

**The John Muir Trust**

***Scottish Charity Number: SC002061***

***Company Number: SC81620***

**Trustees' Report and Consolidated Financial Statements**

**Year ended 31 December 2011**

# THE JOHN MUIR TRUST

Year ended 31 December 2011

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|                                 |   |
|---------------------------------|---|
| <b>AUDITORS:</b>                | Scott-Moncrieff<br>Chartered Accountants<br>Exchange Place 3<br>Semple Street<br>Edinburgh<br>EH3 8BL   |
| <b>SOLICITORS:</b>              | Turcan Connell W.S.<br>Princes Exchange<br>1 Earl Grey Street<br>Edinburgh<br>EH3 9EE   |
| <b>BANKERS:</b>                 | CAF Bank Limited<br>25 Kings Hill Avenue<br>Kings Hill<br>West Malling<br>Kent<br>ME19 4JQ<br><br>The Royal Bank of Scotland plc<br>Edinburgh St Andrew Square<br>36 St Andrew Square<br>Edinburgh<br>EH2 2YB |
| <b>INVESTMENT MANAGERS:</b>     | Rossie House Investment Management<br>Forgandenny<br>Perth<br>PH2 9EH   |
| <b>REGISTERED OFFICE:</b>       | Tower House<br>Station Road<br>Pitlochry<br>PH16 5AN  |
| <b>COMPANY NUMBER:</b>          | SC81620   |
| <b>SCOTTISH CHARITY NUMBER:</b> | SC002061  |

**THE JOHN MUIR TRUST**  
**Year ended 31 December 2011**

**Trustees' Report**

The John Muir Trust is a company limited by guarantee, Company Number SC81620, Scottish Charity Number SC002061.

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 2011.

**Organisational Structure, Governance and Management**

The Company is governed by Trustees. The Trustees who held office during the year are as follows:

John Hutchison (Chairman)  
Heather Alexander  
Rohan Beyts  
Patrick Bonnett – appointed 04 June 2011  
Mike Brown  
John Finney – appointed 04 June 2011  
Richard Fraser Darling  
David MacLehose – appointed 04 June 2011  
Denis Mollison – reappointed 04 June 2011  
Peter Pearson  
Walter Semple  
John Thomas  
Will Williams  
Deirdre Wilson – reappointed 04 June 2011  
Bill Wright

The Trustees are generally elected by the Company members by ballot. They 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.

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          |
| Kate Barclay     | Fundraising Manager      |
| Rob Bushby       | John Muir Award Manager  |
| Mike Daniels     | Head of Land and Science |
| Fiona MacKintosh | Membership Manager       |
| Helen McDade     | Head of Policy           |
| Alison Russell   | Director of Resources    |
| Susan Wright     | Head of Communications   |

The Company Secretary is Donald Thomas.

**Group Structure**

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 a resolution in August 2002. The Company's main activity is the conservation of wild areas of the United Kingdom for nature and people.

**THE JOHN MUIR TRUST**  
**Year ended 31 December 2011**

**Trustees' Report (continued)**

**Group Structure (continued)**

The group consists of the following entities:

- The John Muir Trust (the Parent Company).
- 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. Note 11 explains the performance of the trading subsidiary during the year.
- The John Muir Trust Anniversary Foundation (charity number SC035242) - a charitable trust established on 19 February 2004. The Foundation ceased in December 2010 and its net assets were transferred to the Trust. Its purpose was to promote, support and advance for the public benefit the work of the John Muir Trust by making grants to the Company, providing financial support for projects and activities carried out by the Company, or doing anything else charitable in law which may promote and advance the work of the Company for the public benefit.

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" (Revised 2005).

**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; and
- to encourage voluntary participation in the conservation and renewal of wild places.

The Company does sometimes make grants to other bodies or individuals for purposes in support of the Company's objectives.

The activities of the Company towards those objectives during 2011, together with details of the Company's achievements and performance during 2011 and its future plans, are detailed in the Trustees' Annual Report which accompanies these financial statements.

**Financial Results**

The group financial statements show net incoming resources of £1,442,870 (2010 – £145,583 deficit) stated prior to other gains and losses set out below.

Incoming resources for the year included:

- legacies of £1,149,535, of which £303,460 was from members with the remaining £846,075 from non-members. The Trustees have been advised of a number of other legacies with an estimated value of £630,000 where the conditions regarding income recognition were not fulfilled by the year end; and

**THE JOHN MUIR TRUST**  
**Year ended 31 December 2011**

**Trustees' Report (continued)**

**Financial Results (continued)**

- a second exceptional donation of £500,000 from the Reece Foundation for the purchase of new premises, the first having been received in 2009. A ground floor retail property in Pitlochry, situated below the Trust's head office, was purchased in September 2011 and development work in 2012/13 will turn this into a public exhibition and retail space with meeting facilities.

Taking account of realised gains on fixed assets disposals (2011: £8,656, 2010: £nil), realised losses on investments (2011: £5,529 loss, 2010: £2,155 gain) and unrealised losses on investments (2011: £14,667 loss, 2010: £76,419 gain), funds increased by £1,431,330 (2010: £67,009 decrease).

This surplus of £1,431,330 has been added to fund balances brought forward from 2010 of £2,809,420 giving a balance of £4,240,750. Adding the cost of Heritage Properties (£2,573,442) gives total fund balances carried forward at 31 December 2011 of £6,814,192 (2010: £5,382,862), of which £966,667 is free reserves (2010: £935,926).

**Investment Policy**

In terms of investments, the Trustees' overall objective is to hold investments to generate income and provide long-term capital growth. The Investment Managers 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 Trustees remain satisfied with the performance of the investment managers.

**Risk**

A Risk Register has been in place since 2006. Whilst identifying and measuring risk is an essential part of the risk management process, the desired outcome of the process is the mitigation of risk which can only be achieved with a clear review process which puts in place control or mitigation measures. The risk management process implemented by the Company includes the implementation of a Risk Management Policy and maintenance of a Risk Register.

An assessment of all risks is undertaken on an annual basis. Risks are analysed, quantified and prioritized 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 Financial Reserves Policy, Trustees are alerted immediately.

Trustees last approved the revised risk management policy, process and register in March 2011.

**Heritage Properties**

The Company's wild land properties are shown in the financial statements (entitled Heritage Properties) as Fixed Assets, in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (Revised 2005). This does not indicate any change in the objectives or policies of the Company. As the Heritage Properties were acquired by the Company for **long term retention** in furtherance of its objectives, the Trustees do not consider it either appropriate or cost effective to have the Heritage Properties re-valued and therefore they are shown in these financial statements at cost.

**THE JOHN MUIR TRUST**  
**Year ended 31 December 2011**

**Trustees' Report (continued)**

**Reserves**

The Trustees have a detailed reserves policy which was changed in November 2010 and the Company is working to a five year business plan, although budgets continue to be prepared on a five-year rolling basis.

