

# THE OUTWARD BOUND TRUST

(COMPANY LIMITED BY GUARANTEE)

## Trustees' Report and Financial Statements for the year ended 30 September 2018

Company Number: 6748835

Registered Charity in England and Wales (1128090) and in Scotland (SC040341)



The Outward Bound Trust is extremely grateful to the following donors and supporters for their generous support over the course of the year:

All major donors and supporters of our Friends scheme  
All our dedicated challenge event participants  
All our generous alumni supporters  
All our volunteer Outward Bound Associations  
All supporters of our Scotland's Next Generation project  
All supporters who remembered the Trust in their wills  
All trusts and foundations supporters  
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Marine Harvest Scotland Ltd  
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McCormicks Solicitors  
The Mickel Fund  
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The Robertson Trust  
Scot JCB Ltd  
The Scott (Eredine) Charitable Trust  
The Mark Scott Foundation  
Scott Group  
The Scottish Children's Lottery  
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The Shears Foundation  
Souter Charitable Trust  
Springford Charitable Trust  
St James Place Foundation  
David Stevenson Trust  
STV Children's Appeal  
Swagelok Scotland  
The Taylor Charitable Trust  
The Thompson Family Charitable Trust  
Tower Hill Trust  
Trendsetter International  
The 29th May 1961 Charitable Trust  
U-POL  
Vale Bridgecraft Upholstery Ltd

The Outward Bound Trust is extremely grateful to the following donors and supporters for their generous support over the course of the year:

Wakefield and District Housing Ltd  
The Jo Walters Trust  
The Watson Foundation  
West Coast Foundation  
Wholebake Ltd

Whyte and Mackay Ltd  
William Grant Foundation  
William Jackson Food Group  
Winton Philanthropies

# THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2018

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## REFERENCE AND ADMINISTRATIVE DETAILS

**BACKGROUND and STATUS:** The Outward Bound Trust was established as a charity in 1941 and incorporated as a company limited by guarantee on 27 February 1946. Following a reorganisation of the group in April 2009 the assets and liabilities of The Trust were transferred to a new company which was incorporated on 13 November 2008 and registered as a charity on 14 February 2009. At the date of the transfer the new company was renamed The Outward Bound Trust and the old company became Outward Bound Global.

**GOVERNING DOCUMENT:** The Trust was established under Memorandum and Articles of Association which establishes the objects and powers of the charitable company.

**COMPANY NUMBER:** 6748835

**CHARITY NUMBER:** 1128090 and in Scotland SC040341

**REGISTERED AND OPERATING OFFICE:**

Hackthorpe Hall	Website: outwardbound.org.uk
Hackthorpe	Email: enquiries@outwardbound.org.uk
Penrith	Tel: 01931 740000
Cumbria, CA10 2HX	Fax: 01931 740001

**PATRON:** His Royal Highness the Duke of Edinburgh KG KT

**DEPUTY PATRONS:** The Lord Kirkham CVO  
Sir Chris Bonington CVO CBE

**TRUSTEES:**

His Royal Highness the Duke of York KG GCVO – Chairman **	
Ian Ashman *	
Andrew Cartwright (Appointed 12 March 2018)	
Nick Gair MBE ***	
Ian Gowrie-Smith (Resigned 11 June 2018)	
Leo Houlding	
Philippa Kramer **	
Jonathan Lewis * (Appointed 14 December 2017)	
Fasha Mahjoor	
Louise Makin DBE *	
Colin Maund */**	
Terence Mordaunt	
Charles Philipps*/**	* Member of the Audit Committee
Caroline Sellar	** Member of the Remuneration and Nominations Committee
Paul Voller (Appointed 12 March 2018)	
Christine Walker	*** Chairman of the Operational Risk Management Committee
Guy Williams	

**SENIOR EXECUTIVES:**

Nick Barrett	Chief Executive
Alan Bolchover	Director of Fundraising
Martin Davidson	Director, Scotland and Innovation
Natalie Harling	Director of Business Development
Kim Parry LVO	Director of Finance and Resources
William Ripley MVO	Director of Learning and Adventure

**COMPANY SECRETARY:** Kim Parry LVO

**AUDITORS:** haysmacintyre  
10 Queen Street Place  
London  
EC4R 1AG

**BANKERS:** Barclays Bank Plc  
Level 27  
1 Churchill Place  
London, E14 5HP

# THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2018

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## OBJECTIVES AND ACTIVITIES

The Trust is driven by the words of its co-founder, Kurt Hahn: *“We are all better than we know. If only we can be made to realise this, we may never again be prepared to settle for anything less”*. The mission and values of The Outward Bound Trust are as follows:

### **The Outward Bound Trust mission:**

To unlock the potential in young people through learning and adventure in the wild.

### **The Outward Bound Trust core values:**

- A belief that we all have undiscovered potential. We aim to create moments when everyone can see and believe in themselves as never before and to translate such moments into lessons for everyday life.
- A belief in the power and intensity of learning through adventure. A means of bringing out the best in people.
- A deep appreciation of the balance between risk, reward and responsibility. We want people to have intense experiences with real consequences and powerful, positive and memorable outcomes.
- A spirit of respect and compassion. We aim to stretch people both physically and mentally. In doing so we act with care, concern and generosity towards people and the natural environment.

During the year under review The Trust delivered a wide variety of personal development courses for young people in line with its mission and values. These varied from three day through to nineteen day courses. The majority of the courses were aimed at young people at school or on apprentice development programmes and are around five days in length.

All Outward Bound® courses share the same distinctive features. These can be characterised as follows:

### **The mountains, sea, rivers and lakes**

The Trust sets out to provide direct and dramatic experiences in inspiring and unfamiliar settings. Our competence lies in using the mountains, seas, rivers and lakes as the classroom.

### **The Outward Bound instructor**

The Trust’s instructors have the technical skills to take young people into the wild. However, of paramount importance are the facilitation and mentoring skills that enable an instructor to translate the events of an adventure into lessons for life.

### **Experiential learning**

People learn best by reflecting on an experience, planning to do better the next time and then acting on that plan. Over the years we have evolved a standard pedagogy which we call The Outward Bound Trust Development Journey and it is the essential development tool we use with participants on courses.

### **“Impelling” into experience**

The Trust sets out to encourage people to go out and do things they at first believe to be impossible.

### **Journey**

The concept of a journey is fundamental to the Outward Bound experience and the journeying metaphor is important to us. Courses involve physical journeys but are also journeys of development and discovery for the individual and the team.

### **The individual, the team and the environment**

Anyone attending an Outward Bound course participates as an individual and also as a team member, working alongside the same instructor for the duration of the course. The Trust’s courses focus on the development of the individual, the team and the interface of both with the natural environment.

The world has changed hugely since The Trust was founded during the Second World War with a view to teaching physical and mental survival skills to young merchant seaman about to serve as part of the North Atlantic convoys. However, in today’s world, the pressures on young people and the issues they face are as intense and varied as ever, albeit markedly different to those of 75 years ago. The Trust’s courses continue to make a significant contribution to the personal development of young people, helping to build their confidence and character to equip them to meet the challenges they face both now and in the future.

# THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2018

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## STRUCTURE, GOVERNANCE AND MANAGEMENT

### GOVERNING DOCUMENT

The Governing document of The Trust is its Memorandum and Articles of Association. The Trust's charitable objectives, as described in the Memorandum, are "to promote for the public benefit the personal development of young people by education and instruction through participation in a wide variety of activities with special emphasis on physical endeavour in the outdoors". In 1994 the Trustees agreed with the Charity Commission that in this context young people mean those under the age of 25.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. This is borne out by our commitment to provide a first class Outward Bound experience to as wide a range of young people as possible, irrespective of their financial circumstances. 80% of young people who came to our centres from schools this year were awarded bursary funding that enabled them to attend.

### TRUSTEES

The current Trustees, listed in this Report, are also the directors and members of the company. The liability of members is limited and their individual limit of guarantee is £10. There are no members of The Trust who are not Trustees.

