

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

**Financial Statements  
For the year ended  
30 June 2021**

# The Outward Bound Trust of New Zealand

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## The Outward Bound Trust of New Zealand

| <b>Statement of Comprehensive Revenue and Expense</b>       |             |                  |                  |
|---|-------------|------------------|------------------|
| <b>For the year ended 30 June 2021</b>                      |             |                  |                  |
| <b>In New Zealand Dollars</b>                               |             |                  |                  |
|   | <b>Note</b> | <b>2021</b>      | <b>2020</b>      |
| <b>Revenue from Non-Exchange Transactions</b>               |             |                  |                  |
| Subsidised Course Fees - Attendee                           |             | 249,289          | 292,796          |
| Subsidised Course fees - Funder                             |             | 2,666,558        | 2,068,790        |
| Government Grants   |             | 365,371          | 496,094          |
| Donations and Memberships                                   |             | 414,479          | 2,270,947        |
|   |             | 3,695,697        | 5,128,627        |
| <b>Revenue from Exchange Transactions</b>                   |             |                  |                  |
| Course fees   |             | 2,684,686        | 2,032,537        |
| Merchandise sales   |             | 108,909          | 74,125           |
| Interest  |             | 2,906            | 1,265            |
| Gain on disposal of assets                                  |             | 2,945            | 4,957            |
| Other income  |             | 121,084          | 108,036          |
|   |             | 2,920,530        | 2,220,920        |
| <b>Total Revenue</b>  |             | <b>6,616,227</b> | <b>7,349,547</b> |
| <b>Operating expenditure</b>                                |             |                  |                  |
| Staff and administration costs                              |             | 5,707,378        | 5,654,471        |
| Student costs   |             | 564,972          | 488,299          |
| Merchandise costs   |             | 73,061           | 49,780           |
| Premises rental   |             | 96,325           | 89,184           |
| Depreciation  | 7           | 390,742          | 361,676          |
| Amortisation  |             | 4,257            | 6,938            |
| Bad Debts written off                                       |             | -                | 271              |
| <b>Total Expenditure</b>                                    |             | <b>6,836,735</b> | <b>6,650,619</b> |
| <b>Surplus for the year</b>                                 |             | <b>(220,508)</b> | <b>698,928</b>   |
| Other comprehensive revenue and expense                     |             | -                | -                |
| <b>Total comprehensive revenue and expense for the year</b> |             | <b>(220,508)</b> | <b>698,928</b>   |

These financial statements were approved by the Board of Directors on 1 September 2021  
**For and on behalf of the Trust:**



