

**The Outward Bound Trust of New Zealand**

**Financial Statements for the year ended 30 June 2022**

# The Outward Bound Trust of New Zealand

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# The Outward Bound Trust of New Zealand

## Directory of Information

### Directors

Grant Faber *Chairperson*  
Tim Watts *Deputy Chairperson*

Andrew Smith  
Roz Mexted  
Hilary Sumpter  
Amy Murphy  
Cheewei Kwan  
Steve Hall  
Jo Robinson  
Iaeen Cranwell  
Sarah Scott (*resigned 27/11/21*)

### Registered Office

3 Queens Wharf  
Wellington  
6011

### Charity Registration Number

CC34682

**Bankers** Westpac Banking Corporation  
**Auditors** Grant Thornton New Zealand  
Audit Limited, Wellington

### Nature of Business

To create a better New Zealand through improvement of the individual character by providing lifelong learning experiences, particularly to youth, which add value to the individual's life and instill values important to New Zealand's culture such as honesty, reliability, individual responsibility, pride in performance, respect for others, fairness and compassion. To provide education and character, physical, mental and spiritual training for all people in New Zealand of all races and creeds with a particular emphasis on youth

To provide education and character, physical, mental and spiritual training for all people in New Zealand of all races and creeds with a particular emphasis on youth

## The Outward Bound Trust of New Zealand

### Statement of Comprehensive Revenue and Expense For the year ended 30 June 2022 In New Zealand Dollars

	Note	2022	2021
<b>Revenue from Non-Exchange Transactions</b>			
Subsidised Course Fees - Attendee		198,733	249,289
Subsidised Course fees - Funder		2,204,689	2,666,558
Government Grants		476,461	365,371
Donations and Memberships		1,041,518	414,479
		3,921,402	3,695,697
<b>Revenue from Exchange Transactions</b>			
Course fees		2,142,159	2,684,686
Merchandise sales		82,869	108,909
Interest		632	2,906
Gain on disposal of assets		-	2,945
Other income		158,638	121,084
		2,384,299	2,920,530
<b>Total Revenue</b>		<b>6,305,701</b>	<b>6,616,227</b>
<b>Operating expenditure</b>			
Staff and administration costs		5,887,123	5,707,378
Student costs		556,486	564,972
Merchandise costs		56,950	73,061
Premises rental		99,320	96,325
Depreciation	7	384,672	390,742
Amortisation		6,892	4,257
<b>Total Expenditure</b>		<b>6,991,444</b>	<b>6,836,735</b>
<b>Surplus for the year</b>		<b>(685,743)</b>	<b>(220,508)</b>
Other comprehensive revenue and expense		-	-
<b>Total comprehensive revenue and expense for the year</b>		<b>(685,743)</b>	<b>(220,508)</b>

These financial statements were approved by the Board of Directors on 12<sup>th</sup> October 2022  
For and on behalf of the Trust:



Grant Faber  
Chair  
12 October 2022



Tim Watts  
Trustee  
12 October 2022



## The Outward Bound Trust of New Zealand

### Statement of Financial Position

As at 30 June 2022

In New Zealand Dollars

	Note	2022	2021
<b>Current Assets</b>			
Cash and cash equivalents	5	740,086	923,739
Receivables from exchange transactions	6	1,912,005	1,846,031
Receivables from non-exchange transactions	6	685,259	398,344
Prepayments		55,715	67,145
Inventories		81,430	77,733
<b>Total current assets</b>		<b>3,474,495</b>	<b>3,312,992</b>
<b>Non-current Assets</b>			
Property plant and equipment	7	7,832,728	7,916,967
Intangible assets		14,645	17,919
Investments		12,451	15,154
<b>Total non-current assets</b>		<b>7,859,824</b>	<b>7,950,040</b>
<b>Total Assets</b>		<b>11,334,319</b>	<b>11,263,032</b>
<b>Current Liabilities</b>			
Trade creditors and other payables	8	728,632	670,050
Employee entitlements		328,017	306,303
Revenue in Advance for exchange transactions	9	2,494,506	2,192,598
Revenue in Advance for non-exchange transactions	9	1,059,001	684,175
Loans and borrowings	10	200,000	200,000
<b>Total current liabilities</b>		<b>4,810,157</b>	<b>4,053,127</b>
<b>Total Liabilities</b>		<b>4,810,157</b>	<b>4,053,127</b>
<b>Total Net Assets</b>		<b>6,524,162</b>	<b>7,209,905</b>
<b>Equity</b>			
Accumulated funds		1,271,807	2,328,004
Equity reserves	11	5,252,356	4,881,901
<b>Total Equity</b>		<b>6,524,162</b>	<b>7,209,905</b>