Trustees are appointed on the recommendation of the Nominations Committee, which aims to ensure that the Board is well balanced and represents the breadth of work undertaken by The Trust. The Nominations Committee is responsible for reviewing the specific skills and the rotation of the Trustees and identifying what training may be required.

During the year three new Trustees were appointed. All new Trustees undergo an induction programme that includes a visit to one of the centres operated by The Trust and meetings with existing Trustees, senior executives and other key members of staff.

The Trustees meet formally four times a year and take responsibility for the strategic direction of the organisation. Day to day decision making is delegated to the Chief Executive who also advises the Trustees as to overall strategy. The Chief Executive meets and briefs the Chairman on a quarterly basis.

One of these Board of Trustees meetings is held at a centre, preceded by an afternoon of activities and observation at the centre and an evening of informal planning and discussion. This closer engagement with the work of The Trust consolidates the working knowledge of the Trustees and helps build a better understanding between the Trustees and the staff. This year the centre based meeting took place at Loch Eil in September.

The Trustees have considered The Trust's governance practices in the light of the newly introduced Charity Governance Code. In July 2018 all Trustees completed a Board Effectiveness Survey and a gap analysis was conducted with reference to the Code.

The Trustees also dedicated time at their meeting in Loch Eil to discussing the code, the gap analysis and actions which they should take to more closely align with the code. As a result, some improvements have been made to aspects of governance across The Trust and others are planned. The improvements already made include:

- The introduction of a Trustee role description and Code of Conduct
- The adoption of a Schedule of Matters reserved for the Board
- An improved understanding of the respective roles and responsibilities of Trustees and Senior Management
- The commitment to undertake a Board Effectiveness Survey every year with a once every three years externally facilitated review of Board effectiveness
- A regular audit of Board skills, experience and diversity
- The introduction of a formal rolling agenda for the Board as a means of ensuring that oversight is maintained across all aspects of The Trust's operation

### ORGANISATION

The Trust owns four residential centres in the United Kingdom: Aberdovey in Snowdonia and Ullswater, Howtown and Eskdale in the Lake District. In addition, The Trust leases a fifth centre at Loch Eil in the Highlands of Scotland and a sixth centre at Ogwen Cottage in Snowdonia, which is operated in partnership with the National Trust. The Trust also operates the Mark Scott Leadership for Life Award from a base in Glasgow; this is a non-residential operation working with young people from the central belt area of Scotland.

A subsidiary company, Outward Bound Corporate Limited, is used to run experiential outdoor learning and development programmes for apprentices and graduates. Profits from this company are transferred to The Trust under a gift aid payment.

The Trust's Head Office, incorporating the offices of the Chief Executive, the financial and administrative functions, the operational management and the sales and marketing teams, is based at Hackthorpe near Penrith in Cumbria. The fundraising office is located on Waterloo Road, London. There is also a Scottish fundraising office located on Bath Street, Glasgow.

# THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2018

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## STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

### OUR ACCESS AND BURSARY POLICIES

The Outward Bound Trust is a charity which seeks to benefit the public through the pursuit of its stated aims. Our fees are set at a level to ensure the financial viability of The Trust and at a level that is consistent with our aim of providing a first class experience to all participants.

The Trust welcomes participants from all backgrounds. To admit a prospective participant, we need to be satisfied that The Trust will be able to engage with the young person to the best of their potential and in line with the general standards achieved by their peers. With this in mind we work closely with schools, employers and other organisations sending students on our courses. An individual's economic status, gender, ethnicity, race or religion do not form part of our assessment processes.

The Trust is committed to safeguarding and promoting the welfare of our participants and expects all staff and volunteers to share this commitment. We always provide customer feedback questionnaires at the end of all courses for completion by participants and visiting members of staff from the participants' schools and employers. The comments received are taken very seriously and all questionnaires are reviewed centrally at The Trust's headquarters. We are constantly striving to make sure that our courses are linked to relevant objectives and provide a truly educational benefit for participants.

We believe our participants benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which helps our participants develop an understanding of the perspectives of other people that will be vital in their adult lives.

Our bursary policy contributes to a widening of access to the courses we offer and the facilities we enjoy. It is important to us that access to the courses we offer is not restricted only to those who can afford our full fees.

The Trustees view our bursary awards as important in helping to ensure young people from families who would otherwise not be able to afford the fees can access the courses we offer. Our bursary awards are available to all who meet our requirements. These are made based on participants qualifying for free school meals, low-income families, English as a second language, special educational needs, poor educational attainment, at risk of offending, ethnic minority backgrounds and any other valid reasons for bursary assistance put forward by schools or parents.

The bursary awards range in scale from just 1% through to 100% remission of fees depending on the nature of the specific funding stream and the financial circumstances of the young people in question. Further details of our bursary policy and how to apply are available on our website, [www.outwardbound.org.uk](http://www.outwardbound.org.uk), and movements in our bursary funds are set out in note 13(c) to the accounts.

### RELATED PARTIES AND ORGANISATIONS

#### *Volunteer Outward Bound Associations*

Volunteers, operating within the regionally based Outward Bound Associations, undertake valuable work by promoting The Trust, working with young people in the local area and by raising funds to help pay for course fees. Associations work as branches under the umbrella of The Trust. The working relationship between the Outward Bound Associations and The Trust are governed by an Accreditation Agreement. These Agreements entitle the Associations to use The Trust's trademarked name and logo and set standards for the conduct of their work. The Trust does not currently include a valuation of volunteers' time within the financial statements.

## STRATEGIC REPORT

### ACHIEVEMENTS AND PERFORMANCE OVER THE YEAR

Headline achievements/performance in the year to 30 September 2018 were:

- 23,379 (2017: 22,927) young people attended an Outward Bound course, accompanied by 2,316 (2017: 2,300) of their teaching staff and observers.
- We delivered 128,440 (2017: 124,746) "personal development" days across our centres.
- We provided £3,220,640 (2017: £3,100,539) in bursaries to ensure that young people, irrespective of their financial circumstances, could attend an Outward Bound course.
- 80% (2017: 82%) of our schools' participants received some measure of bursary support to attend courses.
- In July 2017 we entered merger discussions with the CCHF All About Kids charity. This culminated in March 2018 in a Deed of Gift from CCHF to The Trust and has led to the establishment of "The CCHF Outward Bound Trust Bursary Fund" and the appointment of two CCHF Trustees onto The Trust's Board.
- We continued a £2m redevelopment project at our Loch Eil centre with phase 1 now completed.
- We continued our search for the acquisition of a new residential centre.

Outward Bound's centres have been operating at or near full capacity and, strategically the Trustees intend to increase Outward Bound's capacity to help young people by adding an additional centre which would, ideally, cater for an additional 25,000 personal development days per annum. The Trust holds a Future Growth Fund and a Restricted Capital Fund which are intended to help finance the acquisition and/or development of a new centre. At 30 September these funds were respectively £1m and £4.5m, the Restricted Capital Fund having been boosted by the Deed of Gift from CCHF. The Board believes that at least a further £4m will be required to fully fund the capital costs of a new centre.

# THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2018

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## STRATEGIC REPORT (CONTINUED)

During the year, Trustees and the Senior Executive team devoted considerable effort in exploring an opportunity for a new centre in the Brecon Beacons which involved the acquisition of two adjacent sites. The Trustees decided not to proceed with this particular opportunity as the costs involved were too high. However, a significant amount was learned from this exercise which will aid the consideration of future opportunities. The Trustees and the Senior Executive Team are actively continuing to explore for a suitable site for the new centre.

## FINANCIAL REVIEW

### FINANCIAL RESULTS

The Consolidated Statement of Financial Activities for the year ended 30 September 2018 shows a surplus of £5.8m (2017: surplus of £1.4m), made up of a surplus of £684,000 in Unrestricted Fund activities and a surplus of £5.1m in Restricted Funds.