Grant Faber  
 Chair  
 1 September 2021



Tim Watts  
 Trustee  
 1 September 2021

The accompanying notes form part of these financial statements

## The Outward Bound Trust of New Zealand

| <b>Statement of Financial Position</b>           |             |                   |                   |
|--|-------------|-------------------|-------------------|
| <b>As at 30 June 2021</b>                        |             |                   |                   |
| <b>In New Zealand Dollars</b>                    |             |                   |                   |
|  | <b>Note</b> | <b>2021</b>       | <b>2020</b>       |
| <b>Current Assets</b>                            |             |                   |                   |
| Cash and cash equivalents                        | 5           | 923,739           | 1,859,293         |
| Receivables from exchange transactions           | 6           | 1,846,031         | 733,330           |
| Receivables from non-exchange transactions       | 6           | 398,344           | 196,774           |
| Prepayments                                      |             | 67,145            | 55,976            |
| Inventories                                      |             | 77,733            | 70,929            |
| <b>Total current assets</b>                      |             | <b>3,312,992</b>  | <b>2,916,302</b>  |
| <b>Non-current Assets</b>                        |             |                   |                   |
| Property plant and equipment                     | 7           | 7,916,967         | 7,903,228         |
| Intangible assets                                |             | 17,919            | 12,175            |
| Investments                                      |             | 15,154            | 14,794            |
| <b>Total non-current assets</b>                  |             | <b>7,950,040</b>  | <b>7,930,197</b>  |
| <b>Total Assets</b>                              |             | <b>11,263,032</b> | <b>10,846,499</b> |
| <b>Current Liabilities</b>                       |             |                   |                   |
| Trade creditors and other payables               | 8           | 670,050           | 537,846           |
| Employee entitlements                            |             | 306,303           | 579,904           |
| Revenue in Advance for exchange transactions     | 9           | 2,192,598         | 1,020,408         |
| Revenue in Advance for non-exchange transactions | 9           | 684,175           | 1,077,928         |
| Loans and borrowings                             | 10          | 200,000           | 200,000           |
| <b>Total current liabilities</b>                 |             | <b>4,053,127</b>  | <b>3,416,086</b>  |
| <b>Total Liabilities</b>                         |             | <b>4,053,127</b>  | <b>3,416,086</b>  |
| <b>Total Net Assets</b>                          |             | <b>7,209,905</b>  | <b>7,430,413</b>  |
| <b>Equity</b>                                    |             |                   |                   |
| Accumulated funds                                |             | 2,328,004         | 2,103,218         |
| Equity reserves                                  | 11          | 4,881,901         | 5,327,195         |
| <b>Total Equity</b>                              |             | <b>7,209,905</b>  | <b>7,430,413</b>  |

The accompanying notes form part of these financial statements

## The Outward Bound Trust of New Zealand

| <b>Statement of Changes in Equity</b>          |             |                          |                        |                     |
|--|-------------|--------------------------|------------------------|---------------------|
| <b>For the year ended 30 June 2021</b>         |             |                          |                        |                     |
| <b>In New Zealand Dollars</b>                  |             |                          |                        |                     |
|  | <b>Note</b> | <b>Accumulated funds</b> | <b>Equity reserves</b> | <b>Total equity</b> |
| Balance 1 July 2019                            |             | 2,131,467                | 4,600,018              | 6,731,485           |
| <b>Total comprehensive income for the year</b> |             |                          |                        |                     |
| Surplus for the year                           |             | 698,928                  | -                      | 698,928             |
| Other comprehensive income                     |             | -                        | -                      | -                   |
| Total comprehensive income for the year        |             | 698,928                  | -                      | 698,928             |
| Transfers between equity reserves              | 11          | (727,177)                | 727,177                | -                   |
| <b>Balance 30 June 2020</b>                    |             | <b>2,103,218</b>         | <b>5,327,195</b>       | <b>7,430,413</b>    |
| <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                  | (445,294)              | -                   |
| <b>Balance 30 June 2021</b>                    |             | <b>2,328,004</b>         | <b>4,881,901</b>       | <b>7,209,905</b>    |

## The Outward Bound Trust of New Zealand

| <b>Statement of Cash Flows</b>                               |             |                  |                    |
|--|-------------|------------------|--------------------|
| <b>For the year ended 30 June 2021</b>                       |             |                  |                    |
| <b>In New Zealand Dollars</b>                                |             |                  |                    |
|  | <b>Note</b> | <b>2021</b>      | <b>2020</b>        |
| <b>Cash flows from Operating activities</b>                  |             |                  |                    |
| <b>Receipts</b>  |             |                  |                    |
| Receipts from Subsidised Course Fees                         |             | 2,320,524        | 2,709,944          |
| Receipts from Donations and Membership                       |             | 318,379          | 2,210,687          |
| Receipts from Government Grants                              |             | 365,371          | 842,769            |
| Receipts from Course Fees                                    |             | 2,784,175        | 1,973,989          |
| Receipts from Merchandise Sales                              |             | 108,909          | 74,125             |
| Interest Received  |             | 2,906            | 1,265              |
| Receipts from Other Income                                   |             | 120,723          | 107,251            |
|  |             | 6,020,988        | 7,920,030          |
| <b>Payments</b>  |             |                  |                    |
| Payments to suppliers and employees                          |             | (6,653,704)      | (6,051,645)        |
| Interest paid  |             | -                | -                  |
|  |             | (6,653,704)      | 6,051,645          |
| <b>Net cash flows from/ (used in) operating activities</b>   |             | <b>(632,716)</b> | <b>1,868,385</b>   |
| <b>Cash flows from investing activities</b>                  |             |                  |                    |
| Sale/(Purchase) of Investments                               |             | -                | -                  |
| Property, plant and equipment additions                      |             | (314,337)        | (1,118,910)        |
| Proceeds from sale of property, plant and equipment          |             | 11,500           | 4,957              |
| <b>Net cash flows from/ (used in) investing activities</b>   |             | <b>(302,837)</b> | <b>(1,113,953)</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>(935,554)</b> | <b>754,432</b>     |
| Cash and cash equivalents at beginning of year               |             | 1,859,293        | 1,104,861          |
| Cash and cash equivalents at end of year                     | 5           | 923,739          | 1,859,293          |