## The Outward Bound Trust of New Zealand

**Statement of Changes in Net Assets**  
**For the year ended 30 June 2022**  
**In New Zealand Dollars**

	Note	Equity Reserves					Total Equity
		Accumulated funds	Endowment Funds	Sponsorship Funds	Special Funds	Capital Replacement Reserve	
Balance 30 June 2020		2,103,218	33,030	2,243,134	2,585,569	465,462	7,430,413
<b>Total comprehensive income for the year</b>							
Deficit for the year		(220,508)	-	-	-	-	(220,508)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		(220,508)	-	-	-	-	(220,508)
Transfers between equity reserves	11	445,294	-	(174,173)	(20,818)	(250,303)	-
Balance 30 June 2021		2,328,004	33,030	2,068,961	2,564,751	215,159	7,209,905
<b>Total comprehensive income for the year</b>							
Deficit for the year		(685,744)	-	-	-	-	(685,744)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		(685,744)	-	-	-	-	(685,744)
Transfers between equity reserves	11	(370,454)	-	483,501	(552)	(112,495)	-
<b>Balance 30 June 2022</b>		<b>1,271,807</b>	<b>33,030</b>	<b>2,552,462</b>	<b>2,564,199</b>	<b>102,664</b>	<b>6,524,162</b>



## The Outward Bound Trust of New Zealand

### Statement of Cash Flows

For the year ended 30 June 2022

In New Zealand Dollars

	Note	2022	2021
<b>Cash flows from Operating activities</b>			
<b>Receipts</b>			
Receipts from Subsidised Course Fees		2,494,869	2,320,524
Receipts from Donations and Membership		559,073	318,379
Receipts from Government Grants		476,461	365,371
Receipts from Course Fees		2,374,557	2,784,175
Receipts from Merchandise Sales		82,869	108,909
Interest Received		632	2,906
Receipts from Other Income		393,787	120,723
		<b>6,382,249</b>	<b>6,020,988</b>
<b>Payments</b>			
Payments to suppliers and employees		(6,390,850)	(6,653,704)
Interest paid		-	-
		<b>(6,390,850)</b>	<b>(6,653,704)</b>
<b>Net cash flows from/ (used in) operating activities</b>		<b>(8,602)</b>	<b>(632,716)</b>
<b>Cash flows from investing activities</b>			
Sale/(Purchase) of Investments		-	-
Property, plant and equipment additions		(175,052)	(314,337)
Proceeds from sale of property, plant and equipment		-	11,500
<b>Net cash flows from/ (used in) investing activities</b>		<b>(175,052)</b>	<b>(302,837)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		-	-
<b>Net cash flows from/ (used in) financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>(183,654)</b>	<b>(935,554)</b>
Cash and cash equivalents at beginning of year		923,739	1,859,293
Cash and cash equivalents at end of year	5	740,086	923,739



**The Outward Bound Trust of New Zealand**  
**Notes to the financial statements**  
*In New Zealand dollars*

**1 Reporting Entity**

These financial statements comprise the separate financial statements of the Outward Bound Trust of New Zealand (the "Trust") for the year ended 30 June 2022.