The major transaction this year has been the Deed of Gift received on the 1st of March from CCHF All about Kids. The total value of the Deed of Gift was £5.4m with £908,000 to be used for bursary purposes and £4.5m to be used for future capital investment.

The Unrestricted Fund surplus of £684,000 is made up from a net General Fund surplus of £nil after transfers to reserves of £351,000 and Designated Fund surpluses of £684,000. The Designated Fund surplus includes the transfer of £630,000 from restricted funds representing the completed costs of the new equipment centre at Loch Eil and the new log cabin, High Beech, at Aberdovey.

The General Fund has performed well during the year with the original net surplus budget for the period having been exceeded in spite of more difficult financial circumstances being experienced by our school clients. Overall, our course fees were above our original expectations. Operating costs within the centres and at Head Office were slightly in excess of budget, mainly due to increased centre activity and the additional costs were easily absorbed by the additional revenue. The surplus from our normal activities within the General Fund was transferred into Designated Funds, to provide additional funding for future projects and to retain a General Fund reserve of £2m at the balance sheet date.

The Restricted Fund surplus of £5.1m is mainly the result of the Deed of Gift from CCHF All about Kids. In addition bursary fundraising has performed well during the year; with gross bursary income and associated fundraising costs both being better than expected, and with bursary allocations to young people as planned.

The Group balance sheet at 30 September shows net assets of £27.9m (2017: £22.1m), with net current assets of £12m (2017: £7.7m), so an increase in net assets year on year of £4.3m. Short term cash deposits comprise the major part of the increase, from £4.4m to £8.8m, resulting largely from the Deed of Gift from CCHF as well as a positive performance in the General Fund and bursary fundraising.

Overall, 2017-18 has been a very solid year: the General Fund performing ahead of expectations, bursary fundraising exceeding expectations and project funds accumulating for future projects and in particular for use in the acquisition of a new centre.

### RESERVES POLICY

The reserves policy, which is reviewed and approved by the Board on an annual basis, sets out an assessment of an appropriate level of free reserves, after designations. The Trustees currently consider an amount of £2m of General Fund reserves to be appropriate. This amount represents approximately two months of operating costs, and the Trustees feel that this level of reserves is appropriate at the current time, given other risk mitigation that is a feature of The Trust's financial model.

The Trustees consider that free reserves need to be maintained within an appropriate target range which should be reviewed annually to reassess the changing levels of risk in The Trust's income, financial obligations and expenditure. In considering the target level of free reserves the Trustees have taken into account The Trust's needs for appropriate protection against normal financial and business risks. The Trustees consider that the present practices of the Board, Committees and the Senior Executive Team in planning and evaluating operational and financial performance are adequate for monitoring and maintaining the reserves policy.

Total Reserves, excluding those associated with the Charity's properties, were £15.6m at 30 September. Of these £11.3m are restricted funds, being primarily the restricted capital funds for a new centre of £4.5m and £5.8m of restricted bursary funds. £1.9m of the restricted bursary funds are restricted by a donor to provide bursary in support of a new centre. Unrestricted funds, excluding those associated with the Charity's properties, amount to £4.3m and comprise the General Fund reserve of £2m referred to above, funds of £1.2m designated to future projects at existing centres and a £1m future growth fund. In addition to maintaining the General Fund at £2m, the Trustees are seeking to increase the future growth fund to at least £5m to enable ambitions for a new centre to be fulfilled.

# THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2018

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## STRATEGIC REPORT (CONTINUED)

### FINANCIAL REVIEW (CONTINUED)

#### **PAY POLICY FOR SENIOR STAFF**

The Trustees consider that the Board of Trustees and the Senior Executive Team comprise the key management personnel of the charity, in charge of directing and controlling, running and operating the Charity on a day to day basis.

The pay of the Senior Executive Team and all staff is reviewed annually and normally increased in accordance with average earnings to reflect a cost of living adjustment. In view of the nature of the organisation, the Trustees benchmark against pay levels in other charities. The remuneration bench-mark is the mid-point of the range paid for similar roles in similar charities and sizes.

All Trustees give of their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 7 to the accounts.

#### **FUNDRAISING APPROACH AND PERFORMANCE**

The charity undertakes fundraising activity with its supporters via direct mail, telephone and email in line with the Fundraising Code of Practice set by Fundraising Regulator. Our fundraising promise, (which is available on our website to reassure supporters of our approach), is:

When you support us you can be sure of the following:

- We will never sell your contact details to anyone.
- We will only contact you if you have expressed an interest in our work.
- If we phone you, we will always check you are happy to take the call.
- If you ask us to change how we communicate with you, or stop, we will respect that.
- We do not engage in cold-calling, door to door or street fundraising.
- We try hard to ensure no one ever feels pressurised to support our work.
- We are registered with the Fundraising Regulator and adhere to the Fundraising Code of Practice.
- All our activities are open, fair, honest and legal.

We have a training programme for all our fundraising staff to regularly reinforce our fundraising promise.

Charity supporters registered on the Telephone Preference Service are only called with an appeal if they have agreed to receive such calls. Callers are thoroughly trained and updated on the charity's work and calls are regularly monitored.

The charity is registered with the Fundraising Regulator and adheres to the standards of the Fundraising Code of Practice. No complaints about fundraising activity were received in the year. There were no substantial complaints received in the year.

Our overall fundraising performance generated net funds of £4.9m from donations and legacies and £5.4m from the Deed of Gift from CCHF All about Kids.

## PLANS FOR FUTURE YEARS

*The Mountains are Calling details our current strategy. It defines our belief, our mission and our core values and identifies the following priorities:*

#### **Priority one: Becoming Bigger:**

To significantly increase the number of young people we work with each year. With our ambition to open an additional centre our target is to work with 30,000 young people each year.

#### **Priority two: Becoming Better:**

To ensure the quality of the learning and the quality of adventure at an Outward Bound centre are second to none.

#### **Priority three: Becoming Stronger:**

To build a staff team able to operate to the highest standards in a bigger organisation.

#### **Three areas of experimentation: Becoming Bolder:**

- To better use evaluation, external research and innovation to inform our practice.
- To assess how we might more effectively target young people who would benefit most from an Outward Bound course.
- To take the first steps in creating a staff team that more closely represents the backgrounds of the young people participating in our courses.

# THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2018

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## STRATEGIC REPORT (CONTINUED)

### PLANS FOR FUTURE YEARS (CONTINUED)

*The Mountains are Calling* details fourteen specific and measurable targets for The Trust for 2020. *The Mountains are Calling* is a public document and anyone wishing to read it is warmly encouraged to download it from our website.

In the 2018/19 year our work includes the following targets:

#### **BECOMING BIGGER:**

- To work with more than 25,000 young people.
- To deliver more than 135,000 activity days.
- To provide bursary to young people of more than £3.2m to ensure that an Outward Bound experience is accessible to those young people who are from financially disadvantaged backgrounds.
- To have acquired (or be in the process of acquiring) a new centre and to have raised at least another £4m for this purpose.
- To have completed a relaunch of The Trust's "brand" so that we can better articulate our mission and purpose as a charity.

#### **BECOMING BETTER:**

- To complete Phase 2 of the Loch Eil redevelopment project, the refurbishment of the main house.
- To achieve a modest General Fund surplus and maintain our existing level of unrestricted reserves so that we can plan ahead with confidence and a sense of stability.
- To complete the first two Phases of the Digital Transformation Project aimed at upgrading The Trust's IT systems to provide a more effective service to beneficiaries and supporters.
- To conduct a Review of our Summer Adventures Programme (the courses we run for young people during the school summer holidays) and to begin implementation of the outcomes of that Review to take effect from the summer of 2020.

#### **BECOMING STRONGER:**

- To develop an Instructor Graduate Development Scheme alongside the more traditional Instructor Development Scheme and to have ensured that we have the right number of high quality instructors across all our centres.
- To have the average length of service for instructors more than 54 months.
- To have more than 10 staff undertake assignments involving an Outward Bound school overseas, thereby assisting in their professional development and helping to strengthen the Outward Bound International network.
- To maintain our excellent safety record and to retain an oversight of all aspects of operational risk management through the Risk Management Committee.
- To implement the actions agreed by the Board following the gap analysis of the Charity Governance Code.