The accompanying notes form part of these financial statements

**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 2021.

The Trust was incorporated under the Charitable Trust Act 1957, is registered under the Charities Act 2005, 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 \$740,134, 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**  
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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**  
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**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                                   | 3-15 years  |
| ○ Buildings                               | 10-40 years |
| ○ Plant and equipment                     | 4-40 years  |
| ○ Office furniture and Computer equipment | 1-5 years   |
| ○ Training equipment                      | 3-10 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 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.

**Long-term benefits**

The Trust provides a one-off long service leave equivalent to five (5) working days, to employees serving more than 10 years of service, and has not entered into any defined benefit/contribution pension plans.

**(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.

**4 Other expenses**

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

|  | 2021      | 2020      |
|--|-----------|-----------|
| <b>General overheads</b>                     |           |           |
| Audit fees for financial statement audit     | 21,484    | 18,000    |
| <b>Employee remuneration</b>                 |           |           |
| Wages and salaries                           | 3,824,087 | 3,896,540 |
| Increase/(decrease) in employee entitlements | (273,600) | 366,326   |
| <b>Finance costs include:</b>                |           |           |
| Interest on borrowings                       | -         | 1         |
| Bank charges                                 | 20,456    | 21,411    |

**5 Cash and cash equivalents**

|                          | 2021           | 2020             |
|--------------------------|----------------|------------------|
| Cash at bank and in hand | 154,139        | 404,280          |
| Call deposits            | 769,600        | 1,455,013        |
| <b>Total</b>             | <b>923,739</b> | <b>1,859,293</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>2021</b>      | <b>2020</b>    |
|--|------------------|----------------|
| Receivables from exchange transactions     | 1,846,031        | 733,330        |
| Receivables from non-exchange transactions | 398,344          | 196,774        |
| <b>Total</b>                               | <b>2,244,375</b> | <b>930,104</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.

