

The John Muir Trust
Scottish Charity Number: SC002061
Company Number: SC081620

Trustees' Report and Consolidated Financial Statements

Year ended 31 December 2018



THE JOHN MUIR TRUST
Year ended 31 December 2018

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Trustees' Report

Year ended 31 December 2018

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 2018.

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 2019-2021, 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 25,400 hectares of some of the finest wild land in the UK. We own land to protect it, repair damage and to keep it wild for future generations. Helping us do this are the passionate volunteers who contribute thousands of hours to our conservation parties each year. We work to restore native woodlands and other important habitats and encourage the return of native species and natural processes. We maintain over 120km of footpaths, from woodland walks to coastal trails and world famous mountain routes. We regularly monitor the growth of tree seedlings, the condition of habitats such as dwarf shrub heath and blanket bog and track the state of wildlife across our properties.
- **Protecting wild land:** The Trust raises awareness of the unique and irreplaceable benefits of wild land - clean air, water, flood prevention, protection of rare peatlands, and retention of carbon in the ground and health and well-being. We work hard to persuade governments and policy makers of the benefits of wild land, the value in protecting and restoring it, and that there is strong public support for better protection for wild land. Current policy areas include work to ensure the principles of the Wild Land Areas map are upheld, energy, land reform in Scotland, campaigning for planning democracy and working to increase understanding of rewilding and the need for stronger deer control.
- **The John Muir Award:** An environmental award scheme (non-competitive, inclusive and accessible) for people of all backgrounds – groups, families and individuals. It supports people to connect with, enjoy and care for nature, landscape and the natural environment. The John Muir Award promotes educational, social and personal development through engagement with wild places and involvement in conservation; encourages an active environmental approach within organisations and ensures that social circumstances do not exclude people from opportunities to experience wild places.

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

Further details of the Company's activities during 2018, together with details of the Company's achievements and performance during 2018 and its future plans, are detailed in the Trustees' Annual Report which is published separately.

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Achievements and performance

In line with the new corporate strategy priorities, the Trust identifies its work and key achievements under the following headings:-

Repairing and rewilding: Two major path repair projects were completed in 2018: the two-year Suilven path repair project - with the Assynt Foundation and Coigach Assynt Living Landscape Partnership, and the three year path repair project on Skye. Thanks to the generosity of supporters of the Suilven path appeal and funders, over 2,500m of repairs were made on this popular path. The final phase of the Skye path works saw contractors, students and volunteers repair 1,450m of path at Druim Hain, 675m of path at Allt Daraich and 80m of the Elgol coastal path and consolidate earlier work on the steep section of the Bla Bheinn path.

Following on from the success of the Heart of Scotland appeal, over 100 volunteers helped plant 6,000 native trees at East Schiehallion. At Glenridding Common, footpath contractors carried out vital maintenance, species and habitat work and we now have an office in the 'basecamp' in the village. At Glenlude, volunteers helped plant over 1,000 native trees and shrubs, plantation timber was harvested for sale and a chainsaw workshop for volunteers and horse logging trial took place. Finally, at Sandwood and Quinag, to help with increased visitor pressures, the Blairmore toilets and car park have been refurbished, and the Quinag car park has been resurfaced.

Protecting and conserving: The Trust was recognised for the sixth year running in TGO Magazine's The Great Outdoors Awards. We were awarded silver in the "Campaigner Of The Year" category, for taking on the management of Glenridding Common, our UK wide John Muir Award programme and our work to champion wild places. The Trust continued to campaign for better Wild Land protection including a Keep It Wild campaign at the Scottish Parliament, and wide debate during parliamentary discussions around the Planning (Scotland) Bill ensured Wild Land remained firmly in the public arena. The Trust were delighted that Caplich and Culachy wind farms were refused, both bordering Wild Land. Unfortunately Strathy South was approved and inappropriate large scale development proposals which threaten Wild Land continue to be made. In the Lake District, the Trust submitted an objection to plans for the Thirlmere zipwire beneath Helvellyn which was withdrawn once Lake District National Park Authority officers recommended refusal. The Trust continues to seek better management of land - advocating policies for better management of deer, grouse moors (including hares), woodlands and forests and landscape-scale conservation projects.

Inspiring and connecting: 2018 saw the Trust and supporters celebrate the 21st anniversary of the John Muir Award. Since its' launch in 1997, over 370,000 Awards have been achieved by people from all backgrounds who wish to value and care for wild places in a variety of settings. This year the Trust have worked with 1,708 organisations (Award Providers) leading to 39,054 Awards being achieved - a 6% UK-wide increase on 2017. The Award continues to attract participants from 'inclusion' backgrounds including prison inmates and ex-offenders, at-risk families and those with drug or alcohol addictions. Gender and age ratios remain consistent with a fairly even 52% male to 48% female gender split. While Award engagement is largely youth focused (52% is with under 11 year olds; 36% is with 12-16 year olds) there is significant involvement (12%) from adults aged 17 and above. Strategic partnerships continue to be important. All 15 National Parks use the John Muir Award to varying degrees, with Cairngorms, Lake District and Loch Lomond & The Trossachs all hosting Award staff and extending their partnership arrangements. The Trust are also delighted to have moved into the delivery stage of a three year London Wildlife Trust-led consortium to create a project involving hard-to-reach audiences in London's wild places, and East Ayrshire Council has extended its fully-funded Award post. Natural Resources Wales funding helped the Trust employ a Wales Inclusion & Welsh Language Manager and a core grant funding relationship with Scottish Natural Heritage has been continued, with a funding for England activity from Heritage Lottery Fund continuing into the first quarter of 2019.

Wild Space and the Alan Reece Gallery: Wild Space had a solid year of operational activity, through the Alan Reece Gallery and retail space, and through developed partnerships in the local business community designed to generate footfall, local goodwill and to maximise visitor engagement with the work of the Trust. The gallery hosted a variety of solo exhibitions and was also proud to display the winners of the Scottish Landscape Photographer of the Year competition. The Trust is reviewing the purpose of Wild Space through a working group of staff and Trustees which will see the creation of a Wild Space vision and long term operational and engagement plan.

