,026
Other	16,164	-	-	16,164
Total income	1,839,842	42,214	863,608	2,745,664
Expenditure on:				
Raising funds	295,797	8,180	4,930	308,907
Charitable activities:				
Land	399,643	41,039	225,394	666,076
Awareness	390,918	108,024	297,909	796,851
Policy	160,862	4,069	116,268	281,199
Total expenditure	1,247,220	161,312	644,501	2,053,033
Net gains on investments	76,483	-	-	76,483
Net (expenditure)/income	669,105	(119,098)	219,107	769,114
Transfers between funds	(21,729)	21,729	-	-
Net movement in funds	647,376	(97,369)	219,107	769,114

4 DONATIONS AND LEGACIES

GROUP AND COMPANY

	Unrestricted Funds			Restricted Funds	TOTAL 2017	TOTAL 2016
	General	Designated				
	£	£	£			
Membership subscriptions	326,453	-	-	326,453	319,189	
Donations from individuals	245,396	6,209	1,228,958	1,480,563	518,015	
Legacies	802,174	-	-	802,174	914,050	
Corporate donations	18,782	-	-	18,782	28,203	
Charitable trusts	45,512	2,000	427,019	474,531	227,478	
	1,438,317	8,209	1,655,977	3,102,503	2,006,935	

THE JOHN MUIR TRUST
Year ended 31 December 2017

Notes to the Financial Statements (continued)

5 CHARITABLE ACTIVITIES

The key charitable activities undertaken by the Company are as follows:

- **Land** includes land management activities, scientific research, and financial support provided to Partnership organisations.
- **Awareness** includes the John Muir Award, the Company's communications function and the Wild Space development in Pitlochry.
- **Policy** includes our policy and campaigning activities.

GROUP AND COMPANY

INCOME	Unrestricted Funds		Restricted Funds	TOTAL 2017	TOTAL 2016
	General	Designated			
	£	£	£	£	£
Land	33,203	9,301	120,121	162,625	100,930
Awareness	100,000	16,029	214,150	330,179	522,793
	<u>133,203</u>	<u>25,330</u>	<u>334,271</u>	<u>492,804</u>	<u>623,723</u>

£96,000 has been reclassified in 2016 from Awareness to Land in respect of an Awareness grant which was previously incorrectly included in Land. However, this has had no impact on the reported result.

GROUP AND COMPANY

EXPENDITURE	Land	Awareness	Policy	TOTAL	TOTAL
				2017	2016
	£	£	£	£	£
Land management activities	696,230	-	-	696,230	573,344
Awareness activities	-	721,927	-	721,927	665,658
Policy activities	-	-	264,340	264,340	260,963
Support costs (note 8)	56,023	95,852	13,184	165,059	172,796
Governance costs (note 9)	28,658	34,760	5,707	69,125	71,365
	<u>780,911</u>	<u>852,539</u>	<u>283,231</u>	<u>1,916,681</u>	<u>1,744,126</u>

6 OTHER TRADING ACTIVITIES

GROUP

	Unrestricted Funds		Restricted Funds	TOTAL 2017	TOTAL 2016
	General	Designated			
	£	£	£	£	£
Members' fundraising	19,319	940	-	20,259	33,816
Trading subsidiary	166,269	-	-	166,269	105,150
	<u>185,588</u>	<u>940</u>	<u>-</u>	<u>186,528</u>	<u>138,966</u>

THE JOHN MUIR TRUST
Year ended 31 December 2017

Notes to the Financial Statements (continued)

6 OTHER TRADING ACTIVITIES (CONTINUED)

	COMPANY				
	Unrestricted Funds		Restricted	TOTAL	TOTAL
	General	Designated	Funds	2017	2016
	£	£	£	£	£
Members' fundraising	19,319	940	-	20,259	33,816
	<u>19,319</u>	<u>940</u>	<u>-</u>	<u>20,259</u>	<u>33,816</u>

7 EXPENDITURE ON RAISING FUNDS

	GROUP				
	Unrestricted Funds		Restricted	TOTAL	TOTAL
	General	Designated	Funds	2017	2016
	£	£	£	£	£
Recruiting & retaining members	87,341	2,233	59	89,633	105,498
Raising other voluntary income	204,846	1,159	4,179	210,184	191,942
Cost of trading activities	122,164	-	-	122,164	104,998
Other costs	14,095	-	-	14,095	11,467
	<u>428,446</u>	<u>3,392</u>	<u>4,238</u>	<u>436,076</u>	<u>413,905</u>