The Trust was incorporated under the Charitable Trust Act 1957, is registered under the Charities Act 2019, and is domiciled in New Zealand.

The principal activity of the Trust is to provide experiential education courses.

**2 Basis of preparation**

**(a) Statement of compliance**

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Trust is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Board of Trustees has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

**(b) Basis of measurement**

The financial statements have been prepared on a historical costs basis, except for financial assets and liabilities that have been measured at fair value. The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis. While current assets exceed current liabilities by \$1,335,662, the Trustees have concluded that the Trust remains a going concern on the basis it has been provided with a letter of support from the Outward Bound Trust of New Zealand Foundation which confirms that the Foundation will not seek repayment of the \$200,000 loan for a period of at least 12 months beyond signing of these financial statements. In addition, the Foundation has confirmed that it will provide working capital support to the Trust in the event it is required.

**(c) Presentation currency**

The financial statements are presented in New Zealand dollars (\$), which is the Trust's functional currency. The financial statements are rounded to the nearest dollar.

**(d) Use of estimates and judgements**

The preparation of financial statements in conformity with PBE IPSAS RDR requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant assumptions is provided in the relevant accounting policy or will be provided in the relevant note.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.





**The Outward Bound Trust of New Zealand**  
**Notes to the financial statements**  
*In New Zealand dollars*

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The residual values and depreciation rates used for property, plant and equipment are based on judgements and estimates of appropriate values and rates.

**3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**(a) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**(b) Trade debtors and other receivables**

Trade debtors and other receivables are measured at amortised cost using the effective interest method less any impairment losses.

An allowance for impairment is established where there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivable.

Receivables with a short duration are not discounted.

**(c) Inventories**

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of the business, less the estimated costs of completion and selling expenses after making due allowance for any damaged and obsolete stock.

Cost is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Any write down in the cost of inventory to net realisable value is recognised in the Statement of Comprehensive Revenue and Expense.

**(d) Property, plant and equipment**

Property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

**Additions**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the Trust and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.



**The Outward Bound Trust of New Zealand**  
**Notes to the financial statements**  
*In New Zealand dollars*

**Disposals**

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement Comprehensive of Revenue and Expense.

**Depreciation**

Depreciation is charged on a straight-line basis on all property, plant and equipment, other than land, over the estimated useful life of the asset. Depreciation is charged to the surplus or deficit in the Statement of Comprehensive Revenue and Expense.

The following depreciation rates have been applied at each class of property, plant and equipment:

○ Land	0%
○ Boats	5-12 years
○ Buildings	10-67 years
○ Plant and equipment	4-33 years
○ Office furniture and Computer equipment	3-14 years
○ Training equipment	1.5-12 years
○ Canoes	7 years
○ Motor vehicles	5 years
○ Rockface	10 years

The residual value of property, plant and equipment is reassessed annually.

**(e) Intangible assets**

Intangible assets acquired by the Trust, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised in the Statement of Comprehensive Revenue and Expense on a straight-line basis over the estimated useful life of the intangible asset, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- Computer software, Obtains and Web Development 3 years

Acquired computer software licenses are capitalised on the basis of the cost incurred to acquire and bring to use the specific software.

**(f) Investments**

All investments are initially recognised at cost, being the fair value of the consideration given.

All investments disclosed in these financial statements have been classified as "fair value through surplus or deficit".

After initial recognition, investments, which are classed as "fair value through surplus or deficit", are recognised at fair value less any impairment. Any movement in the fair value or impairment is recognised in the Statement of Comprehensive Revenue and Expense.

**(g) Impairment**

The carrying amounts of Trust assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.



**The Outward Bound Trust of New Zealand**  
**Notes to the financial statements**  
*In New Zealand dollars*

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Revenue and Expense. The estimated recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting to its present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indicators exist, the Trust estimates the asset's recoverable amount, to measure the reversal of any previous period impairment charges. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversals of impairment are recognised in the Statement of Comprehensive Revenue and Expense.

