

**The Outward Bound Trust of New Zealand Group**

**Consolidated Financial Statements for the year ended  
30 June 2023**

# The Outward Bound Trust of New Zealand Group

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## **The Outward Bound Trust of New Zealand Group**

### **Directory of Information**

#### **Directors**

Tim Watts                      *Chairperson*  
Cheewei Kwan                *Deputy Chairperson*  
Steve Hall                     *Deputy Chairperson*

#### **Registered Office**

3 Queens Wharf  
Wellington  
6011

Grant Faber

Roz Mexted

Amy Murphy

Jo Robinson

Iaeen Cranwell

Andrew Smith (*resigned 3/12/2022*)

Hilary Sumpter (*resigned 3/12/2022*)

#### **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

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## The Outward Bound Trust of New Zealand Group

<b>Consolidated Statement of Comprehensive Revenue and Expense</b>			
<b>For the year ended 30 June 2023</b>			
<b>In New Zealand Dollars</b>			
	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>Revenue from Non-Exchange Transactions</b>			
Subsidised Course Fees - Attendee		279,150	198,733
Subsidised Course fees - Funder		3,326,954	2,204,689
Government Grant Income		11,159	476,461
General donations and memberships		5,992,515	1,043,716
		<b>9,609,779</b>	<b>3,923,600</b>
<b>Revenue from Exchange Transactions</b>			
Course fees		3,191,368	2,142,159
Merchandise sales		129,603	82,869
Revenue from interest and investments		1,179,952	(962,004)
Dividends		207,000	186,875
Net gains/(losses) on financial assets at fair value through surplus and deficit		268,750	253,125
Gain on disposal of assets		31,739	-
Other income		272,039	158,638
		<b>5,280,452</b>	<b>1,861,662</b>
<b>Total Revenue</b>		<b>14,890,230</b>	<b>5,785,262</b>
<b>Operating expenditure</b>			
	<b>4</b>		
Staff and administration costs		7,254,256	5,981,839
Student costs and financial assistance		1,375,186	858,968
Merchandise costs		90,166	56,950
Premises rental		112,357	99,320
Depreciation		427,511	384,672
Amortisation		6,969	6,892
Bad Debts written off		-	-
<b>Total operating expenditure</b>		<b>9,266,445</b>	<b>7,388,641</b>
<b>Surplus/(Deficit) for the year</b>		<b>5,623,786</b>	<b>(1,603,379)</b>
Other comprehensive revenue and expense		-	-
<b>Total comprehensive income for the year</b>		<b>5,623,786</b>	<b>(1,603,379)</b>

These financial statements were approved by the Board of Directors on 31 October 2023

**For and on behalf of the Trust:**



Tim Watts  
Chair  
31 October 2023



Grant Faber  
Trustee  
31 October 2023



The accompanying notes form part of these consolidated financial statements

## The Outward Bound Trust of New Zealand Group

<b>Consolidated Statement of Financial Position</b>			
<b>As at 30 June 2023</b>			
<b>In New Zealand Dollars</b>			
	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>Current Assets</b>			
Cash and cash equivalents	5	678,896	888,532
Receivables from exchange transactions	6	1,922,350	2,029,880
Receivables from non-exchange transactions	6	340,656	685,259
Prepayments		67,347	55,715
Inventories		94,478	81,430
<b>Total current assets</b>		<b>3,103,727</b>	<b>3,740,816</b>
<b>Non-current Assets</b>			
Property plant and equipment	7	7,631,911	7,832,728
Intangible assets		10,850	14,644
Investments	8	24,306,133	18,351,321
<b>Total non-current assets</b>		<b>31,948,894</b>	<b>26,198,693</b>
<b>Total Assets</b>		<b>35,052,621</b>	<b>29,939,509</b>
<b>Current Liabilities</b>			
Trade creditors and other payables	9	776,200	734,632
Employee entitlements		387,981	328,017
Revenue in advance for exchange transactions	10	1,906,265	2,494,506
Revenue in advance for non-exchange transactions	10	1,035,036	1,059,001
<b>Total current liabilities</b>		<b>4,105,483</b>	<b>4,616,157</b>
<b>Total Liabilities</b>		<b>4,105,483</b>	<b>4,616,157</b>
<b>Total Net Assets</b>		<b>30,947,138</b>	<b>25,323,352</b>
<b>Equity</b>			
Accumulated funds		664,364	1,200,805
Equity reserves	11	30,282,774	24,122,547
<b>Total equity</b>		<b>30,947,138</b>	<b>25,323,352</b>