	COMPANY				
	Unrestricted Funds		Restricted	TOTAL	TOTAL
	General	Designated	Funds	2017	2016
	£	£	£	£	£
Recruiting & retaining members	87,341	2,233	59	89,633	105,498
Raising other voluntary income	204,846	1,159	4,179	210,184	191,942
Other costs	14,095	-	-	14,095	11,467
	<u>306,282</u>	<u>3,392</u>	<u>4,238</u>	<u>313,912</u>	<u>308,907</u>

THE JOHN MUIR TRUST
Year ended 31 December 2017

Notes to the Financial Statements (continued)

8 SUPPORT COSTS

The Company incurred a total of £190,345 (2016: £204,176) in what the trustees regard as support costs which have been included in the Statement of Financial Activities under other headings in accordance with SORP. These costs are as follows:

GROUP AND COMPANY						
2017	Membership & fundraising	Land	Awareness	Policy	Governance	Total
	£	£	£	£	£	£
Senior management	4,797	9,994	14,992	2,599	999	33,381
IT & office costs	9,280	16,506	29,094	5,201	1,816	61,897
Depreciation	3,244	16,627	40,742	3,012	1,159	64,784
Insurance	2,746	7,468	9,058	1,487	572	21,331
Sundry staff costs	673	5,428	1,966	885	-	8,952
TOTAL	20,740	56,023	95,852	13,184	4,546	190,345

GROUP AND COMPANY						
2016	Membership & Fundraising	Land	Awareness	Policy	Governance	Total
	£	£	£	£	£	£
Senior management	4,273	6,630	10,461	1,915	737	24,016
IT & office costs	10,431	13,957	32,580	5,301	2,156	64,405
Depreciation	2,760	31,745	42,257	3,588	1,380	81,730
Insurance	3,374	7,190	8,727	1,512	581	21,384
Sundry staff costs	5,688	3,769	1,456	1,728	-	12,641
	26,526	63,291	95,461	14,044	4,854	204,176

9 GOVERNANCE COSTS

An analysis of governance costs is given below. Total governance costs are included within the charitable expenditure headings of land, awareness and policy in the statement of financial activities.

GROUP AND COMPANY					
	Land	Awareness	Policy	Total 2017	Total 2016
	£	£	£	£	£
Auditor's remuneration					
- Audit fees	5,034	6,106	1,003	12,143	12,792
- Tax advisory	1,841	2,233	367	4,441	4,935
Legal & professional fees	9,146	11,093	1,821	22,060	12,493
Staff and office costs attributed to governance	5,440	6,598	1,083	13,121	21,928
Annual Report	1,592	1,931	317	3,840	4,382
Trustees costs	5,605	6,799	1,116	13,520	14,835
	28,658	34,760	5,707	69,125	71,365

THE JOHN MUIR TRUST
Year ended 31 December 2017

Notes to the Financial Statements (continued)

10 TRANSACTIONS WITH RELATED PARTIES

The Company is exempt from disclosing transactions with other group companies under FRS 102.

11 TAXATION

The John Muir Trust has been afforded charitable status under the Taxes Act and as such is exempt from corporation tax.

12 STAFF COSTS

GROUP AND COMPANY

	2017	2016
	£	£
Wages and salaries	1,141,947	1,078,319
Social Security costs	104,746	99,369
Employer's contribution to defined contribution pension scheme	56,820	53,506
	1,343,513	1,231,194

The average number of employees was 45 (2016: 42) (corresponding full time equivalent 37.4 (2016: 36.5)):

CEO, finance and administration	5.8
Policy	2.6
Land management	9
John Muir Award	10
Fundraising, membership, communications and trading	10
	37.4

During the year no employees received emoluments between £60,000 and £70,000 (2016: one). No pension contributions were made to employees receiving salaries in the above brackets (2016: £3,478).