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

**7 Property Plant and Equipment**

| <b>Movement 2021</b>             | Cost<br>1-Jul-20  | Additions        | Disposals/Transfers/<br>Write offs | Cost<br>30-Jun-21 | Accumulated<br>depreciation<br>1-Jul-20 | Depreciation written<br>back | Current year<br>depreciation | Accumulated<br>depreciation<br>30-Jun-21 | Carrying amount<br>30-Jun-21 |
|----------------------------------|-------------------|------------------|------------------------------------|-------------------|---|------------------------------|------------------------------|--|------------------------------|
| Land                             | 2,694,970         | -                | -                                  | 2,694,970         | -                                       | -                            | -                            | -  | <b>2,694,970</b>             |
| Buildings                        | 7,787,982         | 80,825           | -                                  | 7,868,807         | 3,312,174                               | -                            | 198,464                      | 3,510,639                                | <b>4,358,168</b>             |
| Boats                            | 1,482,378         | 5,384            | (15,118)                           | 1,472,644         | 1,201,159                               | (8,063)                      | 82,859                       | 1,275,955                                | <b>196,689</b>               |
| Motor vehicles                   | 724,088           | -                | -                                  | 724,088           | 704,082                                 | -                            | 9,442                        | 713,524                                  | <b>10,564</b>                |
| Plant and equipment              | 571,583           | 29,105           | -                                  | 600,688           | 478,967                                 | -                            | 25,153                       | 504,121                                  | <b>96,568</b>                |
| Furniture and computer equipment | 135,927           | 20,424           | -                                  | 156,351           | 121,441                                 | -                            | 10,873                       | 132,314                                  | <b>24,037</b>                |
| Training equipment               | 632,111           | 73,879           | -                                  | 705,990           | 523,215                                 | -                            | 63,950                       | 587,166                                  | <b>118,824</b>               |
| Work in progress                 | 215,271           | 201,877          | -                                  | 417,148           | -                                       | -                            | -                            | -  | <b>417,148</b>               |
| <b>Total</b>                     | <b>14,244,309</b> | <b>411,494</b>   | <b>(15,118)</b>                    | <b>14,640,686</b> | <b>6,341,039</b>                        | <b>(8,063)</b>               | <b>390,742</b>               | <b>6,723,718</b>                         | <b>7,916,967</b>             |
|                                  |                   |                  |                                    |                   |   |                              |                              |  |                              |
| <b>Movement 2020</b>             | Cost<br>1-Jul-19  | Additions        | Disposals/Transfers/<br>Write offs | Cost<br>30-Jun-20 | Accumulated<br>depreciation<br>1-Jul-19 | Depreciation written<br>back | Current year<br>depreciation | Accumulated<br>depreciation<br>30-Jun-20 | Carrying amount<br>30-Jun-20 |
| Land                             | 2,694,970         | -                | -                                  | 2,694,970         | -                                       | -                            | -                            | -  | <b>2,694,970</b>             |
| Buildings                        | 6,718,263         | 828,984          | 240,735                            | 7,787,982         | 3,140,298                               | (9,851)                      | 181,727                      | 3,312,174                                | <b>4,475,808</b>             |
| Boats                            | 1,503,290         | 1,444            | (22,356)                           | 1,482,378         | 1,137,728                               | (22,356)                     | 85,787                       | 1,201,159                                | <b>281,219</b>               |
| Motor vehicles                   | 727,648           | -                | (3,560)                            | 724,088           | 687,902                                 | (3,560)                      | 19,740                       | 704,082                                  | <b>20,006</b>                |
| Plant and equipment              | 523,933           | 48,757           | (1,107)                            | 571,583           | 462,455                                 | (1,107)                      | 17,619                       | 478,967                                  | <b>92,616</b>                |
| Furniture and computer equipment | 134,848           | 3,759            | (2,680)                            | 135,927           | 115,596                                 | (2,680)                      | 8,525                        | 121,441                                  | <b>14,486</b>                |
| Training equipment               | 657,605           | 73,698           | (99,192)                           | 632,111           | 574,131                                 | (99,192)                     | 48,277                       | 523,216                                  | <b>108,895</b>               |
| Work in progress                 | 250,586           | 215,271          | (250,586)                          | 215,271           | -                                       | -                            | -                            | -  | <b>215,271</b>               |
| <b>Total</b>                     | <b>13,211,143</b> | <b>1,171,912</b> | <b>(138,746)</b>                   | <b>14,244,309</b> | <b>6,118,110</b>                        | <b>(138,746)</b>             | <b>361,675</b>               | <b>6,341,039</b>                         | <b>7,903,270</b>             |

FY21 Capital work in progress includes a boat build, a shelter & a wastewater plant. They are recognised at cost less impairment and is 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**  
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**8 Trade creditors and other payables**

|                          | 2021           | 2020           |
|--------------------------|----------------|----------------|
| Trade creditors          | 170,449        | 41,992         |
| Outward Bound Foundation | 0              | 283,441        |
| Accrued expenses         | 175,448        | 123,925        |
| GST and PAYE payable     | 324,153        | 88,488         |
| <b>Total</b>             | <b>670,050</b> | <b>537,846</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**

|  | 2021             | 2020             |
|--|------------------|------------------|
| Revenue in Advance for exchange transactions     | 2,192,598        | 1,020,408        |
| Revenue in Advance for non-exchange transactions | 684,175          | 593,667          |
| Grant Revenue                                    | -                | 484,261          |
| <b>Total</b>                                     | <b>2,876,773</b> | <b>2,098,336</b> |

**10 Loans and borrowings**

|   |                |                |
|---|----------------|----------------|
| 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 Equity.