## The Outward Bound Trust of New Zealand Group

Consolidated Statement of Changes in Net Assets							
For the year ended 30 June 2023							
<i>In New Zealand Dollars</i>							
		Equity Reserves					
	Note	Accumulated funds	Endowment Funds	Sponsorship Funds	Special Funds	Capital Replacement Reserve	Total Equity
Balance 30 June 2021		2,263,002	20,343,893	2,068,961	2,035,716	215,159	26,926,731
<b>Total comprehensive income for the year</b>							
Deficit for the year		(1,603,379)	-	-	-	-	(1,603,379)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		(1,603,379)	-	-	-	-	(1,603,379)
Transfers between equity reserves	11	541,182	(910,314)	483,501	(1,874)	(112,495)	-
<b>Balance 30 June 2022</b>		<b>1,200,805</b>	<b>19,433,579</b>	<b>2,552,462</b>	<b>2,033,842</b>	<b>102,664</b>	<b>25,323,352</b>
<b>Total comprehensive income for the year</b>							
Surplus for the year		5,623,786	-	-	-	-	5,623,786
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		5,623,786	-	-	-	-	5,623,786
Transfers between equity reserves	11	(6,160,227)	5,797,207	207,429	24,590	131,000	-
<b>Balance 30 June 2023</b>		<b>664,364</b>	<b>25,230,786</b>	<b>2,759,891</b>	<b>2,058,432</b>	<b>233,664</b>	<b>30,947,138</b>



## The Outward Bound Trust of New Zealand Group

<b>Statement of Consolidated Cash Flows</b>			
<b>For the year ended 30 June 2023</b>			
<b>In New Zealand Dollars</b>			
	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>Cash flows from Operating activities</b>			
<b>Receipts</b>			
Receipts from Subsidised Course Fees		3,921,451	2,494,869
Receipts from Donations and Membership		6,119,699	861,573
Receipts from Government Grants		11,160	476,461
Receipts from Course Fees		2,730,326	2,374,557
Receipts from Merchandise Sales		129,603	82,869
Receipts from Other Income		674,703	393,787
Receipts from Investments		204,684	173,232
		<b>13,791,626</b>	<b>6,857,348</b>
Payments to suppliers and employees		(9,243,768)	(7,247,972)
Interest paid		-	-
		<b>(9,243,768)</b>	<b>(7,247,972)</b>
<b>Net cash flows from/ (used in) operating activities</b>		<b>4,547,858</b>	<b>(390,624)</b>
<b>Cash flows from investing activities</b>			
Withdrawal of investments		300,000	331,692
Purchase of investments		(4,870,000)	-
Proceeds from sale of property, plant and equipment		31,739	-
Property, plant and equipment additions		(226,840)	(175,052)
<b>Net cash flows from/ (used in) investing activities</b>		<b>(4,765,101)</b>	<b>156,640</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>(217,243)</b>	<b>(233,984)</b>
Cash and cash equivalents at beginning of year		888,532	1,122,517
Cash and cash equivalents at end of year	5	671,288	888,532



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

**1 Reporting entity**

These financial statements comprise the consolidated financial statements of the Outward Bound Trust of New Zealand (the “Group”) for the year ended 30 June 2023.

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 Group 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 Group 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 consolidation**

The Group financial statements consolidated those of the Parent, being the Outward Bound Trust of New Zealand (the “Trust”) and its 100% controlled subsidiary – The Outward Bound Trust of New Zealand Foundation (the “Foundation”).

The Group financial statements consolidate the financial statements of the Trust and all entities over which the Trust has the power to control the financial reporting and operating policies. Control is obtained through ownership of more than half the voting rights or the subsidiary governing body members also being members of the Parent governing body.

The purchase method is used to prepare the consolidated financial statements, which involves adding together like terms of asset assets, liabilities, income and expenses on a line-by-line basis. All significant inter-group balances are eliminated on consolidation of group results, position and cash flows.

All subsidiaries have a 30 June 2023 reporting date and consistent accounting policies are applied.

**(c) 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.

**(d) Presentation currency**

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





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

**(e) 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 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. The Mercer (N.Z.) Ltd capital fund includes cash which has been classified as investments due to the cash being part of the total investment portfolio.

**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 Group 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.



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

**(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 Group 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.

**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	nil
○ Boats	4-10 years
○ Buildings	10–33 years
○ Plant and equipment	3-20 years
○ Office furniture and Computer equipment	5-10 years
○ Training equipment	3-5 years
○ Canoes	3 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 Group, 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
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Acquired computer software licenses are capitalised on the basis of the cost incurred to acquire and bring to use the specific software.