The key management personnel of the Group comprise the Chief Executive and the members of the Management Team: Director of Finance & Resources, Head of Fundraising, John Muir Award Manager, Head of Land, Head of Development & Communication, and Head of Policy. The employee benefits for key management totalled £324,367 (2016: £327,129).

13 TRUSTEES' REMUNERATION AND EXPENSES

Trustees were not paid, nor did they receive any other benefits from employment with the Company or its subsidiary, nor did they receive payment for professional or other services supplied to the Company (2016: £nil).

Twelve trustees received reimbursement of expenses totalling £8,966 (2016: Ten trustees and £7,653).

THE JOHN MUIR TRUST
Year ended 31 December 2017

Notes to the Financial Statements (continued)

14 FIXED ASSETS – Tangible assets

GROUP 2017	Property & interpretation £	Motor vehicles £	Office & field equipment £	Total £
Cost: At 1 January 2017	1,380,472	104,502	117,025	1,601,999
Additions	-	-	16,257	16,257
Disposals	-	(11,535)	(3,405)	(14,940)
At 31 December 2017	<u>1,380,472</u>	<u>92,967</u>	<u>129,877</u>	<u>1,603,316</u>
Aggregate depreciation:				
At 1 January 2017	865,499	98,908	98,160	1,062,567
Charge for year	51,801	5,594	10,869	68,264
On disposals	-	(11,535)	(3,405)	(14,940)
At 31 December 2017	<u>917,300</u>	<u>92,967</u>	<u>105,624</u>	<u>1,115,891</u>
Net book value at 31 December 2017	<u>463,172</u>	<u>-</u>	<u>24,253</u>	<u>487,425</u>
Net book value at 31 December 2016	<u>514,973</u>	<u>5,594</u>	<u>18,865</u>	<u>539,432</u>

COMPANY 2017	Property & interpretation £	Motor vehicles £	Office & field equipment £	Total £
Cost: At 1 January 2017	1,380,472	104,502	117,025	1,601,999
Additions	-	-	16,257	16,257
Disposals	-	(11,535)	(3,405)	(14,940)
Transfer to subsidiary	-	-	(13,920)	(13,920)
At 31 December 2017	<u>1,380,472</u>	<u>92,967</u>	<u>115,956</u>	<u>1,589,396</u>
Aggregate depreciation:				
At 1 January 2017	865,499	98,908	98,160	1,062,567
Charge for year	51,801	5,594	7,389	64,784
On disposals	-	(11,535)	(3,405)	(14,940)
Transfer to subsidiary	-	-	(3,480)	(3,480)
At 31 December 2017	<u>917,300</u>	<u>92,967</u>	<u>98,664</u>	<u>1,108,931</u>
Net book value at 31 December 2017	<u>463,172</u>	<u>-</u>	<u>17,293</u>	<u>480,465</u>
Net book value at 31 December 2016	<u>514,973</u>	<u>5,594</u>	<u>18,865</u>	<u>539,432</u>

THE JOHN MUIR TRUST
Year ended 31 December 2017

Notes to the Financial Statements (continued)

15 FIXED ASSETS – Heritage properties

In accordance with the furtherance of its objectives the Company has acquired land as detailed below which it regards as heritage assets, and is the owner of the land without encumbrance.

	Year of acquisition	GROUP AND COMPANY	
		2017 £	2016 £
Li and Coire Dhorrcail, Knoydart	1988	101,737	101,737
Torrin, Isle of Skye	1991	179,131	179,131
Sandwood, Sutherland	1993	104,646	104,646
Strathaird, Isle of Skye	1994/95	661,471	661,471
Sconser, Isle of Skye	1997	108,902	108,902
Strathaird Woodlands	1997	111,353	111,353
Schiehallion	1999	153,179	153,179
Ben Nevis	2000	460,264	460,264
Glenlude	2004	80,000	80,000
Quinag	2005	612,759	612,759
		2,573,442	2,573,442

The heritage properties were acquired by the Company for long term retention in furtherance of its objectives, so the trustees do not consider it either appropriate or cost effective to have the properties re-valued and therefore they are shown in these financial statements at cost. They also consider that conventional valuation approaches lack sufficient reliability in relation to the nature of the properties.