**(h) Trade creditors and other payables**

Trade creditors and other payables are measured at amortised cost using the effective interest method.

**(i) Employee entitlements**

**Short term benefits**

Employee benefits that the Trust expects to be settled within 12 months of balance date are measured at nominal value based on accrued entitlements at current rate of pays.

These include salaries and wages accrued up to balance date, and annual leave earned, but not yet taken at balance date.

The Trust recognises a liability and expense for bonuses where they are contractually obliged or where there is a past practice that has created a constructive obligation.

**(j) Financial instruments**

Financial instruments are comprised of trade debtors and other receivables, cash and cash equivalents, investments, trade creditors and other payables and borrowings. The Trust held no derivative financial instruments (i.e. hedging instruments) in the years reported.

The Trust has no off-balance sheet financial instruments.



**The Outward Bound Trust of New Zealand**  
**Notes to the financial statements**  
*In New Zealand dollars*

**Recognition and de-recognition of financial assets and liabilities**

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for those carried at fair value through surplus or deficit, which are measured at fair value.

**Subsequent measurement of financial assets**

The subsequent measurement of financial assets depends on their classification. The classification depends on the purpose for which financial assets were acquired. Management determines the classification of financial assets at initial recognition and re-evaluates this designation at each reporting date.

The Trust currently holds financial assets in two classifications:

*(i) Loans and receivables*

Financial assets that are non-derivative with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

*(ii) Financial assets at fair value through surplus or deficit*

Financial assets at fair value through surplus or deficit include investments, which were designated upon initial recognition at fair value through surplus or deficit. Financial assets at fair value through surplus or deficit are carried in the Statement of Financial Position at fair value with changes in fair value recognised in the Statement of Comprehensive Revenue and Expense.

*(iii) Impairment*

All financial assets are subject to review for impairment at least once each reporting date. Accounts receivable are reviewed for impairment when accounts are past due or when other objective evidence is received that a specific counterparty will default.

Impairment of trade receivables are presented in the Statement of Comprehensive Revenue and Expense, within expenses.

**Subsequent measurement of financial liabilities**

All financial liabilities held by the Trust are designated as “loans and advances”, being non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method.



**The Outward Bound Trust of New Zealand**  
**Notes to the financial statements**  
*In New Zealand dollars*

**(k) Revenue**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Trust and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received.

The following specific recognition criteria must be met before revenue is recognised.

**Revenue from non-exchange transactions**

**Donations and Grants**

Donations and grants are recognised in the Statement of Comprehensive Revenue and Expense when received unless a use or return condition exists. Where donations and grants have such a condition, they are held as revenue in advance until such time as the condition is satisfied at which at which point the balance is recognised within the Statement of Comprehensive Revenue and Expense.

Donated assets are recorded at their fair value at the date of donation. Like many other charitable organisations, the Trust often receives the benefit of people's time and service carried out free of charge. This type of donation cannot be readily quantified, and hence is not recorded in the financial statements.

**Subsidised Course Fees**

Subsidised course fees are recognised as income when the course commences. When the course has been provided to the student the donation for course fees is recognised. Any fees invoiced at year-end for courses, which students intend to attend at a future date is recognised as revenue in advance for non-exchange transactions.

**Revenue from Exchange transactions**

**Course Fees**

Course fees are recognised as income when the course commences. Any fees invoiced at year-end for courses, which students intend to attend at a future date is recognised as revenue in advance for exchange transactions.

**Sale of goods**

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

**Interest**

Revenue is recognised as it accrues, using the effective interest method.

**(l) Borrowing costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and are expensed in the period they occur.

Interest expenses comprise interest expenses charged on borrowings and the unwinding of discounts used to measure the fair value of borrowed funds.

**(m) Operating lease payments**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a



**The Outward Bound Trust of New Zealand**  
**Notes to the financial statements**  
*In New Zealand dollars*

straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

**(n) Income Tax**

Due to its charitable status, the Trust is exempt from liability to income tax.