#### **BECOMING BOLDER:**

- To have carried out diversity training for all key staff who will play an influencing role in the Instructor Diversity Project; and to have implemented a series of actions regarding diversity and instructor recruitment and retention.
- To have carried out a scoping exercise regarding the More Targeted Participation experiment and to have an initial plan of action for taking this forward.

# THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2018

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## STRATEGIC REPORT (CONTINUED)

### PRINCIPAL RISKS AND UNCERTAINTIES

#### RISK MANAGEMENT

The Chief Executive, who reports directly to the Trustees, is responsible for the overall management of The Trust's operations and activities and any associated risks.

A summary of the major risks to The Trust and their mitigating controls is held on a risk matrix, and this is reviewed annually by the Board. These risks are derived from an internal exercise which is led by the Chief Executive and the senior managers across the organisation, with mitigation plans owned and managed by specific members of senior staff.

Example of key risks and their mitigation plans include the following:

#### **Operational safety failure or accident risk**

Managed through detailed scrutiny, review and reporting through the Operational Risk Management Committee.

#### **Child protection or safeguarding failure**

Mitigation plans involve Trust-wide staff induction, on-going training and briefings, and whistle-blowing policies.

#### **Client or donor income shortfall**

Plans here include two year rolling income projections, a focus on high-risk clients and income streams and high quality relationship management practices. The reserves policy also helps address this risk.

#### **IT system failure or cyber security risk**

These risks are managed in partnership with key third party partners and suppliers, alongside a specific cyber risk management strategy.

In addition, The Trust also has an Operational Risk Management Committee, which is chaired by Professor Nick Gair, who is also a Trustee. The Chief Executive also sits on this Committee, as do a range of external experts and senior operational staff, and it considers and reviews the operational working practices of The Trust's day to day activities and considers in detail any reported incidents. This Committee reports formally to the main Trustee Board twice a year.

#### FINANCIAL RISK MANAGEMENT

The following statements summarise The Trust's position on managing identified forms of financial risk:

#### **Price risk**

The Trust manages price risk through two key mechanisms. Firstly, selling prices are reviewed annually to take account of cost changes and market conditions. Secondly, salaries, which represent the most significant cost to The Trust, are also reviewed annually to take account of inflation and other market factors. All other costs are kept under review through monthly and annual accounting and budgeting procedures.

#### **Credit risk**

Credit risk on amounts owed to The Trust by its customers is considered to be low since the standard Terms and Conditions of business require that, in the majority of cases, amounts due are settled in full prior to the commencement of the relevant course.

#### **Liquidity risk**

The Trust has no long-term borrowings and will make use of its overdraft facility only when required. Current facilities are considered more than adequate to meet foreseeable liquidity requirements.

#### **Interest rate cash flow risk**

The Trust places surplus funds on short and medium term deposits with Barclays Bank plc and other financial institutions where considered appropriate. Interest rate cash flow risk is therefore considered to be insignificant.

#### INVESTMENT POWERS AND POLICY

There are no restrictions on the charity's power to invest. The Trust's investments continue to be managed by our Investment Managers, who manage our portfolio in accordance with the approved investment policy.

The cash in The Trust bank accounts is retained for its liquidity needs and for planned capital projects, but the level of cash held will be reviewed throughout the year.

# THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2018

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## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also the directors of the charitable company, are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year and not approve the financial statements unless they are satisfied that the financial statements give a true and fair view of the state of the affairs of the Charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the year then ended. In preparing the financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue on that basis.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Each of the directors, who held office at the date of approval of this Trustees' Report, has confirmed that there is no information of which they are aware which is relevant to the audit but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are made aware of such information.

## AUDITORS

haysmacintyre have expressed their willingness to continue in office as auditors. A resolution proposing that haysmacintyre be reappointed as auditors of the charitable company for the forthcoming year will be put to members at the Annual General Meeting.

By order of the Board



**Charles Philipps**

Trustee

18 December 2018

# THE OUTWARD BOUND TRUST FOR THE YEAR ENDED 30 SEPTEMBER 2018

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OUTWARD BOUND TRUST LIMITED

### Opinion

We have audited the financial statements of The Outward Bound Trust Limited for the year ended 30 September 2018 which comprise the Group Statement of Financial Activities, the Group Balance Sheet, Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 30 September 2018 and of the group and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

### Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Conclusions relating to going concern

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

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

### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# THE OUTWARD BOUND TRUST FOR THE YEAR ENDED 30 SEPTEMBER 2018

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OUTWARD BOUND TRUST LIMITED (CONTINUED)

### Opinions on other matters prescribed by the Companies Act 2006

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

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

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board (which incorporates the Directors' Report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Richard Weaver** (Senior Statutory Auditor)  
For and on behalf of haysmacintyre, Statutory Auditor

10 Queen Street Place  
London  
EC4R 1AG

Date: 7 January 2019

**THE OUTWARD BOUND TRUST**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating the income and expenditure account)  
**FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Note	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
<b>Income:</b>					
Donations and legacies	2	502	9,944	10,446	5,964
<b>Income from charitable activities:</b>					
Outward Bound young people courses					
Net course fee income	3	6,228	-	6,228	5,895
Bursary fund income/(transfer)		3,221	(3,221)	-	-
		9,449	(3,221)	6,228	5,895
Gross course fee income including bursary					
<b>Income from other trading activities:</b>					
Activities for generating funds	4	4,303	-	4,303	3,750
<b>Other Income:</b>					
Investment Income		62	3	65	22
<b>Total income</b>		<b>14,316</b>	<b>6,726</b>	<b>21,042</b>	<b>15,631</b>
<b>Expenditure:</b>					
Raising donations and legacies		(1,869)	(1)	(1,870)	(1,756)
<b>Expenditure on charitable activities:</b>					
Outward Bound young people courses		(10,735)	-	(10,735)	(10,163)
<b>Expenditure on other trading activities:</b>					
Activities for generating funds		(2,700)	-	(2,700)	(2,310)
<b>Total expenditure</b>	5	<b>(15,304)</b>	<b>(1)</b>	<b>(15,305)</b>	<b>(14,229)</b>
<b>Net income/expenditure</b>		<b>(988)</b>	<b>6,725</b>	<b>5,737</b>	<b>1,402</b>
<b>Other recognised gains/(losses)</b>					
Realised gains on investment assets	9	(1)	-	(1)	5
Unrealised gains on investment assets	9	39	2	41	21
<b>Net movement of funds in year before transfers</b>		<b>(950)</b>	<b>6,727</b>	<b>5,777</b>	<b>1,428</b>
Transfers between funds	14	1,634	(1,634)	-	-
<b>Net movement of funds in year</b>		<b>684</b>	<b>5,093</b>	<b>5,777</b>	<b>1,428</b>
<b>Total fund balances at 1 October 2017</b>		<b>15,867</b>	<b>6,233</b>	<b>22,100</b>	<b>20,672</b>
<b>Total fund balances at 30 September 2018</b>		<b>16,551</b>	<b>11,326</b>	<b>27,877</b>	<b>22,100</b>

The notes on pages 18 to 32 form part of these accounts.

All income and expenditure relates to continuing activities. There are no gains and losses other than those recognised above therefore no separate statement of total recognised gains and losses has been prepared.