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

Free reserves are defined as net general funds i.e. they exclude designated and restricted funds. 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.

| <b>Free reserves</b>  | <b>2011</b>     | <b>2010</b>     |
|---|-----------------|-----------------|
| Total budgeted expenditure for the coming year              | £2,346,000      | £1,820,000      |
| <b>FREE RESERVES POLICY</b>                                 |                 |                 |
| Lower limit (4 months)                                      | £782,000        | £607,000        |
| Upper limit (6 months)                                      | £1,173,000      | £910,000        |
| <b>ACTUAL FREE RESERVES HELD at 31 December</b>             | <b>£967,000</b> | <b>£936,000</b> |
| Number of months' budgeted expenditure for the coming year: | 5 months        | 6 months        |

The Trustees consider that the present reserves policy is prudent taking account of the Company's objects and 2012 budget. 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 change to the reserves policy in November 2010 has already enabled the Company to apply excess free reserves to our charitable objectives on a timely basis. The Company has had an exceptional year, and the Trustees are in the very fortunate position of being able to plan for expansion at a time when other organisations may be struggling. Where possible we have used our reserves to help match fund areas of work.

The Board invited donations to the Glenlude Appeal this year, with any funds over the target of £25,000 going towards a new Land Management Endowment Fund. This goes some way to establishing a "Capital Fund" plan discussed by the Board in 2010, namely the creation of a new fund for "*purchase of a property or other major capital projects*" but with an option to drawdown income towards general property management.

There are two funds which have an objective of property purchase, namely The Copley Fund (designated) and Not Owned – Land Fund (restricted). As at 31 December 2011, the total value of those funds was £698,167 (2010: £450,731).

**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.

**THE JOHN MUIR TRUST**  
**Year ended 31 December 2011**

**Trustees' Report (continued)**

**Statement of Trustees' Responsibilities (continued)**

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.

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 auditors**

To the knowledge and belief of each of the persons who are Trustees at the time the report is approved:

- So far as the Trustee is aware, there is no relevant information of which the Company's auditor is unaware, and
- He/she has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information, and to establish that the Company's auditor is aware of the information.

**Auditors**

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

BY ORDER OF THE BOARD

  
.....  
J HUTCHISON

Chairman  
Tower House  
Station Road  
Pitlochry  
PH16 5AN

12 March 2012

## THE JOHN MUIR TRUST

### Independent Auditors' Report to the Members and Trustees for the year ended 31 December 2011

We have audited the financial statements of The John Muir Trust for the year ended 31 December 2011 which comprise the Consolidated and Company Statement of Financial Activities (incorporating the Income and Expenditure Account), the Consolidated and Company Balance Sheets, and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made exclusively to the members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006 and to the Company's Trustees, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the Company's 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 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 auditors**

The Trustees (who are also the directors of The John Muir Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

We have been appointed auditors under section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you under those Acts. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements.

#### **Opinion on financial statements**

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 2011 and of the group's and the parent charitable company's incoming resources and application of resources, including 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 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).



## THE JOHN MUIR TRUST

### Independent Auditors' Report to the Members and Trustees for the year ended 31 December 2011 (continued)

#### Opinion on other matter prescribed by the Companies Act 2006

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

#### 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 parent charitable company's 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.



Gillian Donald  
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  
Semple Street  
Edinburgh  
EH3 8BL

12 March 2012

**THE JOHN MUIR TRUST**  
Year ended 31 December 2011

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

|   | Notes   | Unrestricted Funds |                  | Restricted Funds | TOTAL 2011       | TOTAL 2010       |
|---|---------|--------------------|------------------|------------------|------------------|------------------|
|   |         | General            | Designated       |                  |                  |                  |
|   |         | £                  | £                | £                | £                | £                |
| <b>INCOMING RESOURCES</b>   | 1       |                    |                  |                  |                  |                  |
| <b>Incoming resources from generated funds</b>                                    |         |                    |                  |                  |                  |                  |
| Voluntary income from supporters  | 2       | 1,785,370          | 144,773          | 750,324          | 2,680,467        | 928,459          |
| Income from activities for generating funds                                       |         |                    |                  |                  |                  |                  |
| - Fundraising activities  | 4       | 30,817             | -                | -                | 30,817           | 21,324           |
| - Income from trading activities  | 11      | 74,231             | -                | -                | 74,231           | 93,181           |
| Investment income and interest receivable   |         | 24,493             | -                | 5,244            | 29,737           | 24,529           |
| <b>Incoming resources from charitable activities</b>                              | 5       | 51,152             | 5,135            | 165,859          | 222,146          | 381,682          |
| <b>Other incoming resources</b>   |         | 1,409              | -                | -                | 1,409            | 1,409            |
| <b>Total incoming resources</b>   |         | <b>1,967,472</b>   | <b>149,908</b>   | <b>921,427</b>   | <b>3,038,807</b> | <b>1,450,584</b> |
| <b>RESOURCES EXPENDED</b>   |         |                    |                  |                  |                  |                  |
| <b>Costs of generating funds</b>  |         |                    |                  |                  |                  |                  |
| Cost of generating voluntary income   | 3       | 326,719            | 9,759            | 1,100            | 337,578          | 328,709          |
| Costs of trading activities   | 11      | 54,714             | -                | -                | 54,714           | 58,192           |
| Investment management costs   |         | 7,049              | -                | -                | 7,049            | 6,666            |
| <b>Charitable activities</b>  | 5       | 720,559            | 113,619          | 294,326          | 1,128,504        | 1,133,204        |
| <b>Governance costs</b>   | 18      | 65,506             | 2,324            | 262              | 68,092           | 69,396           |
| <b>Total resources expended</b>   |         | <b>1,174,547</b>   | <b>125,702</b>   | <b>295,688</b>   | <b>1,595,937</b> | <b>1,596,167</b> |
| <b>Net incoming/(outgoing) resources before funds transfers</b>                   |         | <b>792,925</b>     | <b>24,206</b>    | <b>625,739</b>   | <b>1,442,870</b> | <b>(145,583)</b> |
| Funds transfers   | 21 & 22 | (750,644)          | 1,233,429        | (482,785)        | -                | -                |
| <b>Net incoming/(outgoing) resources before other recognised gains and losses</b> |         | <b>42,281</b>      | <b>1,257,635</b> | <b>142,954</b>   | <b>1,442,870</b> | <b>(145,583)</b> |
| Realised gains on disposal of fixed assets  |         | 8,656              | -                | -                | 8,656            | -                |
| Realised (losses)/gains on investments  |         | (5,529)            | -                | -                | (5,529)          | 2,155            |
| Unrealised (losses)/gains on investments  | 10      | (14,667)           | -                | -                | (14,667)         | 76,419           |
| <b>Net movement in funds</b>  |         | <b>30,741</b>      | <b>1,257,635</b> | <b>142,954</b>   | <b>1,431,330</b> | <b>(67,009)</b>  |
| Fund balances brought forward 1 January 2011                                      |         |                    |                  |                  |                  |                  |
| Heritage properties   |         | -                  | 2,573,442        | -                | 2,573,442        | 2,573,442        |
| Other funds   |         | 935,926            | 919,404          | 954,090          | 2,809,420        | 2,876,429        |
| <b>Fund balances carried forward</b>  |         | <b>966,667</b>     | <b>4,750,481</b> | <b>1,097,044</b> | <b>6,814,192</b> | <b>5,382,862</b> |

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

The notes on pages 11 to 24 form part of these financial statements.

**THE JOHN MUIR TRUST**  
Year ended 31 December 2011

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

|  | Notes   | Unrestricted Funds |                  | Restricted Funds | TOTAL 2011       | TOTAL 2010       |
|--|---------|--------------------|------------------|------------------|------------------|------------------|
|  |         | £                  | £                | £                | £                | £                |
| <b>INCOMING RESOURCES</b>  | 1       |                    |                  |                  |                  |                  |
| <b>Incoming resources from generated funds</b>                         |         |                    |                  |                  |                  |                  |
| Voluntary income from supporters                                       | 2       | 1,785,370          | 144,773          | 750,324          | 2,680,467        | 1,355,207        |
| Income from activities for generating funds                            |         |                    |                  |                  |                  |                  |
| - Fundraising activities   | 4       | 30,817             | -                | -                | 30,817           | 21,324           |
| - Gift Aid from trading subsidiary                                     | 11      | 18,313             | -                | -                | 18,313           | 29,564           |
| Investment income and interest receivable                              |         | 25,697             | -                | 5,244            | 30,941           | 23,014           |
| <b>Incoming resources from charitable activities</b>                   | 5       | 51,152             | 5,135            | 165,859          | 222,146          | 381,682          |
| <b>Other incoming resources</b>  |         | 1,409              | -                | -                | 1,409            | 1,409            |
| <b>Total incoming resources</b>  |         | <u>1,912,758</u>   | <u>149,908</u>   | <u>921,427</u>   | <u>2,984,093</u> | <u>1,812,200</u> |
| <b>RESOURCES EXPENDED</b>  |         |                    |                  |                  |                  |                  |
| <b>Costs of generating funds</b>                                       |         |                    |                  |                  |                  |                  |
| Costs of generating voluntary income                                   | 3       | 326,719            | 9,759            | 1,100            | 337,578          | 328,709          |
| Investment management costs  |         | 7,049              | -                | -                | 7,049            | 6,666            |
| <b>Charitable activities</b>   | 5       | 720,559            | 113,619          | 294,326          | 1,128,504        | 1,133,179        |
| <b>Governance costs</b>  | 18      | 65,506             | 2,324            | 262              | 68,092           | 69,396           |
| <b>Total resources expended</b>  |         | <u>1,119,833</u>   | <u>125,702</u>   | <u>295,688</u>   | <u>1,541,223</u> | <u>1,537,950</u> |
| <b>Net incoming resources before funds transfers</b>                   |         | <u>792,925</u>     | <u>24,206</u>    | <u>625,739</u>   | <u>1,442,870</u> | <u>274,250</u>   |
| Funds transfers  | 21 & 22 | (750,644)          | 1,233,429        | (482,785)        | -                | -                |
| <b>Net incoming resources before other recognised gains and losses</b> |         | <u>42,281</u>      | <u>1,257,635</u> | <u>142,954</u>   | <u>1,442,870</u> | <u>274,250</u>   |
| Realised gains on disposal of fixed assets                             |         | 8,656              | -                | -                | 8,656            | -                |
| Realised (losses)/gains on investments                                 |         | (5,529)            | -                | -                | (5,529)          | 2,155            |
| Unrealised (losses)/gains on investments                               | 10      | (14,667)           | -                | -                | (14,667)         | 81,845           |
| <b>Net movement in funds</b>   |         | <u>30,741</u>      | <u>1,257,635</u> | <u>142,954</u>   | <u>1,431,330</u> | <u>358,250</u>   |
| Fund balances brought forward 1 January 2011                           |         |                    |                  |                  |                  |                  |
| Heritage properties  |         | -                  | 2,573,442        | -                | 2,573,442        | 2,573,442        |
| Other funds  |         | 935,926            | 919,404          | 954,090          | 2,809,420        | 2,451,170        |
| <b>Fund balances carried forward</b>                                   |         | <u>966,667</u>     | <u>4,750,481</u> | <u>1,097,044</u> | <u>6,814,192</u> | <u>5,382,862</u> |

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.

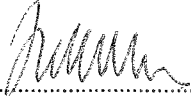
The notes on pages 11 to 24 form part of these financial statements.

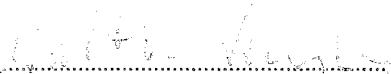
**THE JOHN MUIR TRUST**  
as at 31 December 2011

**Consolidated and Parent Company**  
**Balance Sheets**

|   | Notes | GROUP            |                  | COMPANY          |                  |
|---|-------|------------------|------------------|------------------|------------------|
|   |       | 2011<br>£        | 2010<br>£        | 2011<br>£        | 2010<br>£        |
| <b>FIXED ASSETS</b>                                 |       |                  |                  |                  |                  |
| Heritage properties                                 | 8     | 2,573,442        | 2,573,442        | 2,573,442        | 2,573,442        |
| Tangible assets                                     | 9     | 763,109          | 311,515          | 763,109          | 311,515          |
|   |       | <u>3,336,551</u> | <u>2,884,957</u> | <u>3,336,551</u> | <u>2,884,957</u> |
| <b>INVESTMENTS</b>                                  |       |                  |                  |                  |                  |
| Quoted investments                                  | 10    | 637,166          | 668,756          | 637,166          | 668,756          |
| Trading subsidiary                                  | 11    | -                | -                | 35,049           | 35,081           |
|   |       | <u>637,166</u>   | <u>668,756</u>   | <u>672,215</u>   | <u>703,837</u>   |
| <b>CURRENT ASSETS</b>                               |       |                  |                  |                  |                  |
| Stock   |       | 8,622            | 5,896            | -                | -                |
| Debtors & prepayments                               | 12    | 305,494          | 419,546          | 279,263          | 466,867          |
| Cash at bank and in hand                            |       | 2,654,082        | 1,516,713        | 2,641,673        | 1,427,953        |
|   |       | <u>2,968,198</u> | <u>1,942,155</u> | <u>2,920,936</u> | <u>1,894,820</u> |
| <b>CREDITORS: Amounts falling due &lt; one year</b> |       |                  |                  |                  |                  |
| Creditors and Accruals                              | 13    | (127,723)        | (113,006)        | (115,510)        | (100,752)        |
|   |       | <u>2,840,475</u> | <u>1,829,149</u> | <u>2,805,426</u> | <u>1,794,068</u> |
| <b>NET CURRENT ASSETS</b>                           |       |                  |                  |                  |                  |
|   |       | <u>6,814,192</u> | <u>5,382,862</u> | <u>6,814,192</u> | <u>5,382,862</u> |
| <b>NET ASSETS</b>                                   |       |                  |                  |                  |                  |
| Unrestricted Funds:                                 |       |                  |                  |                  |                  |
| - General   |       | 966,667          | 935,926          | 966,667          | 935,926          |
| - Designated  | 21    | 2,177,039        | 919,404          | 2,177,039        | 919,404          |
| - Designated: Heritage properties                   | 8     | 2,573,442        | 2,573,442        | 2,573,442        | 2,573,442        |
|   |       | <u>5,717,148</u> | <u>4,428,772</u> | <u>5,717,148</u> | <u>4,428,772</u> |
| Restricted Funds                                    | 22    | 1,097,044        | 954,090          | 1,097,044        | 954,090          |
|   |       | <u>6,814,192</u> | <u>5,382,862</u> | <u>6,814,192</u> | <u>5,382,862</u> |

Approved by the Trustees on 12 March 2012 and signed on their behalf by:

.....  J Hutchison

.....  W Semple

Registered company number SC81620

The notes on pages 11 to 24 form part of these financial statements.

**THE JOHN MUIR TRUST**  
**Year ended 31 December 2011**

**Notes to the Financial Statements**

**1 ACCOUNTING POLICIES**

- a) The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards in the United Kingdom, except for investments which have been included on a revalued basis and Tower House, Pitlochry which is referred to in note 1 e) below.

The financial statements, which incorporate a Statement of Financial Activities, have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (Revised 2005) and the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

The financial statements are prepared on a consolidated basis to include the Company's wholly owned subsidiary JMT Trading Company Limited (Company Number SC153018) which together with the Company comprise the Group.

- b) Subscriptions

Annual and Life subscriptions from members are credited in full as income in the period in which they are received.

- c) Gift-Aid and other tax repayments

Gift Aid receipts and other tax repayments are the amounts receivable in respect of donations and legacies received in the period, and are allocated to the income category to which the corresponding underlying payments relate. Gift-Aid (including transitional relief) and tax recoverable accrued in 2011 totalled £89,110 (2010: £97,058).

- d) 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.

- e) Fixed Assets

Fixed assets are stated at cost. Tower House (freehold office) was revalued in November 2009 and the Trustees can confirm that its current market value is not materially different from the carrying value. The new Pitlochry premises and Tower House are depreciated over 50 years from the date of purchase of the new retail premises. They will be revalued as the Trustees see fit given their change in function.

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 purpose of SORP.

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:

|                                     |          |
|-------------------------------------|----------|
| Office and field equipment          | 4 years  |
| Motor vehicles                      | 4 years  |
| Plant & machinery                   | 4 years  |
| Deer larder (buildings)             | 10 years |
| Tower House development (buildings) | 50 years |

- f) Pensions

Contributions are charged to the Statement of Financial Activities (incorporating the Income & Expenditure Account) as they become payable and are all on a defined contribution basis and paid to a pension fund of each employee's choice.

**THE JOHN MUIR TRUST**  
Year ended 31 December 2011

**Notes to the Financial Statements (continued)**

**1 ACCOUNTING POLICIES (continued)**

g) Recognition and allocation of incoming resources

Incoming resources are recognised when the Company has legal entitlement, there is reasonable certainty of receipt and the income is measurable. Where practicable, income is related to the operating activities of the Company (e.g. Land, Awareness and Policy).

h) Recognition and allocation of resources expended

Resources expended are recognised on an accruals basis and related where practicable to the operating activities of the Company (e.g. Land, Awareness and Policy). The treatment of support costs is dealt with in Note 17.

- Costs of generating funds comprises 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.

i) Taxation

No taxation is provided for given the Parent Company's charitable status. Any Gift-Aid payments which the Company is entitled to claim in respect of donations received in the year are accrued into the year's income.

j) Investments

Quoted investments are included in the financial statements at market value – see Note 10. The wholly owned trading subsidiary of the Company is included in the financial statements at net asset value - see Note 11.

k) Stock

Stock is stated at the lower of cost and net realisable value.

**2 VOLUNTARY INCOME FROM SUPPORTERS**

**GROUP AND COMPANY**

|                            | Notes | Unrestricted Funds |                | Restricted     | TOTAL            | TOTAL          |
|----------------------------|-------|--------------------|----------------|----------------|------------------|----------------|
|                            |       | General            | Designated     | Funds          | 2011             | 2010           |
|                            |       | £                  | £              | £              | £                | £              |
| Membership subscriptions   |       | 287,646            | -              | -              | 287,646          | 289,362        |
| Donations from individuals |       | 208,332            | 8,090          | 601,324        | 817,746          | 270,929        |
| Legacies                   | i)    | 1,012,852          | 136,683        | -              | 1,149,535        | 245,780        |
| Corporate donations        |       | 25,965             | -              | -              | 25,965           | 19,617         |
| Charitable trusts          | ii)   | 250,575            | -              | 149,000        | 399,575          | 102,771        |
|                            |       | <b>1,785,370</b>   | <b>144,773</b> | <b>750,324</b> | <b>2,680,467</b> | <b>928,459</b> |

i) In addition to the legacy income recorded above, the Company had been advised of a number of legacies bequeathed to it where the conditions regarding income recognition were not fulfilled by the year end. The estimated value of these legacies, where it is possible to estimate values, was at least £630,000 (2010: £250,000).

ii) Charitable trust income excludes grants received from charitable trusts which have conditions upon them and have been specifically provided for the delivery of services in pursuit of the Company's charitable activities. Such grants are included under "Incoming Resources from Charitable Activities" (see note 5).

**THE JOHN MUIR TRUST**  
Year ended 31 December 2011

**Notes to the Financial Statements (continued)**

**3 COSTS OF GENERATING VOLUNTARY INCOME**

Members support the Company through paying annual subscriptions, and also through voluntary donations (such as responding to appeals for funds), legacies and carrying out fundraising activities (see note 4). Donations and legacies are also received from individuals who are not members of the Company. It is not possible to separately identify costs associated with each area of voluntary income detailed in note 2.

**GROUP AND COMPANY**

|             | Notes | Unrestricted Funds |              | Restricted Funds | TOTAL 2011     | TOTAL 2010     |
|-------------|-------|--------------------|--------------|------------------|----------------|----------------|
|             |       | General            | Designated   |                  |                |                |
|             |       | £                  | £            | £                | £              | £              |
| Membership  | i)    | 206,777            | 4,647        | 524              | 211,948        | 184,305        |
| Fundraising | ii)   | 119,942            | 5,112        | 576              | 125,630        | 144,404        |
|             |       | <b>326,719</b>     | <b>9,759</b> | <b>1,100</b>     | <b>337,578</b> | <b>328,709</b> |

- i) Membership costs include members' publications, secretarial services, annual Members' Gathering, providing support to local members' groups, recruiting new members and liaising with corporate members and supporters.
- ii) Fundraising includes staff costs associated with raising funds from Charitable Trusts, administering legacies and grants, managing relationships with major donors, and direct costs incurred in supporting members' fundraising activities (such as the London Marathon) - see note 4 for details.

**4 FUNDRAISING ACTIVITIES**

Fundraising activities are mostly initiated by members with the support of the Company, and generate income such as sponsorship. The Company also runs the annual Members' Gathering as a fundraising event. Direct costs associated with fundraising activities were £10,432 (2010: £7,312) and are included within "Costs of generating voluntary income" (see note 3). These fundraising activity costs exclude all costs associated directly with the formal AGM.

Fundraising income does not include donations received relating to appeals (donations) or other income generated by the fundraising and membership staff, such as grants from Charitable Trusts, corporate sponsorship, donations including appeals or income generated from trading activities (see note 11).

**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 and the Company's communications function. A new post of Head of Communications was created in 2011. Communications staff and associated costs are included in this heading from 2011.
- **Policy** includes our policy and campaigning activities.

**GROUP AND COMPANY**

|  | Unrestricted Funds |              | Restricted Funds | TOTAL 2011     | TOTAL 2010     |
|--|--------------------|--------------|------------------|----------------|----------------|
|  | General            | Designated   |                  |                |                |
|  | £                  | £            | £                | £              | £              |
| <b>INCOMING RESOURCES FROM CHARITABLE ACTIVITIES</b> |                    |              |                  |                |                |
| Land   | 31,922             | 5,135        | 106,701          | 143,758        | 172,419        |
| Awareness  | 19,230             | -            | 59,158           | 78,388         | 107,263        |
| Policy   | -                  | -            | -                | -              | 102,000        |
| <b>GROUP AND COMPANY</b>                             | <b>51,152</b>      | <b>5,135</b> | <b>165,859</b>   | <b>222,146</b> | <b>381,682</b> |

**THE JOHN MUIR TRUST**  
Year ended 31 December 2011

Notes to the Financial Statements (continued)

5 CHARITABLE ACTIVITIES (continued)

GROUP AND COMPANY

|   | Notes | Unrestricted Funds |                | Restricted Funds | TOTAL            | TOTAL            |
|---|-------|--------------------|----------------|------------------|------------------|------------------|
|   |       | General            | Designated     |                  | 2011             | 2010             |
|   |       | £                  | £              | £                | £                | £                |
| <b>RESOURCES EXPENDED ON CHARITABLE ACTIVITIES</b>      |       |                    |                |                  |                  |                  |
| Land  |       | 254,568            | 80,667         | 184,268          | 519,503          | 605,703          |
| Awareness   | i)    | 306,885            | 25,981         | 92,857           | 425,723          | 242,416          |
| Policy  | ii)   | 159,106            | 6,971          | 17,201           | 183,278          | 285,060          |
| <b>COMPANY</b>  |       | <b>720,559</b>     | <b>113,619</b> | <b>294,326</b>   | <b>1,128,504</b> | <b>1,133,179</b> |
| John Muir Trust Anniversary Foundation – Admin expenses |       | -                  | -              | -                | -                | 25               |
| <b>GROUP</b>  |       | <b>720,559</b>     | <b>113,619</b> | <b>294,326</b>   | <b>1,128,504</b> | <b>1,133,204</b> |

- i) **Awareness:** A new post of Head of Communications was created in 2011. All communications staff and their associated costs are included in this heading from 2011.
- ii) **Policy:** In 2010, Policy costs included Communications staff costs of £25,255 funded by the Climate Change & Sustainable Communities project (which finished in December 2010).

6 STAFF COSTS

GROUP AND COMPANY

|                                  | 2011           | 2010           |
|----------------------------------|----------------|----------------|
|                                  | £              | £              |
| Salaries                         | 761,712        | 756,258        |
| National Insurance contributions | 74,231         | 74,260         |
| Pension contributions            | 40,157         | 39,405         |
|                                  | <b>876,100</b> | <b>869,923</b> |

During the year:

- The average number of employees was 31 (2010: 32).
- One employee received emoluments above £60,000 (2010: one) and the Company made pensions contributions totalling £3,167 on behalf of this employee (2010: £3,075).
- No remuneration was paid to the Trustees by the Company (2010: £nil).
- Twelve Trustees received reimbursement of expenses totalling £10,202 (2010: eleven Trustees and £7,658).

7 TAXATION

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



**THE JOHN MUIR TRUST**  
Year ended 31 December 2011

**Notes to the Financial Statements (continued)**

**8** 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 |                  |
|----------------------------------|---------------------|-------------------|------------------|
|                                  |                     | 2011<br>£         | 2010<br>£        |
| 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          |
|                                  |                     | <b>2,573,442</b>  | <b>2,573,442</b> |

The heritage properties are shown in the financial statements as Fixed Assets in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (Revised 2005). As the heritage properties were acquired by the Company for **long term retention** in furtherance of its objectives, and they qualify as heritage assets, 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 (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 Strategic Plan.

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 2011

**Notes to the Financial Statements (continued)**

**9** FIXED ASSETS – Tangible assets

| <b>GROUP AND COMPANY</b>   | <b>Property<br/>£</b> | <b>Motor<br/>vehicles<br/>£</b> | <b>Office &amp; field<br/>equipment<br/>£</b> | <b>Total<br/>£</b>    |
|----------------------------|-----------------------|---------------------------------|---|-----------------------|
| Cost: At 1 January 2011    | 229,927               | 86,375                          | 139,524                                       | 455,826               |
| Additions                  | 500,580               | 27,893                          | 2,280   | 530,753               |
| Disposals                  | -                     | (48,915)                        | (17,599)                                      | (66,514)              |
|                            | <hr/>                 | <hr/>                           | <hr/>   | <hr/>                 |
| At 31 December 2011        | 730,507               | 65,353                          | 124,205                                       | 920,065               |
|                            | <hr/>                 | <hr/>                           | <hr/>   | <hr/>                 |
| Aggregate depreciation:    |                       |                                 |   |                       |
| At 1 January 2011          | 7,323                 | 48,837                          | 88,151  | 144,311               |
| Charge for year            | 18,690                | 14,532                          | 21,613  | 54,835                |
| On disposals               | -                     | (25,077)                        | (17,113)                                      | (42,190)              |
|                            | <hr/>                 | <hr/>                           | <hr/>   | <hr/>                 |
| At 31 December 2011        | 26,013                | 38,292                          | 92,651  | 156,956               |
|                            | <hr/>                 | <hr/>                           | <hr/>   | <hr/>                 |
| Net book value:            |                       |                                 |   |                       |
| <b>At 31 December 2011</b> | <b><u>704,494</u></b> | <b><u>27,061</u></b>            | <b><u>31,554</u></b>                          | <b><u>763,109</u></b> |
| At 31 December 2010        | <u>222,604</u>        | <u>37,538</u>                   | <u>51,373</u>                                 | <u>311,515</u>        |

**10** INVESTMENTS – Quoted investments

|   | <b>GROUP AND COMPANY</b> |                       |
|---|--------------------------|-----------------------|
|   | <b>2011<br/>£</b>        | <b>2010<br/>£</b>     |
| Market value at 1 January                                 | 668,756                  | 546,426               |
| Additions at cost   | 28,313                   | 75,330                |
| Disposals at carrying value                               | (45,268)                 | (29,419)              |
| Unrealised (losses)/gains on investments - Group          | (14,635)                 | 76,419                |
|   | <hr/>                    | <hr/>                 |
| <b>Market value at 31 December</b>                        | <b><u>637,166</u></b>    | <b><u>668,756</u></b> |
|   | <hr/>                    | <hr/>                 |
| Historical cost at 31 December                            | <u>509,611</u>           | <u>493,546</u>        |
|   | <hr/>                    | <hr/>                 |
| <b>Unrealised (losses)/gains on investments - Company</b> |                          |                       |
| Quoted investments (as above)                             | (14,635)                 | 76,419                |
| Trading subsidiary (note 11)                              | (32)                     | 5,426                 |
|   | <hr/>                    | <hr/>                 |
|   | <b><u>(14,667)</u></b>   | <b><u>81,845</u></b>  |

**THE JOHN MUIR TRUST**  
Year ended 31 December 2011

**Notes to the Financial Statements (continued)**

**10 INVESTMENTS – Quoted investments (continued)**

The following investments represent over 5% of the portfolio value:

|   | Holding | Value as at      |        |
|---|---------|------------------|--------|
|   |         | 31 December 2011 | %      |
|   |         | £                |        |
| CG Portfolio Fixed Int Overseas             | 400     | 76,072           | 11.94% |
| RIT Capital Partners Ord                    | 5,000   | 61,200           | 9.61%  |
| Law Debenture Corp Ord 5p                   | 15,000  | 50,025           | 7.85%  |
| Trojan Fund S Income shares                 | 22,000  | 44,189           | 6.94%  |
| Utilico Fin Red ZDP 31/10/2016              | £30,000 | 44,175           | 6.93%  |
| Monks Inv Trust Ord 5p                      | 14,000  | 43,806           | 6.88%  |
| Veritas Global Equity Income A (USD shares) | 600     | 43,016           | 6.75%  |
| Schroder Asia Pacific Fund Ord 10p          | 20,000  | 41,500           | 6.51%  |
| Perpetual Income & Growth Inv Trust Ord 10p | 15,000  | 37,950           | 5.96%  |
| M&G Charifund Inc Units                     | 3,000   | 32,703           | 5.13%  |

**11 INVESTMENTS – Trading subsidiary**

|                    | GROUP |      | COMPANY |        |
|--------------------|-------|------|---------|--------|
|                    | 2011  | 2010 | 2011    | 2010   |
|                    | £     | £    | £       | £      |
| Trading subsidiary | -     | -    | 35,049  | 35,081 |

The investment represents 100% of the issued share capital of JMT Trading Company Limited. This wholly owned trading subsidiary conducts the merchandising activities of the Company and is the limited partner in Strathaird Farming Partnership. The subsidiary is revalued annually.

During the year, JMT Trading Company Limited made a Gift Aid payment of £18,313 to the Company (2010: £29,564). Its loss for the year after Gift Aid payment and taxation was £32 (2010: £5,426 profit). The retained losses carried forward as at 31 December were £149,951 (2010: £149,919).

**12 DEBTORS AND PREPAYMENTS**

|   | GROUP          |                | COMPANY        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2011           | 2010           | 2011           | 2010           |
|   | £              | £              | £              | £              |
| Trade debtors                                 | 60,225         | 34,977         | -              | -              |
| Amounts receivable relating to grants claimed | 56,105         | 164,973        | 56,105         | 164,973        |
| Other debtors and prepayments                 | 189,164        | 219,596        | 189,164        | 219,596        |
| Amounts receivable from subsidiary            | -              | -              | 33,994         | 82,298         |
|   | <u>305,494</u> | <u>419,546</u> | <u>279,263</u> | <u>466,867</u> |

**13 CREDITORS: Amounts falling due within one year**

|                                 | GROUP          |                | COMPANY        |                |
|---------------------------------|----------------|----------------|----------------|----------------|
|                                 | 2011           | 2010           | 2011           | 2010           |
|                                 | £              | £              | £              | £              |
| Trade creditors                 | 46,369         | 60,112         | 46,369         | 60,112         |
| Taxes and social security costs | 8,379          | 9,149          | -              | -              |
| Accruals                        | 72,975         | 43,745         | 69,141         | 40,640         |
|                                 | <u>127,723</u> | <u>113,006</u> | <u>115,510</u> | <u>100,752</u> |

**THE JOHN MUIR TRUST**  
Year ended 31 December 2011

**Notes to the Financial Statements (continued)**

**14 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.

Net incoming resources for the year (excluding subsidiary and related undertakings) was £1,431,330 (2010: £358,250).

**15 CASH FLOW STATEMENT**

The Company is entitled to the exemptions available in Sections 381 to 384 of the Companies Act 2006. Accordingly the Company is entitled to exemption from the preparation of a cash flow statement as required under FRS1 and a cash flow statement has not been prepared.

**16 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 December 2011 (2010: £nil).

**17 SUPPORT COSTS**

The Company incurred a total of £151,304 (2010: £110,829) 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:

**2011 GROUP AND COMPANY**

|                   | <b>Membership<br/>&amp; Fundraising</b> | <b>Land</b>   | <b>Awareness</b> | <b>Policy</b> | <b>Governance</b> | <b>Total</b>   |
|-------------------|---|---------------|------------------|---------------|-------------------|----------------|
|                   | £                                       | £             | £                | £             | £                 | £              |
| Senior management | 4,519                                   | 8,284         | 8,284            | 3,228         | 1,076             | 25,391         |
| IT & office costs | 14,407                                  | 10,659        | 18,534           | 5,825         | 1,898             | 51,323         |
| Depreciation      | 9,759                                   | 17,891        | 17,891           | 6,971         | 2,324             | 54,836         |
| Insurance         | 2,634                                   | 4,828         | 4,828            | 1,881         | 627               | 14,798         |
| Staff costs       | 548                                     | 3,440         | 642              | 326           | -                 | 4,956          |
| <b>TOTAL</b>      | <b>31,867</b>                           | <b>45,102</b> | <b>50,179</b>    | <b>18,231</b> | <b>5,925</b>      | <b>151,304</b> |

Costs are allocated on the basis of relative full time equivalent employees in each function, except in the case of certain funded projects, where a fixed basis has been agreed with the funders.

**2010 GROUP AND COMPANY**

|                   | <b>Membership<br/>&amp; Fundraising</b> | <b>Land</b>   | <b>Awareness</b> | <b>Policy</b> | <b>Governance</b> | <b>Total</b>   |
|-------------------|---|---------------|------------------|---------------|-------------------|----------------|
|                   | £                                       | £             | £                | £             | £                 | £              |
| Senior management | 4,319                                   | 8,912         | 4,318            | 3,767         | 919               | 22,235         |
| IT & office costs | 8,570                                   | 4,893         | 6,222            | 12,537        | 3,058             | 35,280         |
| Depreciation      | 6,843                                   | 14,121        | 6,842            | 5,969         | 1,455             | 35,230         |
| Insurance         | 2,754                                   | 5,683         | 2,753            | 2,402         | 585               | 14,177         |
| Staff costs       | 539                                     | 2,742         | 626              | -             | -                 | 3,907          |
| <b>TOTAL</b>      | <b>23,025</b>                           | <b>36,351</b> | <b>20,761</b>    | <b>24,675</b> | <b>6,018</b>      | <b>110,829</b> |

**THE JOHN MUIR TRUST**  
Year ended 31 December 2011

**Notes to the Financial Statements (continued)**

|           |   |                          |               |
|-----------|---|--------------------------|---------------|
| <b>18</b> | <b>GOVERNANCE COSTS</b>                             | <b>GROUP AND COMPANY</b> |               |
|           |   | <b>2011</b>              | <b>2010</b>   |
|           |   | <b>£</b>                 | <b>£</b>      |
|           | Audit fees  | 11,482                   | 11,098        |
|           | Other professional advice (tax advice, consultancy) | 4,108                    | 13,982        |
|           | Legal fees  | 7,676                    | 3,179         |
|           | Staff and office costs attributed to governance     | 15,480                   | 13,641        |
|           | Annual Report                                       | 8,393                    | 9,960         |
|           | Trustee election                                    | 3,090                    | 2,574         |
|           | Trustee expenses                                    | 10,202                   | 7,658         |
|           | Trustee meetings                                    | 5,934                    | 5,170         |
|           | Trustee indemnity insurance                         | 1,727                    | 2,134         |
|           |   | <u>68,092</u>            | <u>69,396</u> |

**19** TRANSACTIONS WITH RELATED PARTIES

Under FRS 8: Related Party Disclosures, the Company is exempt from disclosing transactions with other group companies.

**20** ANALYSIS OF NET ASSETS AMONG FUNDS

The fund balances at 31 December 2011 are represented by:

| <b>GROUP</b>           | <b>General<br/>funds<br/>£</b> | <b>Designated<br/>funds<br/>£</b> | <b>Restricted<br/>funds<br/>£</b> | <b>Total<br/>£</b> |
|------------------------|--------------------------------|-----------------------------------|-----------------------------------|--------------------|
| Fixed assets           | -                              | 3,336,551                         | -                                 | 3,336,551          |
| Investments            | 637,166                        | -                                 | -                                 | 637,166            |
| Net current assets     | 329,501                        | 1,413,930                         | 1,097,044                         | 2,840,475          |
| As at 31 December 2011 | <u>966,667</u>                 | <u>4,750,481</u>                  | <u>1,097,044</u>                  | <u>6,814,192</u>   |
| <br>                   |                                |                                   |                                   |                    |
| <b>COMPANY</b>         | <b>General<br/>Funds<br/>£</b> | <b>Designated<br/>Funds<br/>£</b> | <b>Restricted<br/>funds<br/>£</b> | <b>Total<br/>£</b> |
| Fixed assets           | -                              | 3,336,551                         | -                                 | 3,336,551          |
| Investments            | 672,215                        | -                                 | -                                 | 672,215            |
| Net current assets     | 294,452                        | 1,413,930                         | 1,097,044                         | 2,805,426          |
| As at 31 December 2011 | <u>966,667</u>                 | <u>4,750,481</u>                  | <u>1,097,044</u>                  | <u>6,814,192</u>   |

**THE JOHN MUIR TRUST**  
Year ended 31 December 2011

**Notes to the Financial Statements (continued)**

**21 DESIGNATED FUNDS**

| FUND                             | Opening<br>balance at<br>1 Jan 2011<br>£ | Incoming<br>resources<br>£ | Outgoing<br>resources<br>£ | Transfers<br>£ | Closing<br>balance at<br>31 Dec 2011<br>£ | Note | Description of funds  |
|----------------------------------|--|----------------------------|----------------------------|----------------|---|------|---|
| - Suilven Appeal                 | 18,332                                   | -                          | (9,429)                    | -              | 8,903                                     |      | These funds arise from a public appeal made in 2005 and are used to fund grants made to community land bodies and to fund Company staff who work with such bodies and work in the area. It is envisaged that this fund will be exhausted by the end of 2012.                      |
| - J B S Murray Fund              | 123,350                                  | -                          | (25,806)                   | -              | 97,544                                    |      | This fund represents a single donation made in late 2006. Given the wishes expressed by the donor, the Trustees have designated this fund to be used for land management, with a preference for the Ben Nevis property. It is envisaged that this fund will be exhausted by 2015. |
| - Knoydart Estate                | 469                                      | -                          | -                          | -              | 469                                       |      | This fund was created to enable donations to be made to the Knoydart Foundation if suitable projects were proposed.   |
| - Education – general            | -  | 8,090                      | (8,090)                    | -              | -   |      | This fund represents donations where the donor expressed a non-binding preference for the funds to be applied to the education work of the Company (the John Muir Award). It is envisaged that any receipts into this fund will normally be applied in the year of receipt.       |
| - Biodiversity Incidental Income | 25,280                                   | 5,135                      | (12,417)                   | -              | 17,998                                    |      | This fund represents incidental income arising from deer management activities. This fund will be used for additional manpower and the purchase of tools and equipment required to carry out deer management on the Company's properties.   |
| - Conservation Projects Fund     | 15,547                                   | -                          | (15,125)                   | 50,000         | 50,422                                    | 1    | This fund represents general funding allocated by the Trustees on an annual basis towards conservation projects that meet the Company's objects, with a focus on our existing estates. The balance has been boosted this year through utilising excess free financial reserves.   |
| - Operational Assets Fund        | 311,515                                  | -                          | (54,835)                   | 506,429        | 763,109                                   | 2    | This fund represents the net book value of property (including Tower House), vehicles and equipment held by the Company – see note 9. Depreciation is charged to this fund over the anticipated life of the associated assets.  |
| - Strategic project funds        | -  | -                          | -                          | 572,000        | 572,000                                   | 3    | This fund holds money earmarked for a number of projects defined in the Company's Corporate Strategy that will be undertaken within the next five years. See note below for details.  |

**THE JOHN MUIR TRUST**  
Year ended 31 December 2011

**Notes to the Financial Statements (continued)**

21 DESIGNATED FUNDS (continued)

| FUND               | Opening<br>balance at<br>1 Jan 2011<br>£ | Incoming<br>resources<br>£ | Outgoing<br>resources<br>£ | Transfers<br>£          | Closing<br>balance at<br>31 Dec 2011<br>£ | Note<br><br>Description of funds   |
|--------------------|--|----------------------------|----------------------------|-------------------------|---|--|
| - The Copley Fund  | 424,911                                  | 136,683                    | -                          | 105,000                 | 666,594                                   | 4 This fund was initiated by a large donation received in 2007. The funds will be used to fund land purchases or other major land projects. Up to 5% of the fund's capital may be used for land management work. |
| <b>GROUP TOTAL</b> | <u><u>919,404</u></u>                    | <u><u>149,908</u></u>      | <u><u>(125,702)</u></u>    | <u><u>1,233,429</u></u> | <u><u>2,177,039</u></u>                   |  |

**TRANSFERS IN- NOTES**

- 1 **Conservation Projects Fund** **£50,000**  
The Trustees have put aside an additional £50,000 to support conservation projects undertaken by others over the next five years. Trustees normally designate £10,000 towards these projects each year. This additional designation will enable higher value projects to be funded that meet the Company's charitable objectives.
- 2 **Operational Assets Fund** **£506,429**  
The transfer represents the net cost of fixed assets purchased and disposed of during the year. This includes the purchase cost of the property in Pitlochry funded by the Reece Foundation (see note 22).
- 3 **Strategic project funds** **£572,000**  
The Trustees have designated funds towards a number of projects set out in the 5 year Corporate Strategy. These are summarised below together with timescales:
- |   |           |         |
|---|-----------|---------|
| • expanding John Muir Award and Policy work in England (2012-2016)          | 2012-2016 | 250,000 |
| • policy work across the UK   | 2012-2014 | 100,000 |
| • environmental improvements to the Trust's offices in Pitlochry            | 2012-2013 | 100,000 |
| • capital items (including new website & boat)                              | 2012      | 45,000  |
| • John Muir centenary celebrations  | 2014      | 30,000  |
| • investment in support services across the organisation and members groups | 2012-2014 | 47,000  |
- 4 **The Copley Fund** **£105,000**  
The Trustees intend to use the Copley Fund towards new property purchase if a suitable property becomes available. This designation is to give the Company more flexibility when investigating possible acquisitions within its financial means.
- TOTAL transfers in** **£1,233,429**