**The Outward Bound Trust of New Zealand**  
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| <i>2021 - transfers between equity reserves</i> | <b>Opening</b>   | <b>Transfer from/ (to)<br/>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> |
|   |                  |  |                  |
|   |                  |  |                  |
|   |                  |  |                  |
| <i>2020 - transfers between equity reserves</i> | <b>Opening</b>   | <b>Transfer from/ (to)<br/>retained earnings</b> | <b>Closing</b>   |
| Endowment funds                                 | 33,030           | -  | 33,030           |
| Sponsorship funds                               | 1,336,418        | 906,716  | 2,243,134        |
| Special funds                                   | 2,527,101        | 58,468   | 2,585,569        |
| Capital Replacement Reserve                     | 703,469          | (238,007)  | 465,462          |
| <b>Total</b>                                    | <b>4,600,018</b> | <b>727,177</b>                                   | <b>5,327,195</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 has been renamed from the Tortuga Replacement Reserve as this project includes the Tortuga Launch replacement.

**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 six 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 (2020: \$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.

|  | 2021           | 2020           |
|--|----------------|----------------|
| 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**

| <b>Foundation Current Account</b>                 |                |                  |
|---|----------------|------------------|
|   | 2021           | 2020             |
| Opening balance                                   | (283,441)      | (199,647)        |
| Financial assistance receivable                   | 488,381        | 734,701          |
| Foundation expenditure paid directly by the Trust | 20,456         | 64,305           |
| Cash received from the Foundation                 | -              | (882,800)        |
| <b>Closing balance</b>                            | <b>225,396</b> | <b>(283,441)</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>    | 2021   | 2020    |
|---|--------|---------|
| Salaries and other short-term employee benefits | 65,462 | 542,825 |

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.

**The Outward Bound Trust of New Zealand**  
**Notes to the financial statements**  
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**(e) Other related party transactions**

*Grant Faber – Outward Bound Trust Director*

The Trust received donations of \$8,000 for the 2021 financial year to assist with capital expenditure (2020: \$1,725).

*Andrew Smith – Outward Bound Trust Director*

The Trust received donations of \$75,000 for the 2021 financial year to assist with operational costs (2020: \$100,000) and \$Nil to assist with capital expenditure (2020: \$400,000).

*Hilary Sumpter – Outward Bound Trust Director*

The Trust received donations of \$240 for the 2021 financial year (2020: \$40).

*Fiona Mackenzie – Outward Bound Trust Director*

The Trust received donations of \$80 for the 2021 financial year (2020: \$80).

*Roz Mexted – Outward Bound Trust Director*

The Trust received donations of \$80 for the 2021 financial year (2020: \$Nil).

*Gavin Schiller – Outward Bound Trust Director*

The Trust received donations of \$80 for the 2021 financial year (2020: \$Nil).

There were no other related party transactions in the 2020 and 2021 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:

|  | <b>2021</b>      | <b>2020</b>      |
|--|------------------|------------------|
| <b>Financial Assets</b>  |                  |                  |
| <i>Financial assets at fair value through surplus or deficit</i> |                  |                  |
| Investments  | 15,155           | 14,794           |
|  |                  |                  |
| <i>Loans and receivables</i>                                     |                  |                  |
| Cash and cash equivalents  | 923,739          | 1,859,293        |
| Receivables from exchange transactions                           | 1,846,031        | 733,330          |
| Receivables from non-exchange transactions                       | 398,344          | 196,774          |
| <b>Total</b>   | <b>3,183,269</b> | <b>2,804,191</b> |