**THE OUTWARD BOUND TRUST  
BALANCE SHEETS  
AT 30 SEPTEMBER 2018**

**COMPANY REG NO: 6748835**

	Note	Group 2018 £000	2017 £000	Charity 2018 £000	2017 £000
<b>FIXED ASSETS</b>					
Tangible assets	8	14,433	14,007	14,420	13,991
Investments	9	1,461	419	1,461	419
		<b>15,894</b>	<b>14,426</b>	<b>15,881</b>	<b>14,410</b>
<b>CURRENT ASSETS</b>					
Stocks	10	138	127	132	120
Debtors	11	2,810	2,853	2,917	2,924
Cash at bank and in hand	19	3,705	3,644	3,492	3,481
Short term cash deposits		8,820	4,385	8,820	4,385
		<b>15,473</b>	<b>11,009</b>	<b>15,361</b>	<b>10,910</b>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	12	<b>(3,490)</b>	<b>(3,335)</b>	<b>(3,365)</b>	<b>(3,220)</b>
<b>NET CURRENT ASSETS</b>		<b>11,983</b>	<b>7,674</b>	<b>11,996</b>	<b>7,690</b>
<b>NET ASSETS</b>		<b>27,877</b>	<b>22,100</b>	<b>27,877</b>	<b>22,100</b>
<b>FUNDS</b>					
<b>Unrestricted</b>					
General Fund Reserves		2,001	2,001	2,001	2,001
Property Funds		12,286	11,862	12,286	11,862
Designated Funds		2,264	2,004	2,264	2,004
		<b>16,551</b>	<b>15,867</b>	<b>16,551</b>	<b>15,867</b>
<b>Restricted and Endowment</b>					
Restricted Bursary Funds		5,770	4,794	5,770	4,794
Other Restricted Funds		5,475	1,360	5,475	1,360
Endowment Funds		81	79	81	79
		<b>11,326</b>	<b>6,233</b>	<b>11,326</b>	<b>6,233</b>
<b>TOTAL FUNDS</b>	13	<b>27,877</b>	<b>22,100</b>	<b>27,877</b>	<b>22,100</b>

The surplus of the parent charity was £5,769,000 (2017: (£1,419,000)).

The financial statements were approved and authorised for issue by the Board of the Trustees on 18 December 2018 and were signed below on its behalf by:



Charles Philipps, Trustee



Colin Maund, Trustee

**THE OUTWARD BOUND TRUST  
CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Note	Group 2018 £000	2017 £000	Charity 2018 £000	2017 £000
<b>Cash flows from operating activities</b>	19	<b>6,198</b>	<b>1,703</b>	<b>6,139</b>	<b>1,685</b>
<b>Cash flows from investing activities</b>					
Interest income		65	22	65	22
Sale of tangible fixed assets		-	3	-	3
Purchase of tangible fixed assets		(765)	(136)	(756)	(130)
Purchase of Investments		(1,214)	(195)	(1,214)	(195)
Sale of Investments		212	187	212	187
<b>Increase in cash and cash equivalents in the year</b>		<b>4,496</b>	<b>1,584</b>	<b>4,446</b>	<b>1,572</b>
Cash at bank and in hand		3,644	6,445	3,481	6,294
Short term cash deposits		4,385	-	4,385	-
Cash and cash equivalents at the beginning of the year		8,029	6,445	7,866	6,294
Cash at bank and in hand		3,705	3,644	3,492	3,481
Short term cash deposits		8,820	4,385	8,820	4,385
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>12,525</b>	<b>8,029</b>	<b>12,312</b>	<b>7,866</b>

The notes on pages 18 to 32 form part of these accounts.

# THE OUTWARD BOUND TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 SEPTEMBER 2018

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## 1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

### **Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Outward Bound Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

### **Preparation of accounts on a going concern basis**

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserve levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.

### **Group accounts**

The financial statements consolidate the results of the charity and its two wholly owned subsidiaries, Outward Bound Corporate Ltd and Outward Bound Trading Ltd, on a line-by-line basis.

A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The Outward Bound Associations are branches of the charity. Their income and expenditure, assets and liabilities as reported in their latest accounts, are consolidated into the charity's financial statements.

### **Critical accounting judgements and estimates**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### **Income recognition**

All income is recognised once the charity has entitlement to income, it is probable that income will be received, and the amount of income receivable can be measured reliably.

### **Donations and legacies**

Donations and legacies are included in full in the Statement of Financial Activities when there is entitlement, probability of receipt and the amount of income receivable can be measured reliably.

### **Gifts in kind**

Gifts in kind represent assets donated for distribution or use by the charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the charity would otherwise have paid for the assets.

### **Grants**

Grants are recognised in full in the statement of financial activities in the year in which the charity has entitlement to the income, the amount of income receivable can be measured reliably and there is probability of receipt.

### **Income from charitable activities**

Income from charitable activities is recognised as earned as the related services are provided, that is the total value invoiced to customers of Outward Bound courses which have a start date falling in the financial year. This income includes the value of bursary assistance provided by The Trust towards course fees. Income from other trading activities is recognised as earned as the related goods are provided.

### **Investment income**

Investment income is recognised on a receivable basis once the amounts can be measured reliably.

# THE OUTWARD BOUND TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2018

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## 1 ACCOUNTING POLICIES (CONTINUED)

### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprises the costs of the London and Glasgow based fundraising teams and associated costs along with an allocation of overheads.
- Expenditure on charitable activities comprises the costs of providing the courses that we run at our centres along with an allocation of overheads.
- Other trading expenditure represents the costs of our fundraising events and the provision of our Outward Bound Corporate work, our apprentice training courses.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned based on staff time attributable to each activity.

### Allocation of costs

Staff costs are allocated between direct charitable expenditure and support costs based on the time spent on these activities. Other costs are allocated directly to the relevant heading.

### Operating leases

Rental charges are charged on a straight line basis over the life of the lease.

### Investments

Investments are a form of basic financial instrument and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

### Fixed assets

Fixed assets are stated at cost or deemed cost (donated valuation at estimated fair value) less accumulated depreciation and impairment losses. Assets costing more than £500 are capitalised.

Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows, all straight line:

Freehold buildings	2% per annum
Listed freehold buildings	1% per annum
Capital improvements to leasehold buildings	Over the remaining term of the lease
Other equipment	10% to 33% per annum as appropriate
Leasehold improvements	Life of lease

When property is redeveloped all costs are capitalised, the property is then valued and written down to the market value at completion. The property then continues to be written down in the normal way over the life of the asset.

### Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### Stock

Stocks are valued at the lower of cost and net realisable value and are used on a first in first out basis.

### Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

# THE OUTWARD BOUND TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2018

## 1 ACCOUNTING POLICIES (CONTINUED)

### Deferred income

Deferred income represents the value of courses invoiced to customers before the year end with start dates after the year end and income received prior to 30 September 2018 for fundraising events being run after the year end.

### Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss and debt	15,473	11,009
	<u><b>15,473</b></u>	<u><b>11,009</b></u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	3,490	3,335
	<u><b>3,490</b></u>	<u><b>3,335</b></u>

Financial assets measured at fair value through profit or loss comprise cash at bank and trade debtors.

Other financial liabilities measured at fair value through profit or loss comprise trade creditors.

### Funds

Unrestricted funds are donations and other income receivable or generated for the objects of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust.

Endowment funds are those where the capital is held in perpetuity to generate income for bursaries.

### Employee benefits

#### Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

#### Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

**THE OUTWARD BOUND TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**2 DONATIONS AND LEGACIES**

	<b>2018 £000</b>	<b>2017 £000</b>
Donations for bursaries and general expenditure	4,564	5,195
Grants for specific projects	399	525
CCHF Deed of Gift	5,432	-
Legacies	51	244
	<u>10,446</u>	<u>5,964</u>

Further details of the CCHF Deed of Gift are provided in the Financial Review on page 8.

Donations for bursaries and general expenditure include intangible income of £79,292 (2016: £132,250) resulting from gifts in kind received from supporters. These gifts relate to legal and professional fees, materials for centre improvements and gifts for fundraising events.