**THE JOHN MUIR TRUST**  
Year ended 31 December 2011

**Notes to the Financial Statements (continued)**

**22 RESTRICTED FUNDS**

| <b>FUND</b>                               | <b>Opening<br/>balance at<br/>1 Jan 2011<br/>£</b> | <b>Incoming<br/>resources<br/>£</b> | <b>Outgoing<br/>resources<br/>£</b> | <b>Transfers<br/>£</b> | <b>Closing<br/>balance at<br/>31 Dec 2011<br/>£</b> | <b>Description of funds</b>  |
|---|--|-------------------------------------|-------------------------------------|------------------------|---|--|
| <b>Land:</b>                              |  |                                     |                                     |                        |   |  |
| - Property specific funds:                | 243,423  | 41,581                              | (57,196)                            | -                      | 227,808   | These funds arise from donations, legacies or grants given in respect of specific properties, and they are utilised on a needs basis.  |
| - Wild Land Biodiversity Appeal           | 76,977   | 9,448                               | (15,741)                            | -                      | 70,684  | This fund represents donations received in response to the Biodiversity Appeal in 2008; it will enable the Company to continue its biodiversity-related work.  |
| - Path Appeal                             | 37,573   | 141,461                             | (18,785)                            | -                      | 160,249   | This fund represents donations received in response to the Sandwood Bay Path appeal in 2010; the first £20,000 was applied towards path work at Sandwood. The remainder is being used for path work across all Company owned properties.   |
| - Land Fund                               | 25,820   | 5,753                               | -                                   | -                      | 31,573  | 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.   |
| - Community Land purchase                 | 5,134  | 25                                  | -                                   | -                      | 5,159   | This fund arises from a single donation received to allow the Company to provide support to Community-led land purchases, and will be applied for that purpose.  |
| - General                                 | -  | 96,710                              | (96,710)                            | -                      | -   | This fund arises from grants and donations received for the Company's land management work without specifying a particular property, and has been applied for that purpose.  |
| <b>Total land funds</b>                   | <b>388,927</b>                                     | <b>294,978</b>                      | <b>(188,432)</b>                    | <b>-</b>               | <b>495,473</b>                                      |  |
| Land Management expendable endowment fund | -  | 23,014                              | -                                   | -                      | 23,014  | This fund represents donations received in response to the Glenlude appeal in 2011; the first £25,000 will be applied for work at Glenlude. The remainder kick starts a new expendable endowment fund to provide long-term security towards the upkeep of Company owned properties in the future. It is envisaged that this fund will be actively promoted to those people wishing to donate larger sums of money towards our land activities. |
|   | <b>388,927</b>                                     | <b>317,992</b>                      | <b>(188,432)</b>                    | <b>-</b>               | <b>518,487</b>                                      |  |



**THE JOHN MUIR TRUST**  
Year ended 31 December 2011

**Notes to the Financial Statements (continued)**

22 RESTRICTED FUNDS (continued)

| FUND   | Opening<br>balance at<br>1 Jan 2011 | Incoming<br>resources | Outgoing<br>resources | Transfers        | Closing<br>balance at<br>31 Dec 2011 | Note | Description of funds   |
|--|-------------------------------------|-----------------------|-----------------------|------------------|--------------------------------------|------|--|
| <b>Awareness &amp; Policy:</b>                   |                                     |                       |                       |                  |                                      |      |  |
| - John Muir Award area specific funds            | 36,576                              | 53,283                | (45,352)              | -                | 44,507                               |      | These funds arise from grants 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.   |
| - Go - and Do It! (Bill Wallace Grant)           | 20,537                              | 101                   | (950)                 | 10,000           | 29,688                               | 1    | This fund relates to donations received to fund a grant scheme set up by the Company in memory of the late Bill Wallace. It is envisaged that grants will continue to be awarded on an annual basis.                                     |
| - Wild Land Campaign Appeal                      | 15,402                              | 7,913                 | (16,416)              | -                | 6,899                                |      | This fund represents donations received in response to the Wild Land Campaign appeal in 2010 and associated Gift Aid; the funds will support our continued campaign activities in 2011 for the protection of wild land in the UK.        |
| - John Muir Award FEVA                           | 2,710                               | 4,013                 | (6,723)               | -                | -                                    |      | This fund arises from funds for providing secretariat services to FEVA, and has been applied for that purpose.   |
| - John Muir Award YHA hosted project             | 2,159                               | 10                    | (2,169)               | -                | -                                    |      | This fund arises from grants from the Youth Hostel Association to allow the delivery of the John Muir Award from their hostels, and has been applied for that purpose.   |
| - John Muir Award general                        | -                                   | 11,028                | (11,028)              | -                | -                                    |      | This fund arises from donations and grants given to fund the John Muir Award generally, and has been applied for that purpose.   |
| - John Muir Award social inclusion               | -                                   | 24,618                | (24,618)              | -                | -                                    |      | This fund arises from grants from a number of organisations, including Scottish Executive, for delivering the Award to socially excluded groups and individuals in Scotland, and has been applied for that purpose.                      |
| <b>Awareness &amp; policy funds:<br/>(total)</b> | <b>77,384</b>                       | <b>100,966</b>        | <b>(107,256)</b>      | <b>10,000</b>    | <b>81,094</b>                        |      |  |
| Project-specific fund:<br>- Reece Foundation     | 487,779                             | 502,469               | -                     | (492,785)        | 497,463                              | 2    | This fund represents donations received from the Reece Foundation to purchase premises to enable the Company to engage with the wider public. Work to develop an exhibition, retail and meeting space will use the balance of this fund. |
| <b>Project funds (total):</b>                    | <b>487,779</b>                      | <b>502,469</b>        | <b>-</b>              | <b>(492,785)</b> | <b>497,463</b>                       |      |  |

**THE JOHN MUIR TRUST**  
Year ended 31 December 2011

**Notes to the Financial Statements (continued)**

**22 RESTRICTED FUNDS (continued)**

| <b>SUMMARY</b>                 | <b>Opening<br/>balance at<br/>1 Jan 2011<br/>£</b> | <b>Incoming<br/>resources<br/>£</b> | <b>Outgoing<br/>resources<br/>£</b> | <b>Transfers<br/>£</b> | <b>Closing balance<br/>at<br/>31 Dec 2011<br/>£</b> |
|--------------------------------|--|-------------------------------------|-------------------------------------|------------------------|---|
| <b>RESTRICTED FUNDS:</b>       |  |                                     |                                     |                        |   |
| Property funds                 | 388,927  | 294,978                             | (188,432)                           | -                      | 495,473   |
| Awareness funds                | 77,384   | 100,966                             | (107,256)                           | 10,000                 | 81,094  |
| Project funds                  | 487,779  | 502,469                             | -                                   | (492,785)              | 497,463   |
| <b>Total restricted funds:</b> | <u>954,090</u>                                     | <u>898,413</u>                      | <u>(295,688)</u>                    | <u>(482,785)</u>       | <u>1,074,030</u>                                    |
| <b>ENDOWMENT FUND:</b>         |  |                                     |                                     |                        |   |
| Land management endowment fund | -  | 23,014                              | -                                   | -                      | 23,014  |
| <b>GROUP AND COMPANY TOTAL</b> | <u>954,090</u>                                     | <u>921,427</u>                      | <u>(295,688)</u>                    | <u>(482,785)</u>       | <u>1,097,044</u>                                    |

**TRANSFERS – NOTES**

- 1 **Go and Do It! (Bill Wallace Grant) £10,000**  
The Trustees have put aside an additional £10,000 to support applications to the “Go and Do It!” fund set up in memory of Bill Wallace. This fund encourages people who seek out life-changing experiences in wild places of the world in ways which will benefit both the person and the wild places themselves. Grants are awarded annually. This additional designation will enable the Company to support suitable candidates for a longer time period.
  - 2 **Reece Foundation £(492,785)**  
The Company purchased ground floor retail premises below the Trust’s Pitlochry head office in September 2011. The purchase price of the property, together with associated professional costs (including legal, architect and surveyor fees) has been capitalised and transferred into the designated “Operational Assets” fund (see note 21).
- TOTAL net transfers out £(482,785)**