The Company's role in the conservation of wild land is to safeguard whole landscapes within it, areas sufficiently large – whole hill ranges or watersheds – that they retain or can be restored to their natural processes and biodiversity, and can provide the spiritual qualities for which humans value wild land: freedom, tranquillity and solitude. The Company's principles for acquiring property place particular emphasis on:

- the acquisition of key holdings within a landscape that will safeguard its finest features and that offers opportunities to influence its overall management; and
- the acquisition, or opportunities for co-operative management, that bring nearer the goal of unified management of a landscape.

Each property acquisition decision will involve assessment and consideration of a number of criteria, including but not limited to the property's condition, location, size, costs of both acquisition and ongoing management and threats.

As the principal aim of the Trust is to safeguard wild land for its long-term conservation, land will usually only be disposed of when there is a legal requirement to do so, if the land is not or no longer of conservation interest or when a more appropriate management structure presents itself. For all land disposals the Trust will endeavour to impose relevant conservation burdens.

The Company manages each property in line with its Property Management Plan and the Company's internal "Wild Land Management Standards". The extent and type of work undertaken on each property will vary from year to year according to availability of resources and priorities as set out in the Company's Corporate Strategy.

Company properties have always been and will continue to be open to all. Visitors are welcome and they are trusted to respect the wishes of the people who live and work on the properties. The Land Reform (Scotland) Act 2003 sets down in statute a presumption in favour of non-motorised responsible access over most areas of land and inland water for passage, recreation, education and commercial activities. Guidance on responsible access is given in the Scottish Outdoor Access Code which was published in February 2005 when Part 1 of the Act came into effect.

THE JOHN MUIR TRUST
Year ended 31 December 2017

Notes to the Financial Statements (continued)

16 INVESTMENTS	GROUP		COMPANY	
	2017	2016	2017	2016
	£	£	£	£
Quoted investments	2,625,442	1,564,054	2,625,442	1,564,054
Cash	137,130	107,350	137,130	107,350
Subsidiary undertaking	-	-	23,429	23,429
	<u>2,762,572</u>	<u>1,671,404</u>	<u>2,786,001</u>	<u>1,694,833</u>

Quoted investments	GROUP AND COMPANY	
	2017	2016
	£	£
Fair value at 1 January	1,564,054	1,460,406
Additions at cost	635,725	315,118
Additions at nil cost (gifted)	896,505	-
Disposals at opening fair value	(597,594)	(312,839)
Unrealised gains/(losses) on investments	126,752	101,369
Fair value at 31 December	<u>2,625,442</u>	<u>1,564,054</u>
Historical cost at 31 December	<u>2,439,300</u>	<u>1,489,979</u>

Trading subsidiary	GROUP		COMPANY	
	2017	2016	2017	2016
	£	£	£	£
Cost less impairment at 1 January and 31 December	-	-	23,429	23,429

The investment represents 100% of the issued share capital of JMT Trading Company Limited (SC153018). This wholly owned trading subsidiary conducts the commercial and merchandising activities of the Company. During the year Company generated £166,282 (2016: £105,150) turnover and incurred £122,163 (2016: £105,213) of expenditure. At the year end the Company had net assets of £74,926 (2016: £30,807).

During the year, JMT Trading Company Limited made a Gift Aid payment of £nil to the Company (2016: £nil). Its overall result for the year after taxation was a profit of £44,119 (2016: loss £63). The retained losses carried forward as at 31 December 2017 were £110,074 (2016: £154,193).

17 DEBTORS AND PREPAYMENTS	GROUP		COMPANY	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	29,425	345	-	-
Amounts receivable relating to grants claimed	296,768	350,827	296,768	350,827
Accrued income	358,736	72,545	343,398	72,545
Other debtors and prepayments	57,935	58,469	57,767	58,367
Amounts receivable from subsidiary	-	-	59,246	50,342
	<u>742,864</u>	<u>482,186</u>	<u>757,179</u>	<u>532,081</u>

Amounts receivable in greater than one year is £113,235 (2016: £158,532).