**3 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	<b>2018 £000</b>	<b>2017 £000</b>
Outward Bound courses for young people, gross course fees	9,449	8,995
Less: bursary fund contributions from restricted funds	(3,221)	(3,100)
	<u>6,228</u>	<u>5,895</u>

**4 ACTIVITIES FOR GENERATING FUNDS**

	<b>2018 £000</b>	<b>2017 £000</b>
Fundraising events	542	643
Corporate learning and development income	3,761	3,107
	<u>4,303</u>	<u>3,750</u>

**THE OUTWARD BOUND TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**5 ANALYSIS OF GROUP EXPENDITURE**

	<b>Staff Costs £000</b>	<b>Other Costs £000</b>	<b>Support Costs £000</b>	<b>Depreciation £000</b>	<b>2018 Total £000</b>
Donations & legacies	1,289	485	90	6	1,870
Course delivery costs	6,605	3,414	425	291	10,735
Activities for generating funds	1,726	794	138	42	2,700
	<u>9,620</u>	<u>4,693</u>	<u>653</u>	<u>339</u>	<u>15,305</u>
<b>Prior year comparatives</b>					
	<b>Staff Costs £000</b>	<b>Other Costs £000</b>	<b>Support Costs £000</b>	<b>Depreciation £000</b>	<b>2017 Total £000</b>
Donations & legacies	1,099	562	91	4	1,756
Course delivery costs	6,197	3,239	418	309	10,163
Activities for generating funds	1,524	606	135	45	2,310
	<u>8,820</u>	<u>4,407</u>	<u>644</u>	<u>358</u>	<u>14,229</u>

**6 ANALYSIS OF SUPPORT COSTS**

	<b>Donations &amp; Legacies £000</b>	<b>Course Delivery Costs £000</b>	<b>Activities for generating funds £000</b>	<b>2018 Total £000</b>
Management	32	58	23	113
Sales and Marketing	18	205	52	275
Finance	9	55	20	84
Resources	31	107	43	181
	<u>90</u>	<u>425</u>	<u>138</u>	<u>653</u>
<b>Prior year comparatives</b>				
	<b>Donations &amp; Legacies £000</b>	<b>Course Delivery Costs £000</b>	<b>Activities for generating funds £000</b>	<b>2017 Total £000</b>
Management	17	32	13	62
Sales and Marketing (restated)	16	206	53	275
Finance	10	55	20	85
Resources (restated)	48	125	49	222
	<u>91</u>	<u>418</u>	<u>135</u>	<u>644</u>

Comparatives restated

Resources includes costs of IT, premises and evaluation

**THE OUTWARD BOUND TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**6 ANALYSIS OF SUPPORT COSTS (CONTINUED)**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Staff costs	9,620	8,764
Auditors' remuneration - charity	22	19
- subsidiary	8	7
- other services	4	5
Depreciation	339	358
Operating leases - equipment hire	211	101
- rent payable	88	84
	<u>9,620</u>	<u>8,764</u>

**7 STAFF COSTS AND NUMBERS**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	7,848	7,303
National Insurance costs	682	633
Pension costs	366	314
Other staff benefits and costs	724	514
	<u>9,620</u>	<u>8,764</u>

	<b>2018</b>	<b>2017</b>
<b>The mean average number of employees during the year were:</b>		
Charitable activities	257	245
Corporate training and development	44	41
Fundraising	14	16
Management and administration	6	6
	<u>321</u>	<u>308</u>

The numbers of employees of the charity whose emoluments (excluding pension contributions) were in excess of £60,000 per annum were:

	<b>2018</b>	<b>2017</b>
£60,001 - £70,000	1	1
£70,001 - £80,000	-	1
£80,001 - £90,000	3	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
£190,001 - £200,000	-	1

Pension contributions in respect of these six employees totalled £50,555 in the year (2017: six employees £35,743).

The total employee benefits of the key management personnel of the Group were £633,000 (2017: £643,000). The key management personnel of The Trust are considered to be the Senior Executive Team which comprise the Chief Executive and five senior executives. Management remuneration includes a bonus paid in respect of excellent performance during the year under review.

The Trustees did not receive any remuneration in the year (2017: £ nil). One Trustee received expenses totalling £2,465 in respect of refunded travelling expenses and accommodation (2017: One Trustees received expenses totalling £1,944).

During the year redundancy and termination payments of £10,000 (2017: £10,000) as ratified by the Trustees were made to one employee.

**THE OUTWARD BOUND TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**8 TANGIBLE FIXED ASSETS - GROUP**

	Land & Buildings £000	Short Leasehold Improvements £000	Assets in the Course of Construction £000	Fixtures, Fittings & Equipment £000	Total £000
<b>Cost or valuation</b>					
At 1 October 2017	14,472	605	63	2,287	17,427
Additions	47	-	539	179	765
Disposals	-	-	-	(60)	(60)
Transfer of completed asset	583	-	(583)	-	-
At 30 September 2018	15,102	605	19	2,406	18,132
<b>Depreciation</b>					
At 1 October 2017	1,093	412	-	1,915	3,420
Charge for the year	140	64	-	135	339
Disposals	-	-	-	(60)	(60)
At 30 September 2018	1,233	476	-	1,990	3,699
<b>Net Book Value</b>					
At 30 September 2018	13,869	129	19	416	14,433
At 30 September 2017	13,379	193	63	372	14,007

**TANGIBLE FIXED ASSETS - CHARITY**

	Land & Buildings £000	Short Leasehold Improvements £000	Assets in the Course of Construction £000	Fixtures, Fittings & Equipment £000	Total £000
<b>Cost or valuation</b>					
At 1 October 2017	14,472	605	63	2,038	17,178
Additions	47	-	539	170	756
Disposals	-	-	-	(44)	(44)
Transfer of completed asset	583	-	(583)	-	-
At 30 September 2018	15,102	605	19	2,164	17,890
<b>Depreciation</b>					
At 1 October 2017	1,093	412	-	1,682	3,187
Charge for the year	140	64	-	123	327
Disposals	-	-	-	(44)	(44)
At 30 September 2018	1,233	476	-	1,761	3,470
<b>Net Book Value</b>					
At 30 September 2018	13,869	129	19	403	14,420
At 30 September 2017	13,379	193	63	355	13,991

The fixed assets have been adjusted in accordance with FRS102. The opening balance of land and buildings have been amended to the deemed cost as at 30 September 2014 (see note 1 in the accounts). The valuation was provided by Hyde Harrington.

There is a debenture held by Barclays Bank PLC from 2009 in respect of the Eskdale property.

# THE OUTWARD BOUND TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2018

## 8 TANGIBLE FIXED ASSETS (CONTINUED)

The Loch Eil centre is operated by The Trust under a repairing lease from The Dulverton Trust. This lease commenced in August 1995 and expires in 2020, with an option to extend to 2045 subject to the landlord not requiring the property for redevelopment. Given the extent and value of the investments made by The Trust into improvements at the site, the Trustees have sought reassurances from the Dulverton Board, ahead of the natural lease renewal date, that our continued tenure is secure at Loch Eil. As a result The Trustees of The Dulverton Trust have provided written confirmations that the lease can be extended until 2045.

The centre is not valued in the balance sheet other than capital improvements to the buildings which at 30 September 2018 are shown at cost. The boathouse facility at Loch Eil, which has been capitalised, is disclosed within freehold land and buildings as these assets are located on a piece of freehold land which was gifted to the Trust in 2002.

In the past, properties have been sold whose individual historical costs were unknown. It is therefore not possible to identify the historical cost of land and buildings remaining in the balance sheet.

The Trust's operational properties are held in the accounts at value in use, in line with the accounting policies on pages 19 & 21.

All tangible fixed assets are held for charitable use, with the exception of land and buildings at Eskdale and also certain equipment having a net book value totalling £25,000 (2017: £25,000) which is held for operational use by The Trust's subsidiary, Outward Bound Corporate Limited.

