

The Outward Bound Trust of New Zealand

Financial Statements for the year ended 30 June 2023

The Outward Bound Trust of New Zealand

Table of Contents

Directory of Information	Page 1
Statement of Comprehensive Revenue and Expense	Page 2
Statement of Financial Position	Page 3
Statement of Changes in Net Assets	Page 4
Statement of Cash Flows	Page 5
Notes to the Financial Statements	Pages 6 -19
Independent Auditor Report	Pages 20 - 21

The Outward Bound Trust of New Zealand

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

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 2023			
<i>In New Zealand Dollars</i>			
	Note	2023	2022
Revenue from Non-Exchange Transactions			
Subsidised Course Fees - Attendee		279,150	198,733
Subsidised Course fees - Funder		3,326,954	2,204,689
Government Grants		11,159	476,461
Donations and Memberships		936,952	1,041,518
		4,554,215	3,921,402
Revenue from Exchange Transactions			
Course fees		3,191,368	2,142,159
Merchandise sales		129,603	82,869
Interest		5,124	632
Gain on disposal of assets		31,739	-
Other income		272,039	158,638
		3,629,874	2,384,299
Total Revenue		8,184,090	6,305,701
Operating expenditure			
Staff and administration costs		6,920,291	5,887,123
Student costs		818,808	556,486
Merchandise costs		90,166	56,950
Premises rental		112,357	99,320
Depreciation	7	427,511	384,672
Amortisation		6,969	6,892
Total Expenditure		8,376,101	6,991,444
Surplus for the year		(192,011)	(685,743)
Other comprehensive revenue and expense		-	-
Total comprehensive revenue and expense for the year		(192,011)	(685,743)

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 Outward Bound Trust of New Zealand

Statement of Financial Position			
As at 30 June 2023			
In New Zealand Dollars			
	Note	2023	2022
Current Assets			
Cash and cash equivalents	5	678,896	740,086
Receivables from exchange transactions	6	1,790,100	1,912,005
Receivables from non-exchange transactions	6	340,656	685,259
Prepayments		67,347	55,715
Inventories		94,478	81,430
Total current assets		2,971,477	3,474,495
Non-current Assets			
Property plant and equipment	7	7,631,911	7,832,728
Intangible assets		10,851	14,645
Investments		9,787	12,451
Total non-current assets		7,652,549	7,859,824
Total Assets		10,624,025	11,334,319
Current Liabilities			
Trade creditors and other payables	8	762,592	728,632
Employee entitlements		387,981	328,017
Revenue in Advance for exchange transactions	9	1,906,265	2,494,506
Revenue in Advance for non-exchange transactions	9	1,035,036	1,059,001
Loans and borrowings	10	200,000	200,000
Total current liabilities		4,291,874	4,810,157
Total Liabilities		4,291,874	4,810,157
Total Net Assets		6,332,151	6,524,162
Equity			
Accumulated funds		741,367	1,271,807
Equity reserves	11	5,590,785	5,252,356
Total Equity		6,332,151	6,524,162

The Outward Bound Trust of New Zealand

Statement of Changes in Net Assets							
For the year ended 30 June 2023							
In New Zealand Dollars							
		Equity Reserves					
	Note	Accumulated funds	Endowment Funds	Sponsorship Funds	Special Funds	Capital Replacement Reserve	Total Equity
Balance 30 June 2021		2,328,004	33,030	2,068,961	2,564,751	215,159	7,209,905
Total comprehensive income for the year							
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)	-
Balance 30 June 2022		1,271,807	33,030	2,552,462	2,564,199	102,664	6,524,162
Total comprehensive income for the year							
Deficit for the year		(192,011)	-	-	-	-	(192,011)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		(192,011)	-	-	-	-	(192,011)
Transfers between equity reserves	11	(338,429)	-	207,429	-	131,000	-
Balance 30 June 2023		741,367	33,030	2,759,891	2,564,199	233,664	6,332,151



The Outward Bound Trust of New Zealand

Statement of Cash Flows			
For the year ended 30 June 2023			
In New Zealand Dollars			
	Note	2023	2022
Cash flows from Operating activities			
Receipts			
Receipts from Subsidised Course Fees		3,921,451	2,494,869
Receipts from Donations and Membership		490,351	559,073
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
Interest Received		5,124	632
Receipts from Other Income		674,703	393,787
		7,962,718	6,382,249
Payments			
Payments to suppliers and employees		(7,828,807)	(6,390,850)
Interest paid		-	-
		(7,828,807)	(6,390,850)
Net cash flows from/ (used in) operating activities		133,911	(8,602)
Cash flows from investing activities			
Sale/(Purchase) of Investments		-	-
Property, plant and equipment additions		(226,840)	(175,052)
Proceeds from sale of property, plant and equipment		31,739	-
Net cash flows from/ (used in) investing activities		(195,101)	(175,052)
Cash flows from financing activities			
Repayment of borrowings		-	-
Net cash flows from/ (used in) financing activities		-	-
Net increase/ (decrease) in cash and cash equivalents		(61,190)	(183,654)
Cash and cash equivalents at beginning of year		740,086	923,739
Cash and cash equivalents at end of year	5	678,896	740,086

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 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 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 \$1,320,397, 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	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 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 Outward Bound Trust of New Zealand
Notes to the financial statements
In New Zealand dollars

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.

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.

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

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

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.

(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 11 a to d.

4 Other expenses

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

	2023	2022
General overheads		
Audit fees for financial statement audit	27,760	21,482
Other professional fees paid to Grant Thornton	-	22,058
Employee remuneration		
Wages and salaries	4,746,457	4,083,894
Increase/(decrease) in employee entitlements	59,964	21,714
Finance costs include:		
Bank charges	9,766	9,267

5 Cash and cash equivalents

	2023	2022
Cash at bank and in hand	80,623	75,332
Call deposits	598,273	664,754
Total	678,896	740,086

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

	2023	2022
Receivables from exchange transactions	1,790,100	1,912,005
Receivables from non-exchange transactions	340,656	685,259
Total	2,130,755	2,597,264

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 2023	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	-	-	-	-	2,694,970
Buildings	7,906,814	26,718	-	7,933,533	3,701,506	-	175,918	3,877,424	4,056,109
Boats	1,962,598	132,708	(134,338)	1,960,968	1,362,571	(115,409)	114,176	1,361,338	599,631
Motor vehicles	853,737	-	(88,086)	765,651	724,946	(88,086)	27,233	664,093	101,558
Plant and equipment	614,509	27,674	(24,740)	617,443	532,938	(24,740)	34,246	542,443	75,000
Furniture and computer equipment	145,665	22,600	(5,598)	162,667	106,578	(5,598)	19,492	120,472	42,195
Training equipment	463,461	35,842	(41,604)	457,699	380,409	(41,604)	56,446	395,251	62,448
Total	14,641,755	245,542	(294,365)	14,592,932	6,808,947	(275,437)	427,511	6,961,021	7,631,911
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	587,166	(257,848)	51,092	380,409	82,972
Total	14,640,686	300,648	(299,579)	14,641,755	6,723,718	(299,579)	384,808	6,808,947	7,832,728

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.



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

8 Trade creditors and other payables

	2023	2022
Trade creditors	130,744	121,472
Accrued expenses	382,102	314,959
GST and PAYE payable	249,746	292,202
Total	762,592	728,632

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

	2023	2022
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
Total	2,941,301	3,553,506

10 Loans and borrowings

	2023	2022
Loan balance with Outward Bound Trust of New Zealand Foundation	200,000	200,000
Total	200,000	200,000
Less balance payable within 12 months (current borrowings)	200,000	200,000
Non-current borrowings	-	-

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

2023 - transfers between equity reserves	Opening	Transfer from/ (to) retained earnings	Closing
Endowment funds	33,030	-	33,030
Sponsorship funds	2,552,462	207,429	2,759,891
Special funds	2,564,199	-	2,564,199
Capital Replacement Reserve	102,664	131,000	233,664
Total	5,252,355	338,429	5,590,785
2022 - transfers between equity reserves	Opening	Transfer from/ (to) retained earnings	Closing
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
Total	4,881,901	370,454	5,252,356

(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 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 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
Notes to the financial statements
In New Zealand dollars

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. 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 (2022: \$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.

	2023	2022
Loan balance owed to Outward Bound Trust of New Zealand Foundation	200,000	200,000
Carrying value in balance sheet	200,000	200,000

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

Foundation current account

	2023	2022
Opening balance	0	225,396
Financial assistance receivable	556,379	303,598
Foundation expenditure paid directly by the Trust	288,372	121,427
Cash received from the Foundation	(844,750)	(650,421)
Closing balance	0	0

(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>	2023	2022
Salaries and other short-term employee benefits (2022: 1 person, 2021: 1 person)	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.



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 \$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).

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.

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:

	2023	2022
Financial Assets		
<i>Financial assets at fair value through surplus or deficit</i>		
Investments	9,787	12,451
<i>Loans and receivables</i>		
Cash and cash equivalents	678,896	740,086
Receivables from exchange transactions	1,790,100	1,912,005
Receivables from non-exchange transactions	340,656	685,259
Total	2,819,438	3,349,800
	2023	2022
Financial Liabilities		
<i>At amortised cost</i>		
Trade creditors and accrued expenses	762,592	728,632
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
Loans and borrowings	200,000	200,000
Total	4,291,874	4,810,156

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

14 Operating leases

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

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 Trust 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

Report on the Audit of the Financial Statements

Opinion

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

- a. the financial statements set out on pages 2 to 19, 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 Entity 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 Entity'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 Entity 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 Trust in the area of special consultancy projects. The firm has no other relationship with, or interest in, the Trust.

Responsibilities of Those Charged with Governance for the Financial Statements

Those charged with governance are responsible on behalf of the Entity 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 Entity are responsible for assessing the Entity'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 Entity 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 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 trusts 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 trusts 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 trust'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 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 trust's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements and the service performance information, including the disclosures, and whether the 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 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 Entity 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