Volunteering: In 2018 149 volunteers took part in 26 work parties donating 584 days during which they helped maintain and repair paths, remove rubbish from mountain tops, woodlands and beaches, plant trees including 400 on Harris, 500 on Corrour, 1,000 at Glenlude, 5,000 at Li & Coire Dhorrcail and hundreds towards the Heart

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of Scotland Forest at East Schiehallion, monitor mountain ringlet butterflies and water voles at Nevis and clear invasive species such as rhododendrons at the Knoydart Foundation, Sitka spruce at Corrou and cotoneaster at Glenlude. We remain well supported by our Wild Space volunteer also who dedicates one day a week throughout the year to engage with visitors at our base in Pitlochry. Our heartfelt thanks to all our volunteers.

Growth in support: Four local members' groups continue to thrive in North West England, South West England, North East Scotland and central Scotland. The Trust attended 24 events across the country with the Kendal Mountain Festival attracting particularly high levels of awareness and engagement. Membership of the Trust grew by 3.2%. A successful campaign brought in 54 new life members.

Financial review

The Trust began 2018 with a budgeted deficit of £432,000 but is pleased to report that we have ended 2018 significantly better than that, with a deficit of £287,000. The most significant reason for this upside is a reduction in staff costs of £137,000 compared with budget, arising from recruitment delays in replacing natural staff turnover or in filling budgeted new posts. Such delays, whilst creating a positive financial upside, do place pressure on existing teams and in recognition of that, a flurry of recruitment activity has begun in 2019. Income has matched budget almost perfectly, albeit from differing sources than anticipated, but it reinforces the principle that the Trust continues to be well supported by a wide spectrum of donors.

We have ended 2018 with free reserves of just over £1.6 million, which equates to 6.6 months of the budgeted expenditure for 2019. This is higher than the Trust's policy of holding free reserves amounting to between four to six months of budgeted expenditure and is due to the utilisation of restricted reserves rather than holding on to excess free reserves unnecessarily. The Trustees are content the latter is not the case, and it allows the Trust some breathing space should income levels decline in an economic climate which is and is likely to remain unpredictable.

Giving slightly more detail, total income in 2018 was £2.3 million compared to £3.9m in 2017. The major component of this movement was the very generous donation the Trust received in 2017 of just over £1m. In light of that fact, 2018's result should be very much viewed as a return to a more constant and recurring level, rather than a downturn. Legacies were also nearly double the level in 2017 compared to 2018 (£802k compared to £372k respectively) which accounts for a further £400k of this difference. Following the transition to the FRS 102 SORP, the Trust was required to account for multi-year grants, where no conditions exist to prevent recognition, in its entirety although the work would not be carried out until a later period. The recognition of this income was £178k and explains not only £200k of the total income movement but also why Charitable Trust income appears to have reduced so pronouncedly between the years. Those points being as they are, the Trust remains exceptionally well supported by its members and other funders and for that we remain very grateful, particularly in these more unpredictable financial climates.

Significant constituents of 2018 income were:

- A grant of £96,000 (2017: £96,000) from SNH to support our work with the John Muir Award in Scotland;
- Legacy income of £372,000 (2017: £802,000) from 29 (2017: 33) individuals;
- Membership subscriptions of £342,000 (2017: £326,000), an increase of 5%;
- £85,000 recognised in the year for an employment and training scheme in partnership with the ALA Green Charitable Trust ;
- £96,000 towards completion of Suilven and Quinag footpath works;
- Appeal income of £43,000 for Helvellyn, £25,000 for Glenlude, and £34,000 towards the Schiehallion; Path appeal and £12,000 towards the Keep It Wild campaign;
- Harvesting income of £45,000 (2017: £72,000);
- Coastal Community Fund grant of £40,000 for capital works.

Total expenditure in 2018 was £2.5 million which increased from £2.35 million in 2017 as the Trust incurred additional expenditure on, predominantly, land activities, most significantly footpaths (2018: £223,000) compared to £154,000 in 2017 and woodland restoration (2018: £124k) compared to £10k in 2017. £2.1m of that expenditure (including allocated overheads) (2017: £1.9m) is spent directly on our charitable activities, with £94,000 (2017: £90,000) (including allocated overheads) spent on our membership team and £190,000 (2017: £210,000) (including allocated overheads) on our fundraising team.

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The JMT Trading Company made a profit of £13,000 (2017: £44,000) which comprised trading income of £122,000 (2017: £166,000) offset by merchandising costs and the recharge of certain salary costs from the Trust. Timber harvesting income has declined by £25,000 in the year.

The budget for 2019 is expenditure of £3 million including extensive work on capital infrastructure (to support tourism impact), interpretation across the properties and e-commerce development alongside other improvements to our properties. Staff costs are budgeted to increase as we fill some of the gaps which were not filled in 2018.

The Trust is developing new and innovative ways to attract and retain more diverse income streams which also help to raise awareness of the Trust. Whilst the Trust is immensely grateful for every legacy it receives, dependence on this source of income leads to unpredictability and reluctance to invest in unfunded increases to the support functions for fear that legacies do not materialise. Hence the approaches to diversify further the income streams from which the Trust can benefit. To manage the unavoidable unpredictability both legacy income and the new initiatives, we have again been prudent and have budgeted for total income of £2.5 million in 2019. On this basis the 2019 budget shows an anticipated deficit of just under £500k, which would be covered by funds already raised in reserves.

Reserves

The Company works to a three year business plan, with budgets prepared on a 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.

Total reserves of the Company are £8.3m (2017: £8.6m). These are split as follows: Restricted £2.7m (2017: £2.8m), Designated (excluding heritage properties) £1.4m (2017: £1.2m) and General £1.6m (2017: £2m).

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	2018	2017
Total budgeted expenditure for the coming year	£2,958,000	£2,702,000
FREE RESERVES POLICY		
Lower limit (4 months)	£986,000	£901,000
Upper limit (6 months)	£1,479,000	£1,351,000
ACTUAL FREE RESERVES HELD at 31 December	£1,632,000	£2,017,000
Number of months' budgeted expenditure for the coming year:	6.6 months	9 months

The trustees consider that the present reserves policy is prudent, taking account of the Company's objects and 2019 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.

Further details of the Company's funds are given in notes 23 and 24 to the accounts.

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Investment policy and performance

The overall objective is to hold investments to generate income and provide long-term capital growth. During the year income generated has been reinvested. The Investment Managers, Brown Shipley, are instructed to maximise the return on the Company's investments, consistent with an acceptable level of risk whilst maintaining the real value of the portfolio over time. The investment powers of the Company are general ones conferred by the Company's Memorandum of Association, having regard to such social and ethical issues as the trustees consider to be appropriate. In particular, the Trustees wish to avoid investment in pooled funds as they do not provide transparency as to underlying investments.