## 9 FIXED ASSET INVESTMENTS

	<b>Group and Charity</b>	
	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
<b>Listed UK Investments at market value</b>		
Valuation at 1 October 2017	419	385
Additions in year	213	195
CCHF Deed of Gift, portfolio transferred in	995	-
Disposals in year	(212)	(187)
Increase in market value	46	26
	<hr/>	<hr/>
Valuation at 30 September 2018	1,461	419
	<hr/> <hr/>	<hr/> <hr/>
Historical cost (or market value at date of gift) of investments	202	202
	<hr/> <hr/>	<hr/> <hr/>
<b>Breakdown of investment gains and revaluations</b>		
Realised gains on investments	(1)	5
Unrealised gains on investments	41	21
	<hr/>	<hr/>
	40	26
	<hr/> <hr/>	<hr/> <hr/>

No individual investments make up 5% or more of the total market value of Group investments:

Note 14(c) shows the allocation of the above investments between the different types of funds.

The charity also holds investments in its two wholly-owned subsidiaries, Outward Bound Trading Limited and Outward Bound Corporate Limited being two ordinary shares of £1 in each company (see also note 17).

**THE OUTWARD BOUND TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**10 STOCKS**

	Group		Charity	
	2018 £000	2017 £000	2018 £000	2017 £000
Catering & equipment stock	138	127	132	120

Stock recognised in cost of sales during the year as an expense was £nil (2017: £nil).

An impairment loss of £3,173 (2017: £nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

**11 DEBTORS**

	Group		Charity	
	2018 £000	2017 £000	2018 £000	2017 £000
Trade debtors	2,157	2,362	1,103	1,217
Amounts due from subsidiary undertakings	-	-	1,184	1,224
Prepayments	416	393	403	385
Other debtors	237	98	227	98
	<u>2,810</u>	<u>2,853</u>	<u>2,917</u>	<u>2,924</u>

**12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Charity	
	2018 £000	2017 £000	2018 £000	2017 £000
Deferred income	1,873	1,719	1,873	1,649
Trade creditors	845	752	735	714
Accruals	300	391	285	384
PAYE, National Insurance and VAT	390	315	390	315
Other creditors	82	158	82	158
	<u>3,490</u>	<u>3,335</u>	<u>3,365</u>	<u>3,220</u>

**Deferred income**

	Deferred Income		New Deferred Income	
	Bal B/f 1 Oct 17 £000	Released 2017-18 £000	2017-18 £000	Bal c/f 30 Sep 18 £000
Deferred income	1,719	(1,660)	1,814	1,873

# THE OUTWARD BOUND TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2018

## 13 FUNDS

### (a) Types of Fund

- (i) Unrestricted Funds
  - The General Reserve Fund is an unrestricted fund which is used for all activities of The Trust not otherwise designated or restricted.
- (ii) Unrestricted Designated Funds
  - The Special & Capital Projects Fund was established in 2009, it holds funds available for any projects designated by the Trustees of a specific or capital nature.
  - The Future Growth Fund represents funding for the growth of The Trust by acquisition of a new centre.
  - The Property Designated Funds represent funding for capital projects that have been fully completed. The project and the funding have been transferred in from Restricted funds. The fund is written down over the life of the asset to which it relates matching the depreciation charge in the accounts in the General Fund.
- (iii) Restricted Bursary Funds
  - The Restricted Bursary Fund holds donations from corporate and individual donors and provides bursaries for young people to attend Outward Bound courses. Other occasional one-off donations for bursaries are received which are also accounted for through the fund.
  - Included within this fund are donations for Corporate Projects which relate to monies received from major corporate donors who fund specific projects for young people.
  - Also in this fund are Trust, Foundation and Statutory Funds gifted specifically to fund young people attending Outward Bound courses.
  - The Outward Bound CCHF Bursary Fund was established this year from the Deed of Gift from CCHF and Outward Bound funds and is also within this fund.
  - There are also other Restricted Funds relating to projects with specific objectives which have been funded by supporters and other agencies, and also the investment income earned from the Endowment Fund investments intended for future use as bursaries.
- (iv) Endowment Bursary Fund
  - The Endowment Fund holds specific legacies and donations which are to be retained in perpetuity in the form of investments to provide income for bursaries.
- (v) Restricted Capital Funds
  - Included in Restricted Capital Funds is funding to be spent on the refurbishment of our centres and the purchase of equipment.
  - The Boathouse Fund is a restricted fund which holds the value of the grant received from the Sport England Lottery Fund in 1999 for the redevelopment of the boathouse at Ullswater. The grant may be repayable in full or in part if The Trust disposes of the boathouse within 21 years of the grant being received or uses the boathouse for non-charitable activities within that period.

From time to time The Trust also receives other income and donations which are subject to restrictions imposed by the donor. Funds are released to the General Fund when the original restriction on the donation has been satisfied.

### (b) Movements in Unrestricted Funds:

	Balance 1 Oct 2017 £000	Income £000	Expenditure Gains and Losses £000	Depreciation Adjustments £000	Fund Transfers £000	Balance 30 Sept 2018 £000
<b>General Reserve Fund</b>	2,001	14,316	(15,266)	201	749	2,001
<b>Designated Funds</b>						
Project Funds	1,004	-	-	-	260	1,264
Future Growth Fund	1,000	-	-	-	-	1,000
<b>Property Designations</b>						
Property Funds	11,862	-	-	(201)	625	12,286
<b>Total Designated Funds</b>	<b>13,866</b>	<b>-</b>	<b>-</b>	<b>(201)</b>	<b>885</b>	<b>14,550</b>
	<b>15,867</b>	<b>14,316</b>	<b>(15,266)</b>	<b>-</b>	<b>1,634</b>	<b>16,551</b>

**THE OUTWARD BOUND TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**13 FUNDS (CONTINUED)**

**(c) Movements in Restricted and Endowment Funds:**

	Balance 1 Oct 2017 £000	Income £000	Bursary Allocation £000	Expenditure Gains and Losses £000	Unrealised Gains on Revaluation £000	Transfers Between Funds £000	Balance 30 Sept 2018 £000
<b>Restricted Bursary Funds</b>	4,794	5,024	(3,220)	(2)	-	(826)	5,770
<b>Endowment Fund</b>	79	-	-	-	2	-	81
<b>Restricted Capital Funds</b>							
Boathouse Fund	223	-	-	-	-	-	223
Restricted Capital Funds	1,137	4,923	-	-	-	(808)	5,252
	<b>6,233</b>	<b>9,947</b>	<b>(3,220)</b>	<b>(2)</b>	<b>2</b>	<b>(1,634)</b>	<b>11,326</b>

**(d) Movements in Unrestricted Funds - Prior Year:**

	Balance 1 Oct 2016 £000	Income £000	Expenditure Gains and Losses £000	Depreciation Adjustments £000	Fund Transfers £000	Balance 30 Sept 2017 £000
<b>General Reserve Fund</b>	2,000	13,439	(14,134)	221	475	2,001
<b>Designated Funds</b>						
Project Funds	951	-	-	-	53	1,004
Future Growth Fund	687	-	-	-	313	1,000
<b>Property Designations</b>						
Property Funds	12,083	-	-	(221)	-	11,862
<b>Total Designated Funds</b>	<b>13,721</b>	<b>-</b>	<b>-</b>	<b>(221)</b>	<b>366</b>	<b>13,867</b>
	<b>15,721</b>	<b>13,439</b>	<b>(14,134)</b>	<b>-</b>	<b>841</b>	<b>15,867</b>

**(e) Movements in Restricted and Endowment Funds - Prior Year:**

	Balance 1 Oct 2016 £000	Income £000	Bursary Allocation £000	Expenditure Gains and Losses £000	Unrealised Gains on Revaluation £000	Transfers Between Funds £000	Balance 30 Sept 2017 £000
<b>Restricted Bursary Funds</b>	3,867	4,767	(3,100)	(76)	-	(664)	4,794
<b>Endowment Fund</b>	72	-	-	-	7	-	79
<b>Restricted Capital Funds</b>							
Boathouse Fund	223	-	-	-	-	-	223
Restricted Capital Funds	789	525	-	-	-	(177)	1,137
	<b>4,951</b>	<b>5,292</b>	<b>(3,100)</b>	<b>(76)</b>	<b>7</b>	<b>(841)</b>	<b>6,233</b>

# THE OUTWARD BOUND TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2018

## 13 FUNDS (CONTINUED)

### (e) Movements in Restricted and Endowment Funds - Prior Year (continued):

Movements in the funds of the parent charity are the same as for the group, less only the profits payable under a gift aid payment by the trading subsidiary company as disclosed in note 17.