**(o) GST**

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

**(p) Nature and purpose of reserves**

The Trust creates and maintains reserves in terms of specific requirements. These are explained in detail in notes 11a to d.

**4 Other expenses**

Expenditure disclosed in the Statement of Comprehensive Revenue and Expense includes:

	2022	2021
<b>General overheads</b>		
Audit fees for financial statement audit	21,482	21,484
Other professional fees paid to Grant Thornton	22,058	53,890
<b>Employee remuneration</b>		
Wages and salaries	4,083,894	3,770,197
Increase/(decrease) in employee entitlements	21,714	(273,600)
<b>Finance costs include:</b>		
Bank charges	9,267	20,456

**5 Cash and cash equivalents**

	2022	2021
Cash at bank and in hand	75,332	154,139
Call deposits	664,754	769,600
<b>Total</b>	<b>740,086</b>	<b>923,739</b>

The carrying amount of cash and cash equivalents and call deposits approximates their fair value.

Cash at bank and call deposits earn interest at floating rates based on daily deposit balances.



**The Outward Bound Trust of New Zealand**  
**Notes to the financial statements**  
*In New Zealand Dollars*

**6 Receivables**

	<b>2022</b>	<b>2021</b>
Receivables from exchange transactions	1,912,005	1,846,031
Receivables from non-exchange transactions	685,259	398,344
<b>Total</b>	<b>2,597,264</b>	<b>2,244,375</b>

Trade debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms. Therefore, the carrying value of receivables approximates their fair value.

Each year overdue receivable balances are assessed for impairment and appropriate allowances applied. All trade receivables are subject to credit risk exposure. There is no concentration of credit risk with respect to receivables outside the entity, as the entity has a large number of customers.

There is no allowance for impairment as no receivables are overdue or considered uncollectable.



**The Outward Bound Trust of New Zealand**  
**Notes to the financial statements**  
**In New Zealand Dollars**

**7 Property Plant and Equipment**

Movement 2022	Cost 1-Jul-21	Additions	Disposals	Cost 30-Jun-22	Accumulated depreciation 1-Jul-21	Depreciation written back	Current year depreciation	Accumulated depreciation 30-Jun-22	Carrying amount 30-Jun-22
Land	2,694,970	-	-	2,694,970	-	-	-	-	2,694,970
Buildings	7,884,136	22,679	-	7,906,814	3,510,639	-	190,867	3,701,506	4,205,309
Boats	1,874,463	88,135	-	1,962,598	1,275,955	-	86,616	1,362,571	600,027
Motor vehicles	724,088	129,649	-	853,737	713,524	-	11,422	724,946	128,791
Plant and equipment	600,688	14,847	(1,025)	614,509	504,121	(1,025)	29,843	532,938	81,572
Furniture and computer equipment	156,351	30,019	(40,705)	145,665	132,314	(40,705)	14,969	106,578	39,087
Training equipment	705,990	15,319	(257,848)	463,461	387,166	(257,848)	51,092	380,409	82,972
<b>Total</b>	<b>14,640,886</b>	<b>300,648</b>	<b>(299,579)</b>	<b>14,641,955</b>	<b>6,723,718</b>	<b>(299,579)</b>	<b>384,808</b>	<b>6,808,947</b>	<b>7,832,728</b>