THE JOHN MUIR TRUST
Year ended 31 December 2017

Notes to the Financial Statements (continued)

18 FINANCIAL ASSETS AND LIABILITIES

	GROUP		COMPANY	
	2017 £	2016 £	2017 £	2016 £
Financial assets at amortised cost	2,898,745	2,339,272	2,825,136	2,303,497
Financial liabilities at amortised cost	(121,023)	(187,088)	(113,819)	(178,342)
Investments at fair value	2,762,572	1,671,404	2,786,001	1,694,833
	<u>5,540,294</u>	<u>3,823,588</u>	<u>5,497,318</u>	<u>3,819,988</u>

Group financial assets comprise trade debtors and accrued income all of which are due within one year except £113,235 (2016: £158,532) and cash and bank balances. Company financial assets also include an intercompany balance due from the wholly owned subsidiary. All Company amounts are due within one year except £113,235 (2016: £158,532)

Financial liabilities comprise trade creditors and accrued expenses, all due within one year.

19 CREDITORS: Amounts falling due within one year

	GROUP		COMPANY	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	34,098	47,834	30,551	44,252
Taxes and social security costs	15,352	11,927	-	-
Accruals	86,925	139,254	83,268	134,090
	<u>136,375</u>	<u>199,015</u>	<u>113,819</u>	<u>178,342</u>

20 ANALYSIS OF NET ASSETS AMONG FUNDS

The fund balances at 31 December 2017 are represented by:

GROUP	General funds £	Designated funds £	Restricted funds £	Total £
Fixed assets	-	3,060,867	-	3,060,867
Investments	-	349,263	2,413,309	2,762,572
Net current assets	2,016,547	384,253	407,688	2,808,488
As at 31 December 2017	<u>2,016,547</u>	<u>3,794,383</u>	<u>2,820,997</u>	<u>8,631,927</u>

COMPANY	General Funds £	Designated Funds £	Restricted funds £	Total £
Fixed assets	-	3,053,907	-	3,053,907
Investments	-	372,692	2,413,309	2,786,001
Net current assets	1,965,051	367,784	407,688	2,740,523
As at 31 December 2017	<u>1,965,051</u>	<u>3,794,383</u>	<u>2,820,997</u>	<u>8,580,431</u>

THE JOHN MUIR TRUST
Year ended 31 December 2017

Notes to the Financial Statements (continued)

21 COMPANY STATUS

The John Muir Trust is a company limited by guarantee and the contribution of members to the liability of the Company is restricted by the Memorandum and Articles of Association to a maximum of £1.

22 CONTINGENT ASSETS

The Trust has been notified of potential legacies totalling approximately £73,000 (2016: £50,000). At the signing date of the financial statements uncertainty exists regarding the valuation of the bequests and as a result they have been excluded from the financial statements.

23 ULTIMATE CONTROLLING PARTY

In the opinion of the trustees there is no ultimate controlling party.

THE JOHN MUIR TRUST
Year ended 31 December 2017

Notes to the Financial Statements (continued)

24 DESIGNATED FUNDS

FUND	Opening balance at 1 Jan 2017 £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance at 31 Dec 2017 £	Notes Description of funds
Heritage properties	2,573,442	-	-	-	2,573,442	
Operational assets	539,432	450	(64,784)	-	475,098	1 This fund represents the net book value of property (including Tower House), vehicles and equipment held by the Company – see note 14. Depreciation is charged to this fund over the anticipated life of the associated assets.
Copley fund	633,264	-	-	-	633,264	Initiated by a large donation in 2007, the funds are designated to fund land purchases or other major land projects. Up to 5% pa of the fund's capital may be used for land management work.
Strategic project funds	119,201	12,452	(59,474)	-	72,179	This fund holds money earmarked for a number of projects that are being undertaken between 2011 and 2017.
Other funds	45,218	22,027	(31,703)	4,858	40,400	
GROUP TOTAL	<u>3,910,557</u>	<u>34,929</u>	<u>(155,951)</u>	<u>4,858</u>	<u>3,794,383</u>	

TRANSFERS - NOTES

- 1 **Operational Assets Fund**
The transfer represents the net cost of fixed assets purchased and disposed of during the year.