For details of transfers between funds see note 15. The detailed movements on reserves for the comparative period were contained in the prior year accounts, which are available to view on the Charity Commission website.

### (f) Analysis of net assets held by Funds

	<b>General Fund £000</b>	<b>Property Funds £000</b>	<b>Designated Funds £000</b>	<b>Endowment &amp; Restricted Funds £000</b>	<b>Total £000</b>
Tangible fixed assets	1,924	12,286	-	223	14,433
Investments	354	-	-	1,107	1,461
Net current (liabilities)/assets	(277)	-	2,264	9,996	11,983
<b>Net assets</b>	<b>2,001</b>	<b>12,286</b>	<b>2,264</b>	<b>11,326</b>	<b>27,877</b>

## 14 TRANSFERS BETWEEN FUNDS

During the year net transfers of £1,634,000 were made between Restricted & Unrestricted Funds, the main components of which are as follows:

### Unrestricted Funds, Transfers in:

- Various projects funded from the Special and Capital Designated Fund have been drawn down, the total transfer of these amounts is £95,000.
- The amortisation of property funds for previous projects resulted in a transfer to General Fund of £201,000 from Designated Funds.
- There was a transfer of £104,000 from Restricted Funds to cover expenses incurred in reinstating flood damaged items and strengthening flood defences.
- There was a transfer of £797,000 from Restricted Funds to cover the costs of fundraising from funds donated and available for this purpose.

### Designated Funds, Transfers in:

- There is a transfer of £351,000 into the Special and Capital Designated Funds from General Fund to maintain a balance on the General Fund of £2,001,000.
- A transfer in of £582,000 of funds from Restricted Capital Funds reflecting the capitalised value of the completed new Equipment Store at Loch Eil.
- A transfer in of £47,000 of Restricted Capital Funds representing the capitalised cost of High Beech cabin at Aberdovey, the third log cabin to have been successfully rebuilt.

### Restricted Funds, Transfers in:

- There were no transfers into Restricted Funds.

## 15 RELATED PARTY TRANSACTIONS

During the year under review two Trustees made donations totalling £251,900 (2017: £250,500).

No other significant transactions with Trustees or companies controlled by Trustees occurred during the year.

# THE OUTWARD BOUND TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2018

## 16 SUBSIDIARY UNDERTAKINGS

The Trust has two wholly owned subsidiary companies, both registered in England.

Outward Bound Corporate Limited (Company No 2892257) runs learning and development programmes for corporate clients. Costs of £2,820,000 (2017: £2,434,000) were charged by the parent charity to Outward Bound Corporate Limited, representing the costs incurred by The Trust in connection with the employment of all staff formerly employed through Outward Bound Corporate Limited and an allocation of the costs of running apprentice courses in young people centres and of Head Office support services.

Outward Bound Trading Limited (Company No 3596931) is now dormant.

Both companies, when appropriate, transfer profits under a gift aid payment to the parent charity. A summary of their results is shown below. Full financial statements are filed annually with the Registrar of Companies and are available from the Company Secretary at The Outward Bound Trust's Head Office at Hackthorpe.

### a) Profit and loss accounts for the year ended 30 September 2018

	Outward Bound Corporate Limited		Outward Bound Trading Limited	
	2018 £000	2017 £000	2018 £000	2017 £000
Turnover	3,761	3,107	-	-
Cost of sales and administration costs	(3,375)	(2,837)	(-)	(-)
Operating profit for the year	386	270	-	-
Covenanted to the parent charity	(386)	(270)	(-)	(-)
Retained in subsidiary	-	-	-	-
Average number of employees including part timers during the year	-	-	-	-

No employees in either company received emoluments in excess of £50,000 (2017: Nil Employees).

The Directors received no emoluments or expenses (2017: £ nil).

### (b) Summarised balance sheets at 30 September 2017:

	Outward Bound Corporate Limited		Outward Bound Trading Limited	
	2018 £000	2017 £000	2018 £000	2017 £000
Tangible fixed assets	13	16	-	-
Current assets	1,295	1,323	1	1
Current liabilities	(1,308)	(1,339)	(1)	(1)
Net current liabilities	(13)	(16)	-	-
Net liabilities	-	-	-	-
Called up share capital and profit and loss account	-	-	-	-

# THE OUTWARD BOUND TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2018

## 17 OPERATING LEASES

At 30 September 2018 the company was committed to make the following payments in total in respect of operating leases:

	Group				Charity			
	Land & buildings		Equipment		Land & buildings		Equipment	
	2018	2017	2018	2017	2018	2017	2018	2017
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Leases which expire:</b>								
Within one year	82	80	188	172	82	80	172	157
Within two to five years	29	65	254	348	29	65	229	309
	<b>111</b>	<b>145</b>	<b>442</b>	<b>520</b>	<b>111</b>	<b>145</b>	<b>401</b>	<b>466</b>

## 18 TAXATION

The charity is exempt from corporation tax as all its income is charitable and is applied for its charitable purpose. The charity is not exempt from VAT which is included with the expenses to which it relates on the Statement of Financial Activities.

## 19 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Group		Charity	
	2018	2017	2018	2017
	£000	£000	£000	£000
<b>Net income for the year</b>	5,737	1,402	5,737	1,402
Add back depreciation charge	339	358	327	343
Profit on sale of tangible fixed assets	-	(2)	-	(4)
Deduct interest income shown in investing activities	(65)	(22)	(65)	(22)
Increase in stocks	(11)	(30)	(12)	(26)
Decrease/(increase) in debtors	43	(364)	7	(313)
Increase in creditors	155	361	145	305
<b>Net cash inflow from operating activities</b>	<b>6,198</b>	<b>1,703</b>	<b>6,139</b>	<b>1,685</b>

Cash held by Outward Bound Associations is not directly available to The Trust and cannot be set off against overdrafts. Association cash balances are raised primarily by local fundraising efforts, and the balances are used by Associations to pay for Outward Bound courses booked by them on behalf of local participants.

Outward Bound Associations raise funds to support the activities of The Trust. Association income is disclosed as fundraising income and the related expenditure disclosed as expenditure of the Association and as income of The Trust for course fees.

# THE OUTWARD BOUND TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2018

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## 20 PENSIONS

### (a) The Teachers' Pension Scheme

The Charity participates in the Teachers' Pension Scheme ("the TPS") for a single active member. The pension charge for the year includes contributions payable to the TPS of £4,134 (2017: £4,032) and at the year-end £505 (2017: £487) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Scheme Regulations 2010 (as amended) and The Teachers Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also currently required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%. This employer rate will be payable until the completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2018 to allow the Department for Education to finalise this valuation. Early indications from the valuation are that the amount employers will be required to pay towards the scheme may increase substantially from September 2019.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

### (b) Other pension contributions

The Outward Bound Trust operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of The Trust in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the year. The majority of employees are in this scheme.

The Trust also supports membership of a small number of private pension schemes for certain individuals. Total contributions for these schemes for the year to 30 September 2018 were £24,427 (2017: £20,834). Contributions of £1,396 (2017: £407) were outstanding at the year end.

## HEAD OFFICE

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Email: [enquiriesscotland@outwardbound.org.uk](mailto:enquiriesscotland@outwardbound.org.uk)

## FUNDRAISING OFFICES

Glasgow, Scotland  
London, England

## CENTRES

Aberdovey, Snowdonia, Wales  
Ogwen Cottage, Snowdonia, Wales  
Ullswater, The Lake District, England  
Howtown, The Lake District, England  
Eskdale, The Lake District, England  
Loch Eil, The Highlands, Scotland

\*Outward Bound is a registered trade mark of The Outward Bound Trