

The John Muir Trust

Scottish Charity Number: SC002061

Company Number: SC081620

Trustees' Report and Consolidated Financial Statements

Year ended 31 December 2016

THE JOHN MUIR TRUST

Year ended 31 December 2016

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Trustees' Report

Year ended 31 December 2016

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 2016.

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, 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 work 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 2016, together with details of the Company's achievements and performance during 2016 and its future plans, are detailed in the Trustees' Annual Report which accompanies these financial statements.

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Achievements and performance

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

Land management: In 2016 we continued our focus on repairing and maintaining the 120km of paths we look after, from the coastal trails of Skye and Sandwood, to the mountain routes on Quinag and Ben Nevis. Thanks to funds from our ongoing Wild Ways appeal and other sources, local-based contractors helped tackle some larger projects. The Trust has received considerable accolades for our sensitive approach to maintaining our routes into the wild. At Sandwood, Countryside Management students from Scotland's Rural College's Elmwood campus spent a week in May undertaking path repairs while completing a John Muir Award. Their work (alongside work parties, contractors and other groups) means that the Sandwood path is now in much better condition. On Skye a local Path Project officer was appointed to oversee contracts and work with rural skills groups from Broadford. Our two key path repair projects – the route from Sligachan to Coruisk at Druim Hain and the route across Beinn Dearg Mheadhonach in the Red Cuillin – made good progress in 2016. 100 tonnes of stone were airlifted to construct steps and drainage features. Substantial work was also carried out to revegetate some of the bare ground and speed up recovery of the sites. Meanwhile, in April a work party repaired the Bla Bheinn footpath and car park. At Nevis ongoing work was carried out by a local contractor – who also helped repair the damage caused by a rock fall in Steall Gorge in September. At Schiehallion a survey of the path revealed collapsing water bars and a need for substantial further stonework to consolidate. A plan was drawn up for remedial work to start in 2018. And finally at Suilven, following a fantastic response to our Suilven appeal, we are working with our partners Assynt Foundation and the Coigach-Assynt Living Landscape project on plans to fix the main path. Work is due to begin in spring 2017.

Policy: Through 2016, we were involved in challenging six industrial windfarm applications, which are at various stages in the planning process. Of these, four are in the far north of Scotland: Caplich, Drum Holliston, Gordonbush Extension, Limekiln (re-application). The other two are Culachy near Loch Ness and Crossburns in Highland Perthshire. We are awaiting a Ministerial decision on Strathy South, on which the Trust gave evidence at Inquiry in 2015. In July, the Inner House of the Court of Session upheld an appeal by Scottish Ministers and Scottish & Southern Energy (SSE) against the earlier judicial review ruling, in the Trust's favour, that had overturned a Ministerial decision to consent Stronelairg. The Trust, to ensure financial security, concluded that we had reached the end of the road with our legal action. We are now in discussions with the Scottish Government and interested party, SSE over costs. We thank members and supporters who wrote to the Scottish Government and SSE to ask for our costs to be waived – a call backed by the Scottish Green Party and the Scottish Conservatives. For the third year running, the Trust won strong recognition for its campaigning work at The Great Outdoors Awards 2016 gaining the 'highly commended' accolade in the Outdoor Campaigner of the Year category.

John Muir Award: Since the launch of the John Muir Award in 1997, at least 25% of take-up has been with participants from a range of challenging backgrounds – from prison inmates and ex-offenders, to at-risk families and those with drug and alcohol addictions. In 2016 this target was exceeded and 30% (10,423) of Awards were achieved by people who experience disadvantage. During 2016 we maintained a fairly even 52% male to 48% female gender split. While the Award is largely youth-focused, there is a significant involvement from over 16s with 12% of Awards achieved by people aged 17 or older. We worked with 1,480 organisations (Award Providers) during 2016 – up 22%. Thanks to them, 34,928 John Muir Awards were achieved across the UK – an increase of 4% on 2015's figures. Activity in England and Scotland increased by 16% and 3% respectively and remained constant in Wales, where a milestone of 50,000 Awards was marked at a special presentation.

Wild Space and the Alan Reece Gallery: Three and a half years after opening, our Pitlochry visitor centre welcomed its 100,000th visitor through the door. The centre is becoming an important cultural destination on the high street. Our Alan Reece Gallery hosted six shows, including a two-week exhibition of the 10 Scottish Landscape Photographers of the Year – John Muir Trust Wild Places Prize winning images.

Volunteering: In 2016, our volunteers took part in 32 organised work parties on the land we manage as well as with our partners (Knoydart Foundation, Coigach and Assynt Living Landscape project, North Harris Trust, West Harris Trust, Corroul estate and others). 150 people donated 659 days of volunteering during which they helped maintain over 2,550 metres of path and repair over 200 metres of path including resurfacing, building cross drains, anchor bars, pitching and improving drainage; removed rubbish from beaches - Sandwood (Sandwood Bay, Polin, Dromin and Oldshoremore), Inverie in Knoydart, Harris (Huishinis and Meavaig) - and mountain tops (eight bags from Ben Nevis); planted 4,500 trees, and weeded 10,000 trees - mostly on Li and Coire Dhorrcail as well as at Glenludie; and monitored mountain ringlet butterflies and water voles at Nevis

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Year ended 31 December 2016

plus red squirrels, adders and vegetation at Glenlude.

Chief Executive

After 8 years with the John Muir Trust, Stuart Brooks left on 24 February 2017 to take up a new role as Head of Natural Heritage Policy with the National Trust for Scotland. The Trustees wish to pay tribute to his enormous contribution to the Trust and wish him well in his next 'wild adventure'.

The Trust has appointed a new chief executive who will attend the Annual General Meeting in Fort William on 26 and 27 May 2017 and will formally join us on 15 June 2017. Andrew Bachell, one of Scotland's most senior and respected nature conservationists, joins us from Scottish Natural Heritage. Andrew has 35 years' experience working on environmental and conservation issues. For the past 15 years he has been Director of Operations and latterly Director of Policy and Advice at Scottish Natural Heritage. Previously he has worked for National Trust for Scotland as its Director of Countryside and at the Woodland Trust as its Director in Scotland. We are excited about welcoming Andrew to the Trust and look forward to developing and growing with him at the helm.

Financial review

The Trust, in common with many charities, has been under financial pressure which was reflected in our 2015 accounts and resulted in a cost cutting and restructuring exercise that year. We began 2016 with a budgeted deficit of £380,000 but we are pleased to report that 2016 has been extremely successful and we have ended the year with a surplus of £769,000. This turnaround is partly due to increased legacy income (£914,000 equating to 32% of our total income for the year) but also reflects increased support from voluntary donations to the appeals we ran, growth in membership, successful applications to Charitable Trusts and the Heritage Lottery fund and generous gifts from a number of major donors which indicates that our investment in fundraising, membership and communications is generating results and enabling us to fund more of our charitable work.

The fundraising environment for charities is tough for many reasons and new data protection regulations about how we contact supporters could have a negative impact on our ability to raise income from certain sources in the short-to-medium term and are likely to involve added costs. We are very fortunate to have such loyal and generous supporters and we never take that support for granted but we know we face challenges going forward. We have ended 2016 with free reserves of £1.48 million which equates to 7.1 months of the budgeted expenditure for 2017. This is slightly higher than the Trust's policy of aiming for 4 to 6 months of budgeted expenditure as free reserves but we are being prudent in budgeting income for 2017 (legacy income is impossible to predict with any accuracy and the impact of regulation mentioned above cannot at this point be quantified). We are therefore pleased to have started 2017 with slightly higher than normal free reserves and we plan to utilise those through 2017 to meet our charitable objectives, to carry on planned growth in fundraising and membership and to continue to make the Trust as efficient, effective and sustainable an organisation as possible.

Giving slightly more detail, total income in 2016 was £2.85 million compared to £1.9 million in 2015. The major part of the increase is with respect to increased legacy income (£914,000 in 2016; £462,000 in 2015; £693,000 in 2014).

Significant constituents of 2016 income were:

- The second tranche of £200,000 (2015: £200,000) from the Reece Foundation to support our core costs. The support from the Reece Foundation at this time is hugely valued and is making a real difference to improving our back office business functions which increases our ability to protect and enhance wild places;
- A grant of £96,000 (2015: £106,000) from SNH to support our work with the John Muir Award in Scotland
- Legacy income of £914,000 (2015: £462,000) from 23 (2015: 21) individuals;
- Membership subscriptions of £319,000 (2015: £310,000), an increase of 3%;
- An additional Heritage Lottery Fund grant of £137,000 towards the work of the John Muir Award in England (on top of the £364,000 received previously)
- Appeal income of £71,000 for Suilven, £50,000 for Glenlude, and £76,000 towards the ongoing Wild Ways appeal

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- Significant donations from individuals and Charitable Trusts plus a grant from the Heritage Lottery Fund totalling £128,000 towards pathwork on Skye
- £26,000 from the first year of our 'Adopt an Acre' scheme

Total expenditure in 2016 was £2.16 million which was reduced from £2.38 million in 2015 reflecting the effects of the cost cutting exercise carried out at the end of 2015. £1.7 million of that (including allocated overheads) (2015: £1.9m) is spent directly on our charitable activities, with £105,000 (2015: £146,000) (including allocated overheads) spent on our membership team and £192,000 (2015: £203,000) (including allocated overheads) on our fundraising team.

The JMT Trading Company made a small loss (£63) in 2016 (2015: loss of £44) which comprised trading income of £105,000 (2015: £98,000) offset by merchandising costs and the recharge of certain salary costs from the Trust. Trading activities continued to go well with gross profit margins increasing to over 40%.

The budget for 2017 is expenditure of £2.5 million including significant work on footpaths on our properties. The Trust is working towards increasing stable, secure income streams but is currently still too reliant on legacy income. The Trust may be fortunate and again receive significant legacy income, however we cannot budget for that with any level of confidence, so we have been prudent and budgeted income of £1.7 million in 2017 meaning the 2017 budget shows a deficit of over £800,000. This deficit will be met from funds already raised (eg the additional Heritage Lottery fund grant for the Award, the funds already received or pledged with respect to Skye paths or Sulven) and from the free reserves built up in 2016. Our fundraising team is working to a higher aspirational budget income figure and given progress on income streams during 2016 we hope to be able to report further success in a year's time.

Reserves

The Company is working to a five year business plan, with budgets prepared on a three-year rolling basis.

A charity's reserves are made up of unrestricted and restricted funds. Restricted funds are those received with 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	2016	2015
Total budgeted expenditure for the coming year	£2,496,000	£2,069,000
FREE RESERVES POLICY		
Lower limit (4 months)	£832,000	£690,000
Upper limit (6 months)	£1,248,000	£1,034,000
ACTUAL FREE RESERVES HELD at 31 December	£1,481,000	£833,000
Number of months' budgeted expenditure for the coming year:	7.1 months	4.8 months

The trustees consider that the present reserves policy is prudent taking account of the Company's objects and 2017 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.

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Year ended 31 December 2016

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 may be appropriate.

The portfolio ended the year with a market value of £1.7 million (2015: £1.5 million) which includes a net gain on investments over the year of £76,000 (2015: loss £15,000). During the year investment income of £61,000 (2015: £26,000) was reinvested.

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 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 at each March trustees' meeting.

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.
- Poor financial performance leading to considerable operational restrictions. The Trust has good financial controls and robust budgeting and reforecasting procedures in place. The Trust took action in 2015 to reduce costs and this, together with the investment in fundraising capabilities, should lead to more sustainable income streams. The situation continues to be monitored and if necessary action will be taken with respect to further spending controls or recruitment freezes
- 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 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.
- 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. In addition, the Trust is progressing the lease of a property in the Lake District (described under 'Future Plans' below). The Trust will continue to promote the message that it is a UK-wide organisation.

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Future plans

The Trust is working to a five year strategic plan covering 2015 – 2019. This 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.

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

Looking to 2017, we very much hope this is the year we take on the management of land in the Lake District. If a three month public consultation period is successful we hope to take on the lease for Glenridding Common which includes the summit of Helvellyn and Striding Edge – one of the most iconic and loved wild places in England. This is a big move for the Trust and we believe that we can make a positive difference to the management of the property. It will also help to broaden awareness of the Trust in England and enable us to attract new supporters. This opportunity has arisen on the back of an existing positive long term relationship with the Lake District National Park who are the current landowners of the Common. By working with local graziers, other members of the community and organisations involved in conservation and access management in the Park we plan to invest in maintaining high quality public access and ongoing biodiversity improvements.

Other planned activities include:

- defending wild land areas at public local inquiries at Caplich (NW Sutherland) and Culachy (nr Fort Augustus, Scottish Highlands) and campaigning for protection of wild land near Altnaharra in the far north of Scotland
- publication of a new policy on the protection and enhancement of wildness in the UK
- ongoing advocacy for reform of deer management policy and practice
- launch of a major new native woodland restoration project centred on Schiehallion – The Heart of Scotland Forest Partnership
- completing major restoration and repairs to the footpath on Suilven and ongoing repairs to footpaths on Skye and Quinag
- beginning a new funded partnership with East Ayrshire Council for enhanced provision of the John Muir Award
- reaching a milestone of 300,000 John Muir Awards achieved across the UK
- launch of a new donor partner scheme.

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 and May 2013. 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.

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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 farming operations were transferred into the Strathaird Farming Partnership during 2001 and the woodland activities were transferred to the Trust in July 2010. The trading subsidiary now includes only the merchandise (online and Wild Space) activities of the Trust.

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).

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
Semple 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

THE JOHN MUIR TRUST

Trustees' Report

Year ended 31 December 2016

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)
Gill Bond – retired 4 June 2016
David Broom – elected 4 June 2016
John Finney
Peter Foulkes – elected 4 June 2016
John Fox-Davies
Jim Gibson
Steve Green
Patricia Jordan
Duncan Macniven
David MacLehose
Rob McMorran – retired 4 June 2016
Jo Moulin – re-elected 4 June 2016
Hugh Salvesen – elected 4 June 2016
Chris Townsend
Will Williams – retired 4 June 2016
Deirdre Wilson
Bill Wright – retired 4 June 2016
Douglas Wynn – elected 4 June 2016

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:

Stuart Brooks	Chief Executive (resigned 24 February 2017)
Fiona Kindness	Director of Resources
Kate Barclay	Head of Fundraising (resigned 31 December 2016) *
Rob Bushby	John Muir Award Manager
Mike Daniels	Head of Land and Science
Kevin Lelland	Head of Communications and Membership
Helen McDade	Head of Policy

* The Trust appointed Gavin McLellan as its new Head of Development with effect from 1 January 2017.

The Company Secretary is Fiona Kindness.

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 Charitable Company 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 the 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
Pitlochry
PH16 5AN

20 March 2017

THE JOHN MUIR TRUST

Independent Auditor's Report to the Members and Trustees for the year ended 31 December 2016

We have audited the group and parent company financial statements (the "financial statements") of The John Muir Trust for the year ended 31 December 2016 which comprise the Consolidated and Company Statement of Financial Activities (incorporating the Income and Expenditure Accounts), the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Cash Flows and the related notes. 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'.

This report is made solely to the Company's trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees 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 Charitable Company and its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities (set out on pages 8 and 9), the trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 December 2016 and of the group's and parent charity's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**Independent Auditor's Report to the Members and Trustees
for the year ended 31 December 2016**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent Charitable Company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the 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

Michael Harkness

Michael Harkness
Senior Statutory Auditor
For and on behalf of Scott-Moncrieff, Statutory Auditor
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Exchange Place 3
Sempie Street
Edinburgh
EH3 8BL

20 March 2017

THE JOHN MUIR TRUST
Year ended 31 December 2016

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

	Notes	Unrestricted Funds		Restricted Funds	TOTAL 2016	TOTAL 2015
		General	Designated	Funds		
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	4	1,500,477	6,253	500,205	2,006,935	1,242,234
Charitable activities	5	232,678	33,526	357,519	623,723	504,436
Other trading activities	6	136,531	2,435	-	138,966	130,493
Investments		58,927	-	5,884	64,811	31,390
Other		16,164	-	-	16,164	10,344
Total income		1,944,777	42,214	863,608	2,850,599	1,918,897
Expenditure on:						
Raising funds	7	400,795	8,180	4,930	413,905	454,501
Charitable activities:	5					
Land		399,643	41,039	225,394	666,076	660,424
Awareness		390,918	108,024	297,909	796,851	919,597
Policy		160,862	4,069	116,268	281,199	340,878
Total expenditure		1,352,218	161,312	644,501	2,158,031	2,375,400
Net gains/(losses) on investments		76,483	-	-	76,483	(14,885)
Net income/(expenditure)		669,042	(119,098)	219,107	769,051	(471,388)
Transfers between funds	24	(21,729)	21,729	-	-	-
Net movement in funds		647,313	(97,369)	219,107	769,051	(471,388)
Reconciliation of funds:						
Total funds brought forward 1 January 2016						
Heritage properties		-	2,573,442	-	2,573,442	2,573,442
Other funds		833,437	1,434,484	1,367,306	3,635,227	4,106,615
Total funds carried forward		1,480,750	3,910,557	1,586,413	6,977,720	6,208,669

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 16 to 32 form part of these financial statements.

THE JOHN MUIR TRUST
Year ended 31 December 2016

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

	Notes	Unrestricted Funds		Restricted Funds	TOTAL 2016	TOTAL 2015
		General	Designated	Funds	2016	2015
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	4	1,500,477	6,253	500,205	2,006,935	1,242,234
Charitable activities	5	232,678	33,526	357,519	623,723	504,436
Other trading activities	6	31,381	2,435	-	33,816	32,777
Investments		59,142	-	5,884	65,026	32,450
Other		16,164	-	-	16,164	10,344
Total income		1,839,842	42,214	863,608	2,745,664	1,822,241
Expenditure on:						
Raising funds	7	295,797	8,180	4,930	308,907	357,801
Charitable activities:	5					
Land		399,643	41,039	225,394	666,076	660,424
Awareness		390,918	108,024	297,909	796,851	919,597
Policy		160,862	4,069	116,268	281,199	340,878
Total expenditure		1,247,220	161,312	644,501	2,053,033	2,278,700
Net gains/(losses) on investments		76,483	-	-	76,483	(14,885)
Net income/(expenditure)		669,105	(119,098)	219,107	769,114	(471,344)
Transfers between funds	24	(21,729)	21,729	-	-	-
Net movement in funds		647,376	(97,369)	219,107	769,114	(471,344)
Reconciliation of funds:						
Total funds brought forward 1 January 2016						
Heritage properties		-	2,573,442	-	2,573,442	2,573,442
Other funds		825,996	1,434,484	1,367,306	3,627,786	4,099,130
Total funds carried forward		1,473,372	3,910,557	1,586,413	6,970,342	6,201,228

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.

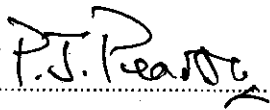
The notes on pages 16 to 32 form part of these financial statements.

THE JOHN MUIR TRUST
as at 31 December 2016

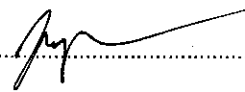
**Consolidated and Parent Company
Balance Sheets**

	Notes	GROUP		COMPANY	
		2016 £	2015 £	2016 £	2015 £
FIXED ASSETS					
Tangible assets	14	539,432	599,432	539,432	599,432
Heritage properties	15	2,573,442	2,573,442	2,573,442	2,573,442
Investments	16	1,671,404	1,545,405	1,694,833	1,568,834
		<u>4,784,278</u>	<u>4,718,279</u>	<u>4,807,707</u>	<u>4,741,708</u>
CURRENT ASSETS					
Stock		15,603	19,031	-	-
Debtors	17	482,186	346,994	532,081	380,103
Cash at bank and in hand		1,894,668	1,286,950	1,808,896	1,225,677
		<u>2,392,457</u>	<u>1,652,975</u>	<u>2,340,977</u>	<u>1,605,780</u>
LIABILITIES					
Creditors: Amounts falling due within one year	19	(199,015)	(162,585)	(178,342)	(146,260)
		<u>2,193,442</u>	<u>1,490,390</u>	<u>2,162,635</u>	<u>1,459,520</u>
NET CURRENT ASSETS		<u>2,193,442</u>	<u>1,490,390</u>	<u>2,162,635</u>	<u>1,459,520</u>
TOTAL NET ASSETS		<u>6,977,720</u>	<u>6,208,669</u>	<u>6,970,342</u>	<u>6,201,228</u>
The funds of the charity:					
Unrestricted Funds	20, 24 & 25	5,391,307	4,841,363	5,383,929	4,833,922
Restricted Funds		1,586,413	1,367,306	1,586,413	1,367,306
		<u>6,977,720</u>	<u>6,208,669</u>	<u>6,970,342</u>	<u>6,201,228</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 20 March 2017 and signed on their behalf by:



..... P Pearson, Trustee



..... J N Gibson, Trustee

Registered company number SC081620

The notes on pages 16 to 32 form part of these financial statements.

**THE JOHN MUIR TRUST
as at 31 December 2016**

**Consolidated and Parent Company
Statement of Cash Flows**

	Note	GROUP		COMPANY	
		2016 £	2015 £	2016 £	2015 £
CASH FLOWS FROM OPERATING ACTIVITIES:					
NET CASH PROVIDED BY:	26	<u>589,266</u>	<u>270,119</u>	<u>564,552</u>	<u>266,679</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income		64,811	31,390	65,026	32,450
Purchase of tangible fixed assets		(21,729)	(2,391)	(21,729)	(2,391)
Proceeds from sale of investments		312,839	884,699	312,839	884,699
Purchase of investments		(337,469)	(1,631,034)	(337,469)	(1,631,034)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		<u>18,452</u>	<u>(717,336)</u>	<u>18,667</u>	<u>(716,276)</u>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD		<u>607,718</u>	<u>(447,217)</u>	<u>583,219</u>	<u>(449,597)</u>
CASH AT THE BEGINNING OF THE REPORTING PERIOD		<u>1,286,950</u>	<u>1,734,167</u>	<u>1,225,677</u>	<u>1,675,274</u>
CASH AT THE END OF THE REPORTING PERIOD		<u><u>1,894,668</u></u>	<u><u>1,286,950</u></u>	<u><u>1,808,896</u></u>	<u><u>1,225,677</u></u>

The notes on pages 16 to 32 form part of these financial statements.

THE JOHN MUIR TRUST
Year ended 31 December 2016

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.

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 are 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 2016

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 2016

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 2016

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	Funds	2015
	£	£	£	£
Income and endowments from:				
Donations and legacies	855,604	4,706	381,924	1,242,234
Charitable activities	262,244	28,632	213,560	504,436
Other trading activities	130,493	-	-	130,493
Investments	26,262	-	5,128	31,390
Other	10,344	-	-	10,344
Total income	1,284,947	33,338	600,612	1,918,897
Expenditure on:				
Raising funds	430,581	13,942	9,978	454,501
Charitable activities:				
Land	343,654	109,839	206,931	660,424
Awareness	578,877	90,516	250,204	919,597
Policy	265,217	6,794	68,867	340,878
Total expenditure	1,618,329	221,091	535,980	2,375,400
Net losses on investments	(14,885)	-	-	(14,885)
Net (expenditure)/income	(348,267)	(187,753)	64,632	(471,388)
Transfers between funds	(2,390)	2,390	-	-
Net movement in funds	(350,657)	(185,363)	64,632	(471,388)

THE JOHN MUIR TRUST
Year ended 31 December 2016

Notes to the Financial Statements (continued)

COMPANY

	Unrestricted Funds		Restricted Funds	TOTAL 2015
	General	Designated		
	£	£	£	£
Income and endowments from:				
Donations and legacies	855,604	4,706	381,924	1,242,234
Charitable activities	262,244	28,632	213,560	504,436
Other trading activities	32,777	-	-	32,777
Investments	27,322	-	5,128	32,450
Other	10,344	-	-	10,344
Total income	1,188,291	33,338	600,612	1,822,241
Expenditure on:				
Raising funds	333,881	13,942	9,978	357,801
Charitable activities:				
Land	343,654	109,839	206,931	660,424
Awareness	578,877	90,516	250,204	919,597
Policy	265,217	6,794	68,867	340,878
Total expenditure	1,521,629	221,091	535,980	2,278,700
Net losses on investments	(14,885)	-	-	(14,885)
Net (expenditure)/income	(348,223)	(187,753)	64,632	(471,344)
Transfers between funds	(2,390)	2,390	-	-
Net movement in funds	(350,613)	(185,363)	64,632	(471,344)

4 DONATIONS AND LEGACIES

GROUP AND COMPANY

	Unrestricted Funds		Restricted Funds	TOTAL 2016	TOTAL 2015
	General	Designated			
	£	£	£	£	£
Membership subscriptions	319,189	-	-	319,189	310,033
Donations from individuals	197,882	6,253	313,880	518,015	301,668
Legacies	899,575	-	14,475	914,050	462,007
Corporate donations	28,203	-	-	28,203	41,793
Charitable trusts	55,628	-	171,850	227,478	126,733
	1,500,477	6,253	500,205	2,006,935	1,242,234

THE JOHN MUIR TRUST
Year ended 31 December 2016

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 2016	TOTAL 2015
	General	Designated			
	£	£	£	£	£
Land	32,678	10,204	154,049	196,931	211,302
Awareness	200,000	23,322	203,470	426,792	293,134
	<u>232,678</u>	<u>33,526</u>	<u>357,519</u>	<u>623,723</u>	<u>504,436</u>

GROUP AND COMPANY

EXPENDITURE	Land	Awareness	Policy	TOTAL	TOTAL
				2016	2015
	£	£	£	£	£
Land management activities	573,344	-	-	573,344	561,736
Awareness activities	-	665,658	-	665,658	769,439
Policy activities	-	-	260,963	260,963	306,790
Support costs (note 8)	63,291	95,461	14,044	172,796	196,793
Governance costs (note 9)	29,441	35,732	6,192	71,365	86,141
	<u>666,076</u>	<u>796,851</u>	<u>281,199</u>	<u>1,744,126</u>	<u>1,920,899</u>

6 OTHER TRADING ACTIVITIES

GROUP

	Unrestricted Funds		Restricted Funds	TOTAL 2016	TOTAL 2015
	General	Designated			
	£	£	£	£	£
Members' fundraising	31,381	2,435	-	33,816	32,777
Trading subsidiary	105,150	-	-	105,150	97,716
	<u>136,531</u>	<u>2,435</u>	<u>-</u>	<u>138,966</u>	<u>130,493</u>

THE JOHN MUIR TRUST
Year ended 31 December 2016

Notes to the Financial Statements (continued)

	COMPANY				
	Unrestricted Funds		Restricted	TOTAL	TOTAL
	General	Designated	Funds	2016	2015
	£	£	£	£	£
Members' fundraising	31,381	2,435	-	33,816	32,777
	<u>31,381</u>	<u>2,435</u>	<u>-</u>	<u>33,816</u>	<u>32,777</u>

7 EXPENDITURE ON RAISING FUNDS

	GROUP				
	Unrestricted Funds		Restricted	TOTAL	TOTAL
	General	Designated	Funds	2016	2015
	£	£	£	£	£
Recruiting & retaining members	98,013	7,477	8	105,498	146,176
Raising other voluntary income	186,317	703	4,922	191,942	202,601
Cost of trading activities	104,998	-	-	104,998	96,700
Other costs	11,467	-	-	11,467	9,024
	<u>400,795</u>	<u>8,180</u>	<u>4,930</u>	<u>413,905</u>	<u>454,501</u>

	COMPANY				
	Unrestricted Funds		Restricted	TOTAL	TOTAL
	General	Designated	Funds	2016	2015
	£	£	£	£	£
Recruiting & retaining members	98,013	7,477	8	105,498	146,176
Raising other voluntary income	186,317	703	4,922	191,942	202,601
Other costs	11,467	-	-	11,467	9,024
	<u>295,797</u>	<u>8,180</u>	<u>4,930</u>	<u>308,907</u>	<u>357,801</u>

THE JOHN MUIR TRUST
Year ended 31 December 2016

Notes to the Financial Statements (continued)

8 SUPPORT COSTS

The Company incurred a total of £204,176 (2015: £231,846) 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

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	32,560	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
TOTAL	26,526	63,291	95,461	14,044	4,854	204,176

GROUP AND COMPANY

2015	Membership & Fundraising	Land	Awareness	Policy	Governance	Total
	£	£	£	£	£	£
Senior management	4,758	6,617	11,450	2,676	743	26,244
IT & office costs	16,519	15,059	38,936	13,092	2,896	86,502
Depreciation	2,775	36,466	42,582	3,608	1,388	86,819
Insurance	3,587	6,881	9,134	2,018	560	22,180
Sundry staff costs	1,414	6,364	1,346	564	413	10,101
	29,053	71,387	103,448	21,958	6,000	231,846

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 2016	Total 2015
	£	£	£	£	£
Auditor's remuneration					
- Audit fees	5,277	6,405	1,110	12,792	13,227
- Tax advisory	2,036	2,471	428	4,935	5,269
Legal & professional fees	5,154	6,255	1,084	12,493	8,527
Staff and office costs attributed to governance	9,046	10,979	1,903	21,928	37,617
Annual Report	1,808	2,194	380	4,382	4,640
Trustees costs	6,120	7,428	1,287	14,835	16,861
	29,441	35,732	6,192	71,365	86,141

THE JOHN MUIR TRUST
Year ended 31 December 2016

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

	2016	2015
	£	£
Wages and salaries	1,078,319	1,192,760
Social Security costs	99,369	110,588
Employer's contribution to defined contribution pension scheme	53,506	61,107
	1,231,194	1,364,455
	1,231,194	1,364,455

The average number of employees was 42 (2015: 48) (corresponding full time equivalent 36.5 (2015: 39)):

CEO, finance and administration	4.9
Policy	2.6
Land management	9.0
John Muir Award	9.6
Fundraising, membership, communications and trading	10.4
	36.5
	36.5

During the year one employee received emoluments between £60,000 and £70,000 (2015: one) and the Company made pension contributions totalling £3,478 on behalf of this employee (2015: £3,478).

The key management personnel of the Group comprises the Chief Executive and the members of the Management Team: Director of Resources, Head of Fundraising, John Muir Award Manager, Head of Land and Science, Head of Communications & Membership, and Head of Policy. The employee benefits for key management totalled £327,129 (2015: £342,000).

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 (2015: £nil).

Ten trustees received reimbursement of expenses totalling £7,653 (2015: Ten trustees and £6,549).

THE JOHN MUIR TRUST
Year ended 31 December 2016

Notes to the Financial Statements (continued)

14 FIXED ASSETS – Tangible assets

GROUP AND COMPANY 2016	Property & interpretation £	Motor vehicles £	Office & field equipment £	Total £
Cost: At 1 January 2016	1,380,472	104,502	114,277	1,599,251
Additions	-	-	21,729	21,729
Disposals	-	-	(18,981)	(18,981)
At 31 December 2016	<u>1,380,472</u>	<u>104,502</u>	<u>117,025</u>	<u>1,601,999</u>
Aggregate depreciation:				
At 1 January 2016	813,698	84,611	101,510	999,819
Charge for year	51,801	14,297	15,631	81,729
On disposals	-	-	(18,981)	(18,981)
At 31 December 2016	<u>865,499</u>	<u>98,908</u>	<u>98,160</u>	<u>1,062,567</u>
Net book value at 31 December 2016	<u>514,973</u>	<u>5,594</u>	<u>18,865</u>	<u>539,432</u>
Net book value at 31 December 2015	<u>566,774</u>	<u>19,891</u>	<u>12,767</u>	<u>599,432</u>

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	
		2016 £	2015 £
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
		<u>2,573,442</u>	<u>2,573,442</u>

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 JOHN MUIR TRUST
Year ended 31 December 2016

Notes to the Financial Statements (continued)

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.

16 INVESTMENTS

	GROUP		COMPANY	
	2016	2015	2016	2015
	£	£	£	£
Quoted investments	1,564,054	1,460,406	1,564,054	1,460,406
Cash	107,350	84,999	107,350	84,999
Subsidiary undertaking	-	-	23,429	23,429
	<u>1,671,404</u>	<u>1,545,405</u>	<u>1,694,833</u>	<u>1,568,834</u>

Quoted investments

	GROUP AND COMPANY	
	2016	2015
	£	£
Fair value at 1 January	1,460,406	766,694
Additions at cost	315,118	1,602,107
Disposals at opening fair value	(312,839)	(884,699)
Unrealised gains/(losses) on investments	101,369	(23,696)
Fair value at 31 December	<u>1,564,054</u>	<u>1,460,406</u>
Historical cost at 31 December	<u>1,489,979</u>	<u>1,484,102</u>

THE JOHN MUIR TRUST
Year ended 31 December 2016

Notes to the Financial Statements (continued)

Trading subsidiary	GROUP		COMPANY	
	2016 £	2015 £	2016 £	2015 £
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 merchandising activities of the Company. During the year Company generated £105,150 (2015: £97,716) turnover and incurred £105,213 (2015: £97,760) of expenditure. At the year end the Company had net assets of £30,807 (2015: £30,870).

During the year, JMT Trading Company Limited made a Gift Aid payment of £nil to the Company (2015: £nil). Its overall result for the year after taxation was a loss of £63 (2015: loss £44). The retained losses carried forward as at 31 December 2016 were £154,193 (2014: £154,130).

17 DEBTORS AND PREPAYMENTS

	GROUP		COMPANY	
	2016 £	2015 £	2016 £	2015 £
Trade debtors	345	300	-	-
Amounts receivable relating to grants claimed	350,827	212,566	350,827	212,566
Accrued income	72,545	38,269	72,545	38,269
Other debtors and prepayments	58,469	95,859	58,367	95,757
Amounts receivable from subsidiary	-	-	50,342	33,511
	<u>482,186</u>	<u>346,994</u>	<u>532,081</u>	<u>380,103</u>

18 FINANCIAL ASSETS AND LIABILITIES

	GROUP		COMPANY	
	2016 £	2015 £	2016 £	2015 £
Financial assets at amortised cost	2,339,272	1,652,975	2,303,497	1,605,780
Financial liabilities at amortised cost	(187,088)	(162,585)	(178,342)	(146,260)
Investments at fair value	1,671,404	1,545,405	1,694,833	1,568,834
	<u>3,823,588</u>	<u>3,035,795</u>	<u>3,819,988</u>	<u>3,028,354</u>

Group financial assets comprise trade debtors and accrued income (all due within one year) and cash and bank balances. Company financial assets also includes an intercompany balance due from the wholly owned subsidiary.

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

THE JOHN MUIR TRUST
Year ended 31 December 2016

Notes to the Financial Statements (continued)

19 CREDITORS: Amounts falling due within one year

	GROUP		COMPANY	
	2016 £	2015 £	2016 £	2015 £
Trade creditors	47,834	49,413	44,252	48,181
Taxes and social security costs	11,927	9,863	-	-
Accruals	139,254	103,309	134,090	98,079
	<u>199,015</u>	<u>162,585</u>	<u>178,342</u>	<u>146,260</u>

20 ANALYSIS OF NET ASSETS AMONG FUNDS

The fund balances at 31 December 2016 are represented by:

GROUP	General funds £	Designated funds £	Restricted funds £	Total £
Fixed assets	-	3,112,874	-	3,112,874
Investments	-	304,632	1,366,772	1,671,404
Net current assets	1,480,750	493,051	219,641	2,193,442
As at 31 December 2016	<u>1,480,750</u>	<u>3,910,557</u>	<u>1,586,413</u>	<u>6,977,720</u>

COMPANY	General Funds £	Designated Funds £	Restricted funds £	Total £
Fixed assets	-	3,112,874	-	3,112,874
Investments	-	328,061	1,366,772	1,694,833
Net current assets	1,473,372	469,622	219,641	2,162,635
As at 31 December 2016	<u>1,473,372</u>	<u>3,910,557</u>	<u>1,586,413</u>	<u>6,970,342</u>

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 £50,000 (2015: £70,000). 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 2016

Notes to the Financial Statements (continued)

24 DESIGNATED FUNDS

FUND	Opening balance at 1 Jan 2016 £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance at 31 Dec 2016 £	Notes	Description of funds
Heritage properties	2,573,442	-	-	-	2,573,442		
Operational assets	599,432	-	(81,729)	21,729	539,432	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	163,599	14,662	(59,060)	-	119,201		This fund holds money earmarked for a number of projects that are being undertaken between 2011 and 2017.
Other funds	38,189	27,552	(20,523)	-	45,218		
GROUP TOTAL	4,007,926	42,214	(161,312)	21,729	3,910,557		

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 2016

Notes to the Financial Statements (continued)

25 RESTRICTED FUNDS

FUND	Opening balance at 1 Jan 2016 £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance at 31 Dec 2016 £	Description of funds
Land:						
Property specific funds	251,927	135,168	(60,509)	-	326,586	These funds arise from donations, legacies or grants given in respect of specific properties, and they are utilised on a needs basis.
Path fund	142,083	203,711	(148,634)	-	197,160	This fund represents donations received in various path appeals including Sandwood Bay, Steall Gorge path and the ongoing Wild Ways appeal.
Land fund	206,155	3,202	-	-	209,357	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.
Other funds	119,217	89,031	(20,231)	-	188,017	
Total land funds	719,382	431,112	(229,374)	-	921,120	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.
Land Management expendable endowment fund	59,681	236	-	-	59,917	
	779,063	431,348	(229,374)	-	981,037	
Awareness & Policy:						
John Muir Award funds	320,145	375,235	(297,482)	-	397,898	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	192,449	56,724	(117,644)	-	131,529	Donations given to fund the cost of policy work
Wild Space, Pitlochry	75,649	300	-	-	75,949	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	588,243	432,259	(415,126)	-	605,376	

THE JOHN MUIR TRUST
Year ended 31 December 2016

Notes to the Financial Statements (continued)

25 RESTRICTED FUNDS (continued)

SUMMARY	Opening balance at 1 Jan 2016 £	Incoming resources £	Outgoing resources £	Transfers £	Closing balance at 31 Dec 2016 £
RESTRICTED FUNDS:					
Land funds	719,382	431,113	(229,375)	-	921,120
Awareness & policy funds	588,243	432,259	(415,126)	-	605,376
Total restricted funds:	<u>1,307,625</u>	<u>863,372</u>	<u>(644,501)</u>	<u>-</u>	<u>1,526,496</u>
ENDOWMENT FUND:					
Land management endowment fund	59,681	236	-	-	59,917
GROUP AND COMPANY TOTAL	<u><u>1,367,306</u></u>	<u><u>863,608</u></u>	<u><u>(644,501)</u></u>	<u><u>-</u></u>	<u><u>1,586,413</u></u>

THE JOHN MUIR TRUST
Year ended 31 December 2016

Notes to the Financial Statements (continued)

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

	GROUP		COMPANY	
	2016	2015	2016	2015
	£	£	£	£
Net income/(expenditure) for the year	769,051	(471,388)	769,114	(471,344)
Adjustments for:				
Depreciation charges	81,729	86,819	81,729	86,819
Unrealised (gains)/losses on investments	(101,369)	23,696	(101,369)	23,696
Investment income	(64,811)	(31,390)	(65,026)	(32,450)
Increase in stock	3,428	1,434	-	-
(Increase)/decrease in debtors	(135,192)	656,796	(151,978)	655,080
Increase in creditors	36,430	4,152	32,082	4,878
Net cash provided by operating activities	589,266	270,119	564,552	266,679

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 (2015: none).