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

**(f) Impairment**

The carrying amounts of Group 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.

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 Group 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.

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

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

**(h) Employee entitlements**

**Short term benefits**

Employee benefits that the Group 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, annual leave earned, but not yet taken at balance date.

The Group 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.

**(i) 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 Group held no derivative financial instruments (i.e. hedging instruments) in the years reported.

The Group has no off-balance sheet financial instruments.



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

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

Financial assets and financial liabilities are recognised when the Group 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 Group 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 Group 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

**(j) Revenue**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group 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 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 Group 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.

### **Bequests**

Endowment fund bequests are recognised as revenue in the Statement of Comprehensive Revenue and Expense when received. Endowment bequests received are first recognised in surplus/deficit for the year and then transferred in the Statement of Changes in Equity from accumulated funds to the endowment funds equity reserve. This treatment recognises that endowment fund bequests are preserved in investments carried forward and only income earned from investments is used to fund student scholarships.

### **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 from exchange transactions**

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.

### **Dividend income**

Dividend income is recognised on the date that the Group's rights to receive payment are established, which in the case of quoted securities is the ex-dividend date.

## **(k) 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.



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

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

**(l) 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 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.

**(m) Income tax**

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

**(n) 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.

The Foundation is not registered for Goods & Services Tax.

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

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



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

**4 Other expenses**

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

	2023	2022
<b>General overheads</b>		
Audit fees for financial statement audit	33,760	27,482
Other professional fees paid to Grant Thornton	-	22,058
<b>Employee remuneration</b>		
Wages and salaries	4,746,457	4,083,894
Increase/ (decrease) in employee entitlements	59,964	21,714
<b>Finance costs include:</b>		
Interest on borrowings	-	-
Bank charges	17,652	15,624

**5 Cash and cash equivalents**

	2023	2022
Cash at bank and in hand	73,015	223,778
Call deposits	598,273	664,754
<b>Total</b>	<b>671,288</b>	<b>888,532</b>

The carrying amount of cash and cash equivalents and call deposits approximates their fair value. There is a \$7,608 variance in this note versus the figure noted on the balance sheet, due to the Foundation overdraft being disclosed as a payable in Trade creditor and other payables (note 9).

**6 Receivables**

	2023	2022
Receivables from exchange transactions	1,922,350	2,029,880
Receivables from non-exchange transactions	340,656	685,259
<b>Total</b>	<b>2,263,005</b>	<b>2,715,139</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 Group**  
**Notes to the consolidated financial statements**  
*In New Zealand Dollars*

**7 Property plant and equipment**

<b>Movement 2023</b>	Cost 1-Jul-22	Additions	Disposals	Cost 30-Jun-23	Accumulated depreciation 1-Jul-22	Depreciation written back	Current year depreciation	Accumulated depreciation 30-Jun-23	Carrying amount 30-Jun-23
Land	2,694,970	-	-	2,694,970	-	-	-	-	<b>2,694,970</b>
Buildings	7,906,814	26,718	-	7,933,533	3,701,506	-	175,918	3,877,424	<b>4,056,109</b>
Boats	1,962,598	132,708	(134,338)	1,960,968	1,362,571	(115,409)	114,176	1,361,338	<b>599,631</b>
Motor vehicles	853,737	-	(88,086)	765,651	724,946	(88,086)	27,233	664,093	<b>101,558</b>
Plant and equipment	614,509	27,674	(24,740)	617,443	532,938	(24,740)	34,246	542,443	<b>75,000</b>
Furniture and computer equipment	145,665	22,600	(5,598)	162,667	106,578	(5,598)	19,492	120,472	<b>42,195</b>
Training equipment	463,461	35,842	(41,604)	457,699	380,409	(41,604)	56,446	395,251	<b>62,448</b>
<b>Total</b>	<b>14,641,755</b>	<b>245,542</b>	<b>(294,365)</b>	<b>14,592,932</b>	<b>6,808,947</b>	<b>(275,437)</b>	<b>427,511</b>	<b>6,961,021</b>	<b>7,631,911</b>
<b>Movement 2022</b>	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	-	-	-	-	<b>2,694,970</b>
Buildings	7,884,136	22,679	-	7,906,814	3,510,639	-	190,867	3,701,506	<b>4,205,309</b>
Boats	1,874,463	88,135	-	1,962,598	1,275,955	-	86,616	1,362,571	<b>600,027</b>
Motor vehicles	724,088	129,649	-	853,737	713,524	-	11,422	724,946	<b>128,791</b>
Plant and equipment	600,688	14,847	(1,025)	614,509	504,121	(1,025)	29,843	532,938	<b>81,572</b>
Furniture and computer equipment	156,351	30,019	(40,705)	145,665	132,314	(40,705)	14,969	106,578	<b>39,087</b>
Training equipment	705,990	15,319	(257,848)	463,461	587,166	(257,848)	51,092	380,409	<b>82,972</b>
<b>Total</b>	<b>14,640,686</b>	<b>300,648</b>	<b>(299,579)</b>	<b>14,641,755</b>	<b>6,723,718</b>	<b>(299,579)</b>	<b>384,808</b>	<b>6,808,947</b>	<b>7,832,728</b>

FY23 Capital work in progress is wastewater plant work and a 50% deposit paid for lifejackets. 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.





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**8 Investments**

	<b>2023</b>	<b>2022</b>
Rangatira shares	4,056,250	3,787,500
Mercer (NZ) Ltd	20,240,096	14,551,370
Foodstuffs redeemable preference shares	9,787	12,451
<b>Total</b>	<b>24,306,133</b>	<b>18,351,321</b>

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 for investments classed as "fair value through surplus or deficit", any movement in the fair value or impairment is recognised in the Statement of Comprehensive Revenue and Expense.

The Groups FCNZ and Mercer (N.Z.) Ltd capital investment portfolios and other equity investments are classified as "fair value through surplus or deficit", because investments held are part of a portfolio of investments, that are managed together to generate short-term profits. The policy of the Foundation is to hold investments for the long-term, but if conditions change the investments are readily able to be sold.

All investments are carried at fair value with movements recognised in the Statement of Comprehensive Revenue and Expense. Investments are considered to be long-term by nature and therefore are classified as non-current assets. Cash funds held within the investment portfolio at balance date were \$1,696,952 (2022: \$903,653).

**9 Trade creditors and other payables**

	<b>2023</b>	<b>2022</b>
Trade creditors	136,744	127,472
Accrued expenses	382,102	314,959
GST and PAYE payable	249,746	292,202
<b>Total</b>	<b>768,592</b>	<b>734,632</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. There is a \$7,608 variance in this note versus the figure noted on the balance sheet, due to the Foundation overdraft not being included in Cash & cash equivalents (note 5).

**10 Revenue in advance**

	<b>2023</b>	<b>2022</b>
Revenue in Advance for exchange transactions	1,906,265	2,494,506
Revenue in Advance for non-exchange transactions	1,035,036	1,059,001
Grant Revenue	-	-
<b>Total</b>	<b>2,941,301</b>	<b>3,553,506</b>



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## 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.

2023- transfers between equity reserves	Opening	Transfer from/ (to) retained earnings	Closing
Endowment funds	19,433,579	5,797,207	25,230,786
Sponsorship funds	2,552,462	207,429	2,759,891
Special funds	2,033,842	24,590	2,058,432
Capital Replacement Reserve	102,664	131,000	233,664
<b>Total</b>	<b>24,122,547</b>	<b>6,160,227</b>	<b>30,282,774</b>
2022- transfers between equity reserves	Opening	Transfer from/ (to) retained earnings	Closing
Endowment funds	20,343,893	(910,314)	19,433,579
Sponsorship funds	2,068,961	483,501	2,552,462
Special funds	2,035,716	(1,874)	2,033,842
Capital Replacement Reserve	215,159	(112,495)	102,664
<b>Total</b>	<b>24,663,729</b>	<b>(541,182)</b>	<b>24,122,547</b>

### (a) Endowment funds

Endowment funds are bequests whereby the principal donation is preserved and only income earned being expended on student scholarships. Endowment fund bequests are recognised as income when received in the Statement of Comprehensive Revenue and Expense and transferred to the Endowment Funds equity reserve from Accumulated Funds.

### (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 and were largely completed in June 2022. The remaining Funds specific to this, are now being repurposed towards the Wastewater Plant upgrade. There are also funds received in advance that will fund the Mercedes Sprinter 519 minibus mentioned in note 15, Capital commitments

## 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 Group.

### (a) Parent and ultimate controlling party

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

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**(b) Related parties**

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

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.

One of the Eight trustees of the Trust are also members of the governing body of the Foundation.

**(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 (2022: \$Nil).

**Key management personnel**

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

<i>Key management personnel compensation</i>	<b>2023</b>	<b>2022</b>
Salaries and other short-term employee benefits	230,000	229,115

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.

**(d) Other related party transactions**

*Grant Faber – Outward Bound Trust Director*

The Trust received donations of \$25,196 for the 2023 financial year to assist with operational costs (2022: \$7,500).

*Andrew Smith – Outward Bound Trust Director (resigned)*

The Trust received donations of \$20,000 for the 2023 financial year to assist with operational costs (2022: \$15,000) and nil to assist with capital expenditure (2022: \$100,000).

The Foundation received a donation of \$5,000,000 for the 2023 financial year, contributing to the “Grow the Foundation” strategy (2022: nil).

*Hilary Sumpter – Outward Bound Trust Director (resigned)*

The Trust received donations of \$240 for the 2023 financial year (2022: \$240).

*Roz Mexted – Outward Bound Trust Director*

The Trust received donations of \$1,749 for the 2023 financial year (2022: \$Nil).

There were no other related party transactions in the 2022 and 2023 financial reporting years.



**The Outward Bound Trust of New Zealand Group**  
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**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:

<b>Financial Assets</b>	<b>2023</b>	<b>2022</b>
<i>Financial assets at fair value through surplus or deficit</i>		
Investments	24,306,133	18,351,321
<i>Loans and receivables</i>		
Cash and cash equivalents	678,896	888,532
Receivables from exchange transactions	1,922,350	2,029,880
Receivables from non-exchange transactions	340,656	685,259
<b>Total</b>	<b>27,248,034</b>	<b>21,954,991</b>
<b>Financial Liabilities</b>	<b>2023</b>	<b>2022</b>
<i>At amortised cost</i>		
Trade creditors and accrued expenses	776,200	734,632
Employee entitlements	387,981	328,017
Revenue in Advance for exchange transactions	1,906,265	2,494,506
Revenue in Advance for non-exchange transactions	1,035,036	1,059,001
<b>Total</b>	<b>4,105,483</b>	<b>4,616,157</b>

**14 Operating leases**

<i>Non-cancellable operating leases are payable as follows:</i>	<b>2023</b>	<b>2022</b>
Less than one year	169,234	59,025
Between one and five years	410,154	135,159
More than five years	244,290	-
<b>Closing balance</b>	<b>823,678</b>	<b>194,184</b>

Operating leases are held in relation to an a property lease at Ruakaka Bay and the 2 premises leased at 3 Queens Wharf, Wellington and 20 Beaumont Street, Auckland.

**15 Capital commitments**

As at Balance Sheet date, the Trust has a capital commitment to purchase a Mercedes Sprinter 519 minibus for \$140,066 (2022: \$Nil).

**16 Contingent assets and liabilities**

The Group has no contingent assets or liabilities as at balance date (2022: \$Nil).

**17 Subsequent events**

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

## Independent Auditor's Report

### To the Trustees of The Outward Bound Trust of New Zealand Group (the "Group")

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

##### Opinion

We have audited the financial statements of the The Outward Bound Trust of New Zealand Group (the "Group") which comprise:

- a. the financial statements set out on pages 2 to 18, which comprise the statement of financial position as at 30 June 2023, and the statement of comprehensive revenue and expense, statement of changes in net assets, and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies; and
- b. the statement of service performance on page 1 to 7.

In our opinion, the accompanying financial statements present fairly, in all material respects:

- a. the financial position of the Group as at 30 June 2023 and its financial performance and cash flows for the year then ended; and
- b. the service performance for the year ended 30 June 2023 in accordance with the Group's service performance criteria

in accordance with the Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board.

##### Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance the International Standard on Assurance Engagements (New Zealand) (ISAE (NZ)) 3000 (Revised) 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 General Purpose Financial Report* section of our report. We are independent of the Group 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 the Group in the area of special consultancy projects. The firm has no other relationship with, or interest in, the Group.

##### Responsibilities of Those Charged with Governance for the Financial Statements

Those charged with governance are responsible on behalf of the Group for:

- (a) the preparation and fair presentation of the financial statements and statement of service performance in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board;
- (b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards; and
- (c) such internal control as those charged with governance determine is necessary to enable the preparation of the financial statements and service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the general purpose financial report, the Trustees on behalf of the Group are responsible for assessing the Group'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 those charged with governance either intend to liquidate the Group 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 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 the financial statements.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and service performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the group's internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the service performance information, including the disclosures, and whether the consolidated financial statements and the service performance information represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Restriction on use of our report**

This report is made solely to the Group's Trustees, as a body. Our audit work has been undertaken so that we might state to the Group'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 Group 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**

**31 October 2023**