**The Outward Bound Trust of New Zealand**  
**Notes to the financial statements**  
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|  | 2021             | 2020             |
|--|------------------|------------------|
| <b>Financial Liabilities</b>                     |                  |                  |
| <i>At amortised cost</i>                         |                  |                  |
| Trade creditors and accrued expenses             | 670,050          | 537,846          |
| Employee entitlements                            | 306,303          | 579,904          |
| Revenue in Advance for exchange transactions     | 2,192,598        | 1,020,408        |
| Revenue in Advance for non-exchange transactions | 684,175          | 1,077,928        |
| Loans and borrowings                             | 200,000          | 200,000          |
| <b>Total</b>                                     | <b>4,053,126</b> | <b>3,416,086</b> |

#### 14 Operating Leases

| <i>Non-cancellable operating leases are payable as follows:</i> | 2021           | 2020           |
|---|----------------|----------------|
| Less than one year  | 108,690        | 116,751        |
| Between one and five years                                      | 25,378         | 127,365        |
| More than five years  | -              | -              |
| <b>Closing balance</b>  | <b>134,068</b> | <b>244,116</b> |

Operating leases are held in relation to computer equipment, lease at Ruakaka Bay and premises at 3 Queens Wharf, Wellington.

#### 15 Capital commitments

The Trust has a \$395,945 contract to build a boat. During the 2021 financial year, the Trust made payments towards this build totalling \$108,874, exclusive of GST. At year end, the Trust has a capital commitment of \$71,800 being the remaining amount outstanding towards this contract. This commitment has been recognised within the balance sheet in consideration of the status of the build (2020: Deposits towards boat contract of \$215,271).

#### 16 Contingent liabilities

The Trust has no contingent liabilities as at balance date (2020: \$Nil).

#### 17 Subsequent events

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

#### 18 Covid-19

On 23 March 2020, the New Zealand Government issued an Epidemic Notice to combat the threat of the COVID-19 pandemic. The countrywide lockdown commenced on 26 March 2020, and it is only as of 14 May 2020 when the country began to reopen the majority of its

**The Outward Bound Trust of New Zealand**  
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businesses, schools and other public venues. The results of the lockdown meant a substantial reduction of economic activities, especially those that were classed as non-essential businesses.

Upon the countrywide lockdown the Trust cancelled all courses for four months. To mitigate the lost revenue from course fees the Trust applied for the government wage subsidy, launched an urgent appeal and decreased variable expenses. With all these alleviations the Trust was able to retain all staff.

When the government announced the country was moving to level one on 8 June 2020 the Trust confirmed that courses were able to start again on 29 July 2020. Many of the students booked on the cancelled courses changed their booking to courses later in 2020 or early 2021. As a result most courses are fully booked for the remainder of 2020. All students are temperature checked upon arrival for the course and we have reduced the number of concurrent courses to manage any potential illness.

Throughout the 2021 financial year, the Trust continued to adapt to the changing restriction levels in order to continue to operate under normal course of business. Select courses were cancelled in periods where students booked were held under level 3 restrictions however, the Trust was able to operate under its usual course under level 2 restrictions.

# Independent Auditor's Report

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**Grant Thornton New Zealand Audit Limited**  
L15, Grant Thornton House  
215 Lambton Quay  
PO Box 10712  
Wellington 6143  
T +64 4 474 8500  
[www.grantthornton.co.nz](http://www.grantthornton.co.nz)

## 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 of New Zealand (the "Trust") on pages 1 to 19 which comprise the statement of financial position as at 30 June 2021, and the statement of comprehensive revenue and expense, statement of changes in equity 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 2021 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.

#### 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 on behalf of the group 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/audit-report-8/>

**Restriction on use of our report**

This report is made solely to the Trustees, as a body. Our audit work has been undertaken so that we might state to the 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 Trustees, as a body for our audit work, for this report or for the opinion we have formed.

**Grant Thornton New Zealand Audit Limited**

*Grant Thornton*

**B Smith**

**Partner**

**Wellington**

**1 September 2021**