The portfolio ended the year with a market value of £2.7m (2017: £2.8 million) which includes a net loss on investments over the year of £102,000 (2017: net gain £154,000). This is in line with general stock market movements during the year. The Trustees recognise that the stock market continues to be exceedingly volatile and that gains in one year may be cancelled out by losses the next year. As noted above, the overall objective is to generate income and provide long term capital growth, and discussions with the investment managers are focussed on this objective. The Trustees have requested monthly reporting to allow greater oversight of the Trust's portfolio performance. This is deemed prudent in the current financial climate and Trustees will review the appropriateness of the investment policy as necessary. During the year investment income of £81,000 (2017: £55,000) 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 each March.

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

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

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- Ongoing uncertainty around Scottish Independence and Brexit could undermine the Trust's UK business model and ability to receive donations/legacies. The Trust operates across the UK, including significant work with the John Muir Award in England in Wales. The Trust's management lease of the area at Glenridding will help to promote the message that it is a UK-wide organisation. In relation to Brexit, the Trustees remain vigilant to developments in the process and the potential impact on the Trust's funding and activities.

Future plans

The Trust is now working to a revised corporate strategy covering the period 2019-2021. The strategy involves continuing to urge better protection of wild land, responding to specific development threats, campaigning for appropriate legislative change, continuing to work to restore ecosystems and natural systems to degraded wild land, bringing increasing numbers of people together with wild places through the John Muir Award and highlighting the value of wild places and key environmental issues through our visitor centre, online engagement and our work with volunteers, partners and communities.

Our strategic objectives are:

- to inspire people to seek protection for the wildest places across the United Kingdom;
- to engage people through the John Muir Award, campaigns and membership and to enhance wild places for people and nature;
- to campaign for public policy support for protection of wild places;
- to repair and rewild land in our care and through partnerships;
- to be a modern well governed, open and sustainable organisation.

Priorities for 2019 include:

- Extending Award delivery to over 35,000 participants;
- Maintain 25% social inclusion rate across all parts of the UK;
- Review of the John Muir Award delivery;
- Developing a clear shared agenda with a range of community partnerships and trusts;
- Implementing a range of visitor management projects at our properties;
- Maintain path repair programmes and build a new all-abilities path at Schiehallion;
- Increasing understanding of wild land issues with politicians and public bodies;
- Renew or replace management plans for all Trust properties;
- Complete update of Trust policy statements;
- Respond to inappropriate developments proposed in wild land;
- Seek opportunities for rewilding and landscape scale restoration of natural processes;
- Invest in IT infrastructure and software to enable more effective working practices and efficiencies;
- Increase income and support and grow membership income by 3% in real terms;
- Investment in staff development to grow and retain skills base;
- Undertake refresh of governance, internal policies and working practices.

Organisational structure, governance and management

The John Muir Trust is a private charitable company registered in Scotland. It is limited by guarantee and incorporated under the Companies Act. Its governing document is the Memorandum and Articles of Association, the current version of which was adopted at the Annual General Meeting in 1997. The Articles were modified following resolutions in August 2002, May 2012, May 2013 and May 2018. 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 the 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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Trustees' Report
Year ended 31 December 2018

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 and also the merchandising activities of the Company.

The results of the trading subsidiary have been consolidated with the Company results in line with the Companies Act 2006 and the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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:

Johnston Carmichael LLP
66 Tay Street
Perth
PH2 8RA

SOLICITORS:

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

BANKERS:

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

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

INVESTMENT MANAGERS:

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

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Trustees' Report

Year ended 31 December 2018

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

Peter Pearson (Chair)
David Broom
Peter Foulkes
John Fox-Davies
Jim Gibson (appointed 12 May 2018)
Patricia Jordan
Duncan Macniven
Jo Moulin
Hugh Salvesen (resigned 12 May 2018)
Steve Green (resigned 12 May 2018)
Deirdre Wilson (resigned 12 May 2018)
Chris Townsend
Douglas Wynn
Alan Dobie
Derek Johnston
Andrew Whitfield
Richard Williams (appointed 12 May 2018)
David Gibson (appointed 12 May 2018)

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

Andrew Bachell	Chief Executive
Kerry Ross	Director of Finance & Resources
Rob Bushby	John Muir Award Manager (Left 25 th November 2018)
Mike Daniels	Head of Land
Kevin Lelland	Head of Development & Communications
Helen McDade	Head of Policy

The Company Secretary is Kerry Ross.

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 (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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The trustees are responsible for keeping adequate and proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and the Group 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. 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 Charitable Company's auditor is unaware, and
- the trustees have taken all the steps they ought to have taken to make themselves aware of any relevant audit information, and to establish that the auditor is aware of that information.

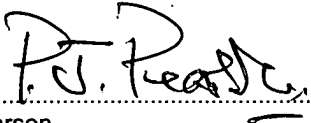
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Johnston Carmichael LLP, Chartered Accountants, is the auditor of the Company and is deemed to be appointed 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

18 March 2019

THE JOHN MUIR TRUST

Independent Auditor's Report to the Members and Trustees for the year ended 31 December 2018

Opinion

We have audited the financial statements of The John Muir Trust (the parent charitable company) and its subsidiary (the group) for the year ended 31 December 2018 which comprise the Consolidated and Parent Charitable Company Statement of Financial Activities (incorporating the Income and Expenditure Account), the Consolidated and Parent Charitable Company Balance Sheet, the Consolidated and Parent Charitable Company Statement of Cash Flows, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2018 and of the group's and the parent charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

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

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

Other matter

The financial statements of the group and parent charitable company for the year ended 31 December 2017 were audited by another auditor who expressed an unmodified opinion on those statements on 26 March 2018.