THE JOHN MUIR TRUST
Year ended 31 December 2017

Notes to the Financial Statements (continued)

25 RESTRICTED FUNDS

FUND	Opening balance at 1 Jan 2017	Incoming resources	Outgoing resources	Transfers	Closing balance at 31 Dec 2017	Description of funds
	£	£	£	£	£	
Land:						
Property specific funds	326,586	200,403	(134,529)	-	392,460	These funds arise from donations, legacies or grants given in respect of specific properties, and they are utilised on a needs basis.
Path fund	197,160	78,924	(89,779)	-	186,305	This fund represents donations received in various path appeals including Sandwood Bay, Steall Gorge path and the ongoing Wild Ways appeal.
Land fund	209,357	42,819	(6,164)	-	246,012	These funds were gifted to the Company to allow purchase of land, investigation of possible property purchases, or other expenditure on properties not owned by the Company.
Land Fund (Glenridding)	-	1,000,747	(8,300)	1,000	995,447	This fund represents an anonymous donation from an individual couple which is restricted to any future purchase of Glenridding Common, falling which it will be applied to land acquisition in the North of Scotland
Glenridding management	-	268,000	(29,451)	29,461	268,000	This fund relates to the management of Glenridding over the period of the lease including staff costs, capital items etc.
Other funds	188,017	63,953	(92,163)	(1,000)	158,817	
Total land funds	921,120	1,854,856	(358,396)	29,461	2,247,041	
Land Management expendable endowment fund	59,917	90	-	-	60,007	This fund represents donations received in response a 2012 appeal; the first £25,000 was applied to work at Glenlude. The remainder kick started an expendable endowment fund to provide long-term security towards the upkeep of Company owned properties in the future.
	981,037	1,854,946	(358,396)	29,461	2,307,048	
Awareness & Policy:						
John Muir Award funds	397,898	230,816	(327,444)	(4,858)	355,212	These funds arise from grants (including an amount due from the Heritage Lottery Fund over a period up to December 2018) and donations given to fund the costs of delivering the John Muir Award in different parts of the UK and have been applied for those purposes.
Policy funds	131,529	47,618	(97,473)	-	81,674	Donations given to fund the cost of policy work

THE JOHN MUIR TRUST
Year ended 31 December 2017

Notes to the Financial Statements (continued)

FUND	Opening balance at 1 Jan 2017 £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance at 31 Dec 2017 £	Description of funds
Wild Space, Pitlochry	75,949	114	-	-	76,063	This fund represents donations received from the Reece Foundation and other funders to develop a public presence resulting in the development of the John Muir Trust Wild Space in Pitlochry. Remaining funds will be used for enhancement and upkeep.
Total awareness & policy funds	606,376	338,348	(424,917)	(4,858)	513,949	

25 RESTRICTED FUNDS (continued)

SUMMARY	Opening balance at 1 Jan 2017 £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance at 31 Dec 2017 £
RESTRICTED FUNDS:					
Land funds	921,120	1,654,856	(358,398)	29,481	2,247,041
Awareness & policy funds	606,376	338,348	(424,917)	(4,858)	513,949
Total restricted funds:	1,526,496	1,993,204	(783,313)	24,603	2,760,990
ENDOWMENT FUND:					
Land management endowment fund	59,917	90	-	-	60,007
GROUP AND COMPANY TOTAL	1,586,413	1,993,294	(783,313)	24,603	2,820,997

THE JOHN MUIR TRUST
Year ended 31 December 2017

Notes to the Financial Statements (continued)

26 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	GROUP		COMPANY	
	2017	2016	2017	2016
	£	£	£	£
Net income/(expenditure) for the year	1,654,208	769,051	1,610,089	769,114
Adjustments for:				
Depreciation charges	68,264	81,729	64,784	81,729
(Gains)/losses on investments	(154,438)	(76,483)	(154,438)	(76,483)
Investment income	(54,960)	(64,811)	(54,947)	(65,026)
Investments gifted	(896,505)		(896,505)	
Loss/(profit) on sale of fixed assets	(450)	-	(450)	-
(Increase)/decrease in stock	(1,142)	3,428	-	-
(Increase) in debtors	(260,678)	(135,192)	(225,098)	(151,978)
Increase/(decrease) in creditors	(62,640)	36,430	(64,523)	32,082
Net cash provided by operating activities	291,659	614,152	278,912	589,438

27 RELATED PARTY TRANSACTIONS

Exemption is taken under FRS102 paragraph 33 1 A from the requirement to disclose inter-group transactions. There were no other related party transactions (2016: none).