Movement 2021	Cost 1-Jul-20	Additions	Disposals	Cost 30-Jun-21	Accumulated depreciation 1-Jul-20	Depreciation written back	Current year depreciation	Accumulated depreciation 30-Jun-21	Carrying amount 30-Jun-21
Land	2,694,970	-	-	2,694,970	-	-	-	-	2,694,970
Buildings	7,787,982	96,153	-	7,884,136	3,312,174	-	198,464	3,510,639	4,373,497
Boats	1,697,648	191,933	(15,118)	1,874,463	1,201,159	(8,063)	82,859	1,275,955	598,508
Motor vehicles	724,088	-	-	724,088	704,082	-	9,442	713,524	10,564
Plant and equipment	571,583	29,105	-	600,688	478,967	-	25,153	504,121	96,568
Furniture and computer equipment	135,927	20,424	-	156,351	121,441	-	10,873	132,314	24,037
Training equipment	632,111	73,879	-	705,990	523,215	-	63,950	587,166	118,824
<b>Total</b>	<b>14,244,309</b>	<b>411,494</b>	<b>(15,118)</b>	<b>14,640,686</b>	<b>6,341,839</b>	<b>(8,063)</b>	<b>390,742</b>	<b>6,723,718</b>	<b>7,916,967</b>

FY22 Capital work in progress wastewater plant work and a set of sails. They are recognised at cost less impairment and are not depreciated. The cost of assets within work in progress is transferred to the relevant asset class when the asset is in the location and condition necessary for its intended use.





**The Outward Bound Trust of New Zealand**  
**Notes to the financial statements**  
*In New Zealand dollars*

**8 Trade creditors and other payables**

	<b>2022</b>	<b>2021</b>
Trade creditors	121,472	170,449
Accrued expenses	314,959	175,448
GST and PAYE payable	292,202	324,153
<b>Total</b>	<b>728,632</b>	<b>670,050</b>

Trade creditors and other payables are non-interest bearing and are normally settled on 30- day terms; therefore the carrying value of trade creditors and other payables approximates their fair value.

**9 Revenue in advance**

	<b>2022</b>	<b>2021</b>
Revenue in Advance for exchange transactions	2,494,506	2,192,598
Revenue in Advance for non-exchange transactions	1,059,001	684,175
<b>Total</b>	<b>3,553,506</b>	<b>2,876,773</b>

**10 Loans and borrowings**

	<b>2022</b>	<b>2021</b>
Loan balance with Outward Bound Trust of New Zealand Foundation	200,000	200,000
<b>Total</b>	<b>200,000</b>	<b>200,000</b>
Less balance payable within 12 months (current borrowings)	200,000	200,000
<b>Non-current borrowings</b>	<b>-</b>	<b>-</b>

On 30 April 2015 the Trust received a \$200,000 advance from the Outward Bound Trust of New Zealand Foundation, to support its operational costs. The loan is repayable on demand with an interest rate charged at 0%. The terms of the loan are reviewed on a six-monthly basis.

**11 Equity reserves**

All income and expenditure is recognised in the Statement of Comprehensive Revenue and Expense and the surplus for the year taken to accumulated funds. Transfers between accumulated funds and equity reserves are disclosed in the Statement of Changes in Net Assets.



**The Outward Bound Trust of New Zealand**  
**Notes to the financial statements**  
*In New Zealand dollars*

<i>2022 - transfers between equity reserves</i>	<b>Opening</b>	<b>Transfer from/ (to) retained earnings</b>	<b>Closing</b>
Endowment funds	33,030	-	33,030
Sponsorship funds	2,068,961	483,501	2,552,462
Special funds	2,564,751	(552)	2,564,199
Capital Replacement Reserve	215,159	(112,495)	102,664
<b>Total</b>	<b>4,881,901</b>	<b>370,454</b>	<b>5,252,355</b>

<i>2021 - transfers between equity reserves</i>	<b>Opening</b>	<b>Transfer from/ (to) retained earnings</b>	<b>Closing</b>
Endowment funds	33,030	-	33,030
Sponsorship funds	2,243,134	(174,173)	2,068,961
Special funds	2,585,569	(20,818)	2,564,751
Capital Replacement Reserve	465,462	(250,303)	215,159
<b>Total</b>	<b>5,327,195</b>	<b>(445,294)</b>	<b>4,881,901</b>

**(a) Endowment funds**

Endowment funds are bequests whereby the principal donation is preserved and only income earned being expended on student scholarships.

**(b) Sponsorship Funds**

Sponsorship funds includes surplus unexpended donations received targeted towards student scholarships.

**(c) Special Funds**

Special funds includes surplus funds targeted for operation funding other than non-operational expenditure and student scholarships.

**(d) Capital Replacement Reserve**

Capital replacement reserve includes donations received for Project Refresh Anakiwa Capital Campaign. This reserve was renamed the Tortuga Replacement Reserve as this project included the Tortuga Launch replacement (finished June 22). Remaining Funds will now be repurposed towards the Wastewater Plant upgrade

**12 Related party transactions**

Related parties arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the Trust.

**(a) Parent and ultimate controlling party**

The Outward Bound Trust of New Zealand is the ultimate controlling party and is not a subsidiary of any other entity, nor controlled by any other party.

**(b) Related parties**

The Trust is related to the Outward Bound Trust of New Zealand Foundation (the "Foundation")



**The Outward Bound Trust of New Zealand**  
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The Board of the Trust resolved to set up the Foundation as a separate organisation, to be run in parallel to the Outward Bound Trust, and dedicated to providing funds for long term sustainability of the Outward Bound Trust. The Foundation came into effect 1 July 2001.

Two of the Ten trustees of the Trust are also members of the governing body of the Foundation. Separate consolidated financial statements have been prepared.

**(c) Related party transactions**

No provision has been required, nor any expense recognised for impairment for any loans or other receivable balance to related parties (2021: \$Nil).

On 30 April 2015 the Trust received a \$200,000 loan to the Outward Bound Trust of New Zealand Foundation, to support its operational costs. The loan is repayable on demand with an interest rate charged at 0%. The terms of the loan are reviewed on a six-monthly basis.

	2022	2021
Loan balance owed to Outward Bound Trust of New Zealand Foundation	200,000	200,000
<b>Carrying value in balance sheet</b>	<b>200,000</b>	<b>200,000</b>

All transactions between the Foundation and Trust are reflected in the Foundation Current Account.

**Foundation Current Account**

	2022	2021
Opening balance	225,396	(283,441)
Financial assistance receivable	303,598	488,381
Foundation expenditure paid directly by the Trust	121,427	20,456
Cash received from the Foundation	(650,421)	-
<b>Closing balance</b>	<b>0</b>	<b>225,396</b>

**(d) Key management personnel**

The Trust has a related party relationship with members of the Trust Board, executive officers and other key management personnel.

<i>Key management personnel compensation</i>	2022	2021
Salaries and other short-term employee benefits (2022: 1 person, 2021: 1 person)	229,115	65,462

Total remuneration paid to key management personnel is made up of short-term employee benefits and no other post-employment benefits, termination benefits or long-term benefit arrangements have been expensed in the years reported.

There we no remuneration or compensation payments to close family members of key management personnel in the years reported.



**The Outward Bound Trust of New Zealand**  
**Notes to the financial statements**  
*In New Zealand dollars*

**(e) Other related party transactions**

*Grant Faber – Outward Bound Trust Director*

The Trust received donations of \$7,500 for the 2022 financial year to assist with operational costs (2021: \$8,000).

*Andrew Smith – Outward Bound Trust Director*

The Trust received donations of \$15,000 for the 2022 financial year to assist with operational costs (2021: \$75,000) and \$100,000 to assist with capital expenditure (2021: nil).

*Hilary Sumpter – Outward Bound Trust Director*

The Trust received donations of \$240 for the 2022 financial year (2021: \$240).

*Fiona Mackenzie – Outward Bound Trust Director (resigned)*

The Trust received donations of \$250 for the 2022 financial year (2021: \$80).

*Roz Mexted – Outward Bound Trust Director*

The Trust received donations of nil for the 2022 financial year (2021: \$80).

*Gavin Schiller – Outward Bound Trust Director (resigned)*

The Trust received donations of nil for the 2022 financial year (2021: \$80).

There were no other related party transactions in the 2021 and 2022 financial reporting years.