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Independent Auditor's Report to the Members and Trustees for the year ended 31 December 2018

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, (incorporating the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on pages 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

THE JOHN MUIR TRUST

Independent Auditor's Report to the Members and Trustees for the year ended 31 December 2018

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the parent charitable company's members, as a body, and the charitable company's trustees, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charitable company, the parent charitable company's members, as a body, and the parent charitable company's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Jean Main, Senior Statutory Auditor

For and on behalf of

Johnston Carmichael LLP, Statutory Auditor

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

Chartered Accountants

66 Tay Street

Perth

PH2 8RA

Date: 18 March 2019

THE JOHN MUIR TRUST
Year ended 31 December 2018

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

	Notes	Unrestricted Funds		Restricted Funds	TOTAL	TOTAL
		General	Designated	Funds	2018	2017
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	4	1,044,479	5,350	560,999	1,610,828	3,102,503
Charitable activities	5	22,602	27,499	415,048	465,149	492,804
Other trading activities	6	149,321	560	-	149,881	186,528
Investments		81,348	-	-	81,348	54,961
Other		14,516	-	-	14,516	15,281
Total income		1,312,266	33,409	976,047	2,321,722	3,852,077
Expenditure on:						
Raising funds	7	397,446	4,504	5,660	407,610	436,076
Charitable activities:	5					
Land		347,882	51,847	671,170	1,070,899	780,461
Awareness		380,491	76,713	397,590	854,794	852,539
Policy		169,199	3,409	399	173,007	283,231
Total expenditure		1,295,018	136,473	1,074,819	2,506,310	2,351,307
Net gains/(losses) on investments	16	(102,205)	-	-	(102,205)	154,438
Net income/(expenditure)		(84,957)	(103,064)	(98,772)	(286,793)	1,654,208
Transfers between funds	23, 24	(300,074)	294,903	5,171	-	-
Net movement in funds		(385,031)	191,839	(93,601)	(286,793)	1,654,208
Reconciliation of funds:						
Total funds brought forward 1 January 2017						
Heritage properties		-	2,573,442	-	2,573,442	2,573,442
Other funds		2,016,548	1,220,941	2,820,995	6,058,484	4,404,278
Total funds carried forward		1,631,517	3,986,222	2,727,394	8,345,133	8,631,928

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 17 to 34 form part of these financial statements.

THE JOHN MUIR TRUST
Year ended 31 December 2018

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

	Notes	Unrestricted Funds		Restricted Funds	TOTAL 2018	TOTAL 2017
		General	Designated			
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	4	1,044,479	5,350	560,999	1,610,828	3,102,503
Charitable activities	5	22,602	27,499	415,048	465,149	492,804
Other trading activities	6	27,099	560	-	27,659	20,259
Investments		81,300	-	-	81,300	54,947
Other		14,516	-	-	14,516	15,281
Total income		1,189,996	33,409	976,047	2,199,452	3,685,794
Expenditure on:						
Raising funds	7	288,520	4,504	5,660	298,684	313,912
Charitable activities:	5					
Land		347,882	51,847	671,170	1,070,899	780,461
Awareness		380,491	76,713	397,590	854,794	852,539
Policy		169,199	3,409	399	173,007	283,231
Total expenditure		1,186,092	136,473	1,074,819	2,397,384	2,230,143
Net gains/(losses) on investments	16	(102,205)	-	-	(102,205)	154,438
Net income/(expenditure)		(98,301)	(103,064)	(98,772)	(300,137)	1,610,089
Transfers between funds	23, 24	(300,074)	294,903	5,171	-	-
Net movement in funds		(398,375)	191,839	(93,601)	(300,137)	1,610,089
Reconciliation of funds:						
Total funds brought forward 1 January 2017						
Heritage properties		-	2,573,442	-	2,573,442	2,573,442
Other funds		1,965,051	1,220,941	2,820,995	6,006,987	4,396,900
Total funds carried forward		1,566,676	3,986,222	2,727,394	8,280,292	8,580,431

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.

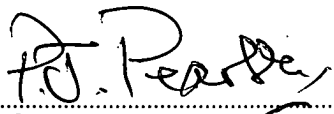
The notes on pages 17 to 34 form part of these financial statements.

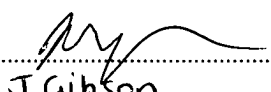
THE JOHN MUIR TRUST
as at 31 December 2018

Consolidated and Parent Company
Balance Sheets

	Notes	GROUP		COMPANY	
		2018 £	2017 £	2018 £	2017 £
FIXED ASSETS					
Tangible assets	14	476,066	487,425	472,585	480,465
Heritage properties	15	2,573,442	2,573,442	2,573,442	2,573,442
Investments	16	2,718,331	2,762,572	2,741,761	2,786,001
		<u>5,767,839</u>	<u>5,823,439</u>	<u>5,787,788</u>	<u>5,839,908</u>
CURRENT ASSETS					
Stock		13,126	16,745	-	-
Debtors	17	530,661	742,864	587,633	757,179
Cash at bank and in hand		2,179,174	2,185,255	2,036,141	2,097,163
		<u>2,722,961</u>	<u>2,944,864</u>	<u>2,623,774</u>	<u>2,854,342</u>
LIABILITIES					
Creditors: Amounts falling due within one year	19	(145,667)	(136,375)	(131,270)	(113,819)
		<u>2,577,294</u>	<u>2,808,489</u>	<u>2,492,504</u>	<u>2,740,523</u>
NET CURRENT ASSETS					
		<u>2,577,294</u>	<u>2,808,489</u>	<u>2,492,504</u>	<u>2,740,523</u>
TOTAL NET ASSETS		<u>8,345,133</u>	<u>8,631,928</u>	<u>8,280,292</u>	<u>8,580,431</u>
The funds of the charity:	20, 23 & 24				
Unrestricted Funds		5,617,739	5,810,931	5,552,898	5,759,434
Restricted Funds		2,727,394	2,820,997	2,727,394	2,820,997
		<u>8,345,133</u>	<u>8,631,928</u>	<u>8,280,292</u>	<u>8,580,431</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 18 March 2019 and signed on their behalf by:


....., Trustee
P Pearson
Registered company number SC081620


....., Trustee
J Gibson

The notes on pages 17 to 34 form part of these financial statements.

THE JOHN MUIR TRUST
as at 31 December 2018

Consolidated and Parent Company
Statement of Cash Flows

	Note	GROUP		COMPANY	
		2018 £	2017 £	2018 £	2017 £
CASH FLOWS FROM OPERATING ACTIVITIES:					
NET CASH PROVIDED BY:	25	<u>6,066</u>	<u>291,659</u>	<u>(48,827)</u>	<u>278,912</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income		81,348	54,960	81,300	54,947
Purchase of tangible fixed assets		(36,131)	(16,257)	(36,131)	(16,257)
Proceeds from sale of investments		365,500	625,280	365,500	625,280
Proceeds from sale of fixed assets		600	450	600	450
Transfer of fixed assets		-	-	-	10,440
Movement in investment cash account		29,905	(29,780)	29,905	(29,780)
Purchase of investments		(453,369)	(635,725)	(453,369)	(635,725)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		<u>(12,147)</u>	<u>(1,072)</u>	<u>(12,195)</u>	<u>9,355</u>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD		<u>(6,081)</u>	<u>290,587</u>	<u>(61,022)</u>	<u>288,267</u>
CASH AT THE BEGINNING OF THE REPORTING PERIOD		<u>2,185,255</u>	<u>1,894,668</u>	<u>2,097,163</u>	<u>1,808,896</u>
CASH AT THE END OF THE REPORTING PERIOD		<u><u>2,179,174</u></u>	<u><u>2,185,255</u></u>	<u><u>2,036,141</u></u>	<u><u>2,097,163</u></u>

The notes on pages 17 to 34 form part of these financial statements.

THE JOHN MUIR TRUST
Year ended 31 December 2018

Notes to the Financial Statements (continued)

1 ACCOUNTING POLICIES

a) Basis of preparation

The John Muir Trust is a charitable company limited by guarantee incorporated in Scotland. The registered office is Tower House, Station Road, Pitlochry, PH16 5AN.

The financial statements have been prepared in accordance with the Financial Reporting Standard 102, as issued by the Financial Reporting Council, 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)", the Charities Accounts (Scotland) Regulations 2006, the Charities and Trustee Investment (Scotland) Act 2005 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 charity has availed itself of S306 of the Companies Act, as permitted in paragraph 4(1) of Schedule 1 of SI 2008 No 409, and adapted the Companies Act formats to reflect the special nature of the charity's activities.

The John Muir Trust meets the definition of a public benefit entity under FRS102

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charity's transactions are denominated. Monetary amounts in these financial statements are rounded to the nearest £.

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

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

b) Going concern

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

c) Recognition and allocation of income

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

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

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

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

THE JOHN MUIR TRUST
Year ended 31 December 2018

Notes to the Financial Statements (continued)

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.

Other trading income results predominantly from the merchandising of books, prints, Christmas cards, diaries, calendars and sundry items related to the outdoors, estate management consultancy services and timber sales.

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 raising 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.

Support costs include those costs required to ensure the effective and compliant operation of the organisation including support function salary costs, office overheads, health and safety and insurance.

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.

THE JOHN MUIR TRUST
Year ended 31 December 2018

Notes to the Financial Statements (continued)

1 ACCOUNTING POLICIES

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 gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying value of the asset, and is recognised in the net (expenditure)/income in the year.

Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered and impairment loss.

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. Further detail on heritage assets can be found in note 15 commencing on page 27.

h) Investments

Quoted investments are stated at fair value (being market value) at the reporting date. Gains and losses arising on revaluation are recognised in the Statement of Financial Activities in the period in which they arise. The wholly owned trading subsidiary of the Company is included in the financial statements at cost less impairment.

i) Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

j) Employee benefits and Pensions

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received

Pension 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.

k) Taxation

No taxation is provided for given the Parent Company's charitable status.

THE JOHN MUIR TRUST
Year ended 31 December 2018

Notes to the Financial Statements (continued)

- l) **VAT**
The Trust is not registered for VAT and therefore expenditure is stated inclusive of VAT. The trading subsidiary is VAT registered.
- m) **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 receipts/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 and 12 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.
- n) **Cash and cash equivalents**
Cash and cash equivalents consist of cash on hand and balances with banks and are measured at fair value.
- o) **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.
- p) **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.

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 based on expert information obtained at the time of the notification which is updated throughout the process for completion of estate matters.

THE JOHN MUIR TRUST
Year ended 31 December 2018

Notes to the Financial Statements (continued)

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	2017
	£	£	£	£
Income and endowments from:				
Donations and legacies	1,438,317	8,209	1,655,977	3,102,503
Charitable activities	133,203	25,330	334,271	492,804
Other trading activities	185,588	940	-	186,528
Investments	51,915	-	3,046	54,961
Other	15,281	-	-	15,281
Total income	1,824,304	34,479	1,993,294	3,852,077
Expenditure on:				
Raising funds	428,446	3,392	4,238	436,076
Charitable activities:				
Land	400,314	29,056	351,091	780,461
Awareness	399,428	120,051	333,060	852,539
Policy	185,295	3,012	94,924	283,231
Total expenditure	1,413,483	155,511	783,313	2,352,307
Net gains on investments	154,438	-	-	154,438
Net (expenditure)/income	565,259	(121,032)	1,209,981	1,654,208
Transfers between funds	(29,461)	4,858	24,603	-
Net movement in funds	535,798	(116,174)	1,234,584	1,654,208

THE JOHN MUIR TRUST
Year ended 31 December 2018

Notes to the Financial Statements (continued)

COMPANY

	Unrestricted Funds		Restricted Funds	TOTAL 2016
	General	Designated		
	£	£	£	£
Income and endowments from:				
Donations and legacies	1,438,317	8,209	1,655,977	3,102,503
Charitable activities	133,203	25,330	334,271	492,804
Other trading activities	19,319	940	-	20,259
Investments	51,901	-	3,046	54,947
Other	15,281	-	-	15,281
Total income	1,658,021	34,479	1,993,294	3,685,794
Expenditure on:				
Raising funds	306,282	3,392	4,238	313,912
Charitable activities:				
Land	400,314	29,056	351,091	780,461
Awareness	399,428	120,051	333,060	852,539
Policy	185,295	3,012	94,924	283,231
Total expenditure	1,291,319	155,511	783,313	2,230,143
Net gains on investments	154,438	-	-	154,438
Net (expenditure)/income	521,140	(121,032)	1,209,981	1,610,089
Transfers between funds	(29,461)	4,858	24,603	-
Net movement in funds	491,679	(116,174)	1,234,584	1,610,089

4 DONATIONS AND LEGACIES

GROUP AND COMPANY

	Unrestricted Funds		Restricted Funds	TOTAL 2018	TOTAL 2017
	General	Designated			
	£	£	£	£	£
Membership subscriptions	342,299	-	-	342,299	326,453
Donations from individuals	248,650	5,350	273,827	527,826	1,480,563
Legacies	371,918	-	-	371,918	802,174
Corporate donations	27,712	-	510	28,222	18,782
Charitable trusts	53,900	-	286,662	340,562	474,531
	1,044,479	5,350	560,999	1,610,828	3,102,503

THE JOHN MUIR TRUST
Year ended 31 December 2018

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 2018	TOTAL 2017
	General	Designated			
	£	£	£	£	£
Land	22,602	12,075	179,502	214,179	162,625
Awareness	-	15,424	235,546	250,970	330,179
	<u>22,602</u>	<u>27,499</u>	<u>415,048</u>	<u>465,149</u>	<u>492,804</u>

GROUP AND COMPANY

EXPENDITURE	Land	Awareness	Policy	TOTAL	TOTAL
				2018	2017
	£	£	£	£	£
Land management activities	988,337	-	-	988,337	695,780
Awareness activities	-	750,989	-	750,989	721,927
Policy activities	-	-	154,660	154,660	264,340
Support costs (note 8)	57,202	68,592	12,695	138,489	165,059
Governance costs (note 9)	25,360	35,213	5,652	66,225	69,125
	<u>1,070,899</u>	<u>854,794</u>	<u>173,007</u>	<u>2,098,700</u>	<u>1,916,231</u>

6 OTHER TRADING ACTIVITIES

GROUP AND COMPANY

	Unrestricted Funds		Restricted Funds	TOTAL 2018	TOTAL 2017
	General	Designated			
	£	£	£	£	£
Members' fundraising	27,099	560	-	27,659	20,259
Trading subsidiary	122,222	-	-	122,222	166,269
	<u>149,321</u>	<u>560</u>	<u>-</u>	<u>149,881</u>	<u>186,528</u>

THE JOHN MUIR TRUST
Year ended 31 December 2018

Notes to the Financial Statements (continued)

7 EXPENDITURE ON RAISING FUNDS

	GROUP				
	Unrestricted Funds		Restricted	TOTAL	TOTAL
	General	Designated	Funds	2018	2017
	£	£	£	£	£
Recruiting & retaining members	88,894	4,467	344	93,705	89,633
Raising other voluntary income	184,551	37	5,316	189,904	210,184
Cost of trading activities	108,926	-	-	108,926	122,164
Investment management fees	15,075	-	-	15,075	14,095
	<u>397,446</u>	<u>4,504</u>	<u>5,660</u>	<u>407,610</u>	<u>436,076</u>

	COMPANY				
	Unrestricted Funds		Restricted	TOTAL	TOTAL
	General	Designated	Funds	2018	2017
	£	£	£	£	£
Recruiting & retaining members	88,894	4,467	344	93,705	89,633
Raising other voluntary income	184,551	37	5,316	189,904	210,184
Investment management fees	15,075	-	-	15,075	14,095
	<u>288,520</u>	<u>4,504</u>	<u>5,660</u>	<u>298,684</u>	<u>313,912</u>

8 SUPPORT COSTS

The Company incurred a total of £165,986 (2017: £190,345) 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:

2018	GROUP AND COMPANY					
	Membership & fundraising	Land	Awareness	Policy	Governance	Total
	£	£	£	£	£	£
Senior management	4,526	8,251	11,458	1,839	707	26,781
IT & office costs	10,150	17,540	25,017	5,070	2,107	59,884
Depreciation	3,124	15,143	21,056	3,385	1,302	44,010
Insurance	3,371	6,145	8,532	1,369	527	19,944
Sundry staff costs	1,331	10,123	2,529	1,032	352	15,367
TOTAL	<u>22,502</u>	<u>57,202</u>	<u>68,592</u>	<u>12,695</u>	<u>4,995</u>	<u>165,986</u>

Land, Awareness and Policy support costs are included within expenditure on charitable activities (note 5), membership and fundraising are included within expenditure on raising funds (note 7) and governance costs are included within governance costs (note 9). Support costs are allocated based on staff headcount.

THE JOHN MUIR TRUST
Year ended 31 December 2018

Notes to the Financial Statements (continued)

GROUP AND COMPANY

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

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 in proportion to the directly attributable costs of each charitable activity.

	GROUP AND COMPANY				
	Land	Awareness	Policy	Total 2018	Total 2017
	£	£	£	£	£
Auditor's remuneration					
- Audit fees	4,733	6,572	1,055	12,360	12,143
- Tax advisory	437	606	97	1,140	4,441
Legal & professional fees	6,885	9,560	1,534	17,979	22,060
Staff and office costs attributed to governance	4,834	6,714	1,078	12,626	13,121
Annual Report	1,490	2,068	332	3,890	3,840
Trustees costs	6,981	9,693	1,556	18,230	13,520
	<u>25,360</u>	<u>35,213</u>	<u>5,652</u>	<u>66,225</u>	<u>69,125</u>

10 TRANSACTIONS WITH RELATED PARTIES

Transactions with the wholly owned subsidiary (JMT Trading Company Limited) are disclosed in note 16 and with key management personnel in note 12. There were no other related party transactions (2017: none).

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		COMPANY	
	2018	2017	2018	2017
	£	£	£	£
Wages and salaries	1,225,255	1,141,946	1,184,632	1,096,805
Social Security costs	103,646	104,746	100,287	100,006
Employer's contribution to defined contribution pension scheme	69,195	56,820	67,164	54,563
	<u>1,398,096</u>	<u>1,303,512</u>	<u>1,352,083</u>	<u>1,251,374</u>

THE JOHN MUIR TRUST
Year ended 31 December 2018

Notes to the Financial Statements (continued)

The difference between the Group and the Company in relation to staff costs represents the recharge of staff costs to the subsidiary, which is included within the amount receivable as disclosed in note 16.

The average number of employees was 47.6 (2017: 45) (corresponding full time equivalent 42.2 (2017: 37.4)):

CEO, finance and administration	5.3
Policy	2.6
Land management	11.7
John Muir Award	10.2
Fundraising, membership, communications and trading	12.4
	42.2
	42.2

During the year one employee received emoluments between £60,000 and £70,000 (2017: £nil). Pension contributions of £3,315 were made to employees receiving salaries in the above brackets (2017: £nil).

The key management personnel of the Group comprise the Chief Executive and the members of the Management Team: Director of Finance & Resources, John Muir Award Manager, Head of Land, Head of Development & Communication, and Head of Policy. The employee benefits for key management totalled £298,537 (2017: £324,367).

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

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 (2017: £nil).

Eleven trustees received reimbursement of meeting expenses totalling £6,871 (2017: Twelve trustees and £8,966).

14 FIXED ASSETS – Tangible assets

GROUP 2018	Property & interpretation £	Motor vehicles £	Office & field equipment £	Total £
Cost: At 1 January 2018	1,380,472	92,967	129,877	1,603,316
Additions	-	11,424	24,707	36,131
Disposals	-	(752)	(21,095)	(21,847)
	1,380,472	103,639	133,489	1,617,600
Aggregate depreciation:				
At 1 January 2018	917,300	92,967	105,624	1,115,891
Charge for year	28,360	2,856	16,274	47,490
On disposals	-	(752)	(21,095)	(21,847)
	945,660	95,071	100,803	1,141,534
Net book value at 31 December 2018	434,812	8,568	32,686	476,066
Net book value at 31 December 2017	463,172	-	24,253	487,425

THE JOHN MUIR TRUST
Year ended 31 December 2018

Notes to the Financial Statements (continued)

COMPANY 2018	Property & interpretation £	Motor vehicles £	Office & field equipment £	Total £
Cost: At 1 January 2018	1,380,472	92,967	115,956	1,589,395
Additions	-	11,424	24,707	36,131
Disposals	-	(752)	(21,095)	(21,847)
At 31 December 2018	<u>1,380,472</u>	<u>103,639</u>	<u>119,568</u>	<u>1,603,679</u>
Aggregate depreciation:				
At 1 January 2018	917,300	92,967	98,664	1,108,931
Charge for year	28,360	2,856	12,794	44,010
On disposals	-	(752)	(21,095)	(21,847)
At 31 December 2018	<u>945,660</u>	<u>95,071</u>	<u>90,363</u>	<u>1,131,094</u>
Net book value at 31 December 2018	<u>434,812</u>	<u>8,568</u>	<u>29,205</u>	<u>472,585</u>
Net book value at 31 December 2017	<u>463,172</u>	<u>-</u>	<u>17,293</u>	<u>480,465</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	
		2018 £	2017 £
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 2018

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	
	2018	2017	2018	2017
	£	£	£	£
Quoted investments	2,611,106	2,625,442	2,611,106	2,625,442
Cash	107,225	137,130	107,225	137,130
Subsidiary undertaking	-	-	23,429	23,429
	<u>2,718,331</u>	<u>2,762,572</u>	<u>2,741,760</u>	<u>2,786,001</u>

Quoted investments

	GROUP AND COMPANY	
	2018	2017
	£	£
Fair value at 1 January	2,625,442	1,564,054
Additions at cost	453,369	635,725
Additions at nil cost (gifted)	-	896,505
Disposals at opening fair value	(352,114)	(597,594)
Unrealised (losses)/gains on investments	(115,591)	126,752
Fair value at 31 December	<u>2,611,106</u>	<u>2,625,442</u>
Historical cost at 31 December	<u>2,528,552</u>	<u>2,439,300</u>

Net (losses)/gains on investments as disclosed in the SOFA comprise of unrealised losses of £115,591 (2017: unrealised gains £126,752) and realised gains of £13,386 (2017: £27,686)

THE JOHN MUIR TRUST
Year ended 31 December 2018

Notes to the Financial Statements (continued)

Trading subsidiary	GROUP		COMPANY	
	2018 £	2017 £	2018 £	2017 £
Cost less impairment at 1 January and 31 December	-	-	23,429	23,429

The investment represents 100% of the issued share capital of JMT Trading Company Limited (SC153018). This wholly owned trading subsidiary conducts the commercial and merchandising activities of the Company. During the year Company generated £122,222 (2017: £166,282) turnover and incurred £108,926 (2017: £122,163) of expenditure. At the year end the Company had net assets of £88,270 (2017: £74,926). As at 31 December 2018, a balance of £56,972 was owed by the subsidiary to the Company. This was repaid in March 2019.

During the year, JMT Trading Company Limited made a Gift Aid payment of £nil to the Company (2017: £nil). Its overall result for the year after taxation was a profit of £13,345 (2017: £44,119). The retained losses carried forward as at 31 December 2017 were £96,730 (2017: £110,074).

17 DEBTORS AND PREPAYMENTS

	GROUP		COMPANY	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	-	29,425	-	-
Amounts receivable relating to grants claimed	207,589	296,768	207,589	296,768
Accrued income	270,051	358,736	270,051	343,398
Other debtors and prepayments	53,021	57,935	53,021	57,767
Amounts receivable from subsidiary	-	-	56,972	59,246
	<u>530,661</u>	<u>742,864</u>	<u>587,633</u>	<u>757,179</u>

Amounts receivable in greater than one year is £nil (2017: £113,235).

18 FINANCIAL ASSETS AND LIABILITIES

	GROUP		COMPANY	
	2018 £	2017 £	2018 £	2017 £
Financial assets at amortised cost	2,678,292	2,898,745	2,592,214	2,825,136
Financial liabilities at amortised cost	(109,516)	(121,023)	(103,753)	(113,819)
Investments at fair value	2,718,331	2,762,572	2,741,761	2,786,001
	<u>5,287,107</u>	<u>5,540,294</u>	<u>5,230,222</u>	<u>5,497,318</u>

Group financial assets comprise trade debtors and accrued income all of which are due within one year (2017: £113,235) and cash and bank balances. Company financial assets also include an intercompany balance due from the wholly owned subsidiary. All Company amounts are due within one year (2017: £113,235)

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

19 CREDITORS: Amounts falling due within one year

	GROUP		COMPANY	
	2018 £	2017 £	2018 £	2017 £
Trade creditors	18,500	34,098	16,149	30,551
Taxes and social security costs	36,151	15,352	27,517	-
Accruals	91,016	86,925	87,604	83,268
	<u>145,667</u>	<u>136,375</u>	<u>131,270</u>	<u>113,819</u>

THE JOHN MUIR TRUST
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Notes to the Financial Statements (continued)

20 ANALYSIS OF NET ASSETS AMONG FUNDS

The fund balances at 31 December 2018 are represented by:

GROUP	General funds £	Designated funds £	Restricted funds £	Total £
Fixed assets	-	3,049,508	-	3,049,508
Investments	-	398,625	2,319,706	2,718,331
Net current assets	1,631,517	538,089	407,688	2,577,294
	<u>1,631,517</u>	<u>538,089</u>	<u>407,688</u>	<u>2,577,294</u>
As at 31 December 2018	<u><u>1,631,517</u></u>	<u><u>3,986,222</u></u>	<u><u>2,727,394</u></u>	<u><u>8,345,133</u></u>

COMPANY	General Funds £	Designated Funds £	Restricted funds £	Total £
Fixed assets	-	3,046,027	-	3,046,027
Investments	-	422,055	2,319,706	2,741,761
Net current assets	1,566,676	518,140	407,688	2,492,504
	<u>1,566,676</u>	<u>518,140</u>	<u>407,688</u>	<u>2,492,504</u>
As at 31 December 2018	<u><u>1,566,676</u></u>	<u><u>3,986,222</u></u>	<u><u>2,727,394</u></u>	<u><u>8,280,292</u></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 ULTIMATE CONTROLLING PARTY

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

THE JOHN MUIR TRUST
Year ended 31 December 2018

Notes to the Financial Statements (continued)

23 DESIGNATED FUNDS

FUND	Opening balance at 1 Jan 2018 £	Income £	Expenditure £	Transfers £	Closing balance at 31 Dec 2018 £	Description of funds	Notes
Heritage properties	2,573,442	-	-	-	2,573,442		
Operational assets	475,098	-	(43,410)	-	431,688		1 This fund represents the replacement 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.
Land acquisition and management fund	633,264	-	-	-	633,264		Initiated by a large donation in 2007 of £429k from Copley and increased by legacy from which the Trust received funds beginning in 2011. The funds are designated to fund land purchases or other major land projects. Up to 5% per annum of the Copley donation may be used for land management work.
Strategic project funds	72,179	10,822	(51,810)	294,903	326,094		This fund holds money earmarked for a number of projects that are being undertaken between 2011 and 2021.
Other funds	40,400	22,587	(41,253)	-	21,734		Made up of a Conservation Fund to support initiatives in support of conservation advancement and the income and expenditure from biodiversity management.
GROUP AND COMPANY TOTAL	3,794,383	33,409	(136,473)	294,903	3,986,222		

TRANSFERS - NOTES

1 Strategic projects funds

The transfer represents the £300,000 designation by the Board in early 2018 in support of ongoing Award activity in England in Wales. This has been transferred from general funds. This is partially offset by a transfer from this fund to a restricted fund to correctly represent a match funding grant.

THE JOHN MUIR TRUST
Year ended 31 December 2018

Notes to the Financial Statements (continued)

24 RESTRICTED FUNDS

FUND	Opening balance at 1 Jan 2018	Income	Expenditure	Transfers	Closing balance at 31 Dec 2018	Description of funds
	£	£	£	£	£	
Land:						
Property specific funds	392,460	192,638	(312,440)	25,000	297,658	These funds arise from donations, legacies or grants given in respect of specific properties, and they are utilised for the purpose for which they were provided. The transfer relates to funds generated from an appeal which have been allocated here from the land management fund.
Path fund	186,305	237,126	(206,580)	45,441	262,292	This fund represents donations received in various path appeals including Sandwood Bay, Steall Gorge, Skye, Suilven, Schiehallion and the ongoing Wild Ways appeal. The transfer relates to the balance on the Suilven path fund which has been reallocated here from other funds.
Land fund	246,012	52,351	(2,465)	-	295,898	These funds were gifted to the Company to allow purchase of land, investigation of possible property purchases, or other expenditure on properties not owned by the Company.
Land management fund	60,007	-	-	(25,000)	35,007	This fund is the excess from the Glenlude appeal in 2011. The appeal stated that funds greater than £25,000 would be transferred to a fund for land management.
Land Fund (Glenridding)	995,447	-	-	-	995,447	This fund represents an anonymous donation from an individual couple which is restricted to any future purchase of Glenridding Common, failing which it will be applied to land acquisition in the North of Scotland
Glenridding management	268,000	46,448	(47,634)	-	266,814	This fund relates to the management of Glenridding over the period of the lease including staff costs, capital items etc.
Other funds	158,817	152,635	(110,150)	(45,441)	155,861	An aggregate of funds relating to biodiversity, woodlands, employment training schemes and funds received in relation to land work not restricted to a region or activity.
Total land funds	2,307,048	681,198	(679,269)	-	2,308,977	

THE JOHN MUIR TRUST
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Notes to the Financial Statements (continued)

FUND	Opening balance at 1 Jan 2018 £	Income £	Expenditure £	Transfers £	Closing balance at 31 Dec 2018 £	Description of funds
Awareness & Policy:						
John Muir Award funds	356,210	267,349	(379,309)	5,171	249,421	These funds arise from grants (including an amount due from the Heritage Lottery Fund over a period up to March 2019) 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. The transfer is to designated funds to represent a match funding grant
Policy funds	81,674	12,500	(1,241)	-	92,933	Donations given to fund the cost of policy work
Wild Space, Pitlochry	76,063	-	-	-	76,063	This fund represents donations received from the Reece Foundation and other funders to develop a public presence resulting in the development of the John Muir Trust Wild Space in Pitlochry. Remaining funds will be used for enhancement and upkeep.
Scotland Promotion	-	15,000	(15,000)	-	-	
Total awareness & policy funds	513,947	294,849	(395,550)	5,171	418,417	

24 RESTRICTED FUNDS (continued)

	Opening balance at 1 Jan 2018 £	Income £	Expenditure £	Transfers £	Closing balance at 31 Dec 2018 £
SUMMARY					
RESTRICTED FUNDS:					
Land funds	2,307,048	681,198	(679,269)	-	2,308,977
Awareness & policy funds	513,947	294,849	(395,550)	5,171	418,417
GROUP AND COMPANY TOTAL	2,820,995	976,047	(1,074,819)	5,171	2,727,394

THE JOHN MUIR TRUST
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Notes to the Financial Statements (continued)

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

	GROUP		COMPANY	
	2018	2017	2018	2017
	£	£	£	£
Net (expenditure)/income for the year	(286,793)	1,654,208	(300,137)	1,610,089
Adjustments for:				
Depreciation charges	47,490	68,264	44,010	64,784
(Gains)/losses on investments	102,205	(154,438)	102,205	(154,438)
(Gains)/losses on fixed assets	(600)	(450)	(600)	(450)
Investment income	(81,348)	(54,960)	(81,300)	(54,947)
Investments gifted		(896,505)		(896,505)
Decrease/(increase) in stock	3,619	(1,142)	-	-
Decrease/(increase) in debtors	212,202	(260,678)	169,545	(225,098)
Increase/(decrease) in creditors	9,291	(62,640)	17,450	(64,523)
Net cash provided/(used) by operating activities	6,066	291,659	(48,827)	278,912