**13 Financial Instruments**

**Categories of financial assets and liabilities**

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

	2022	2021
<b>Financial Assets</b>		
<i>Financial assets at fair value through surplus or deficit</i>		
Investments	12,451	15,155
<i>Loans and receivables</i>		
Cash and cash equivalents	740,086	923,739
Receivables from exchange transactions	1,912,005	1,846,031
Receivables from non-exchange transactions	685,259	398,344
<b>Total</b>	<b>3,349,800</b>	<b>3,183,269</b>



**The Outward Bound Trust of New Zealand**  
**Notes to the financial statements**  
*In New Zealand dollars*

	2022	2021
<b>Financial Liabilities</b>		
<i>At amortised cost</i>		
Trade creditors and accrued expenses	728,632	670,050
Employee entitlements	328,017	306,303
Revenue in Advance for exchange transactions	2,494,506	2,192,598
Revenue in Advance for non-exchange transactions	1,059,001	684,175
Loans and borrowings	200,000	200,000
<b>Total</b>	<b>4,810,156</b>	<b>4,053,126</b>

**14 Operating Leases**

<i>Non-cancellable operating leases are payable as follows:</i>	2022	2021
Less than one year	59,025	108,690
Between one and five years	135,159	25,378
More than five years	-	-
<b>Closing balance</b>	<b>194,184</b>	<b>134,068</b>

Operating leases are held in relation to an IT Server, a property lease at Ruakaka Bay and premises at 3 Queens Wharf, Wellington.

**15 Capital commitments**

The Trust has a no capital commitments as at balance date (2021: \$71,800).

**16 Contingent Assets and liabilities**

The Trust has no contingent assets or liabilities as at balance date (2021: \$Nil).

**17 Subsequent events**

There were no significant events after balance date requiring reporting or adjustment in these financial statements.

**18 Covid-19**

In March 2020, the New Zealand Government issued its first epidemic notice to combat the threat of the Covid-19 pandemic. These lockdowns continued, at differing degrees of severity, through until April 2022. The results of this was a substantial reduction of economic activity, especially for those that were classed as a non-essential business.

With the initial national & then extended Auckland lockdowns, compounded in early 2022 with government enforced capacities, Outward Bound experienced a decline of circa 450 students over the financial reporting period. This is evidenced in the almost 20% year on year reduction to both subsidised and self-paid course fees.



## Independent Auditor's Report

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### To the Trustees of The Outward Bound Trust of New Zealand

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of the Outward Bound Trust (the "Trust") on pages 2 to 18 which comprise the statement of financial position as at 30 June 2022, and the statement of comprehensive revenue and expense, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 30 June 2022 and of its financial performance and cash flows for the year then ended in accordance with Public Benefit Entities International Public Sector Accounting Standards Reduced Disclosure Regime (Not-for Profit) issued by the New Zealand Accounting Standards Board.

##### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) issued by the New Zealand Auditing and Assurance Standards Board. 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 Trust in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other 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 opinion.

Our firm carries out other assignments for Trust in the area of advisory assistance. The firm has no other interest in the Trust.

##### Trustees' Responsibilities for the Financial Statements

The Trustees are responsible on behalf of the Trust for the preparation and fair presentation of these financial statements in accordance with Public Benefit Entities International Public Sector Accounting Standards Reduced Disclosure Regime (Not-for-Profit) issued by the New Zealand Accounting Standards Board, and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, those charged with governance are responsible for assessing the Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

##### Auditor's responsibilities for the Audit of the Financial Statements

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 (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or

in the 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 the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/8>

**Restriction on use of our report**

This report is made solely to the Trust's Trustees, as a body. Our audit work has been undertaken so that we might state to the Trust's Trustees, as a body, those matters which 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 Trust and its Trustees, as a body for our audit work, for this report or for the opinion we have formed.

**Grant Thornton New Zealand Audit Limited**



**B Kennerley**

**Partner**

**Wellington**

**12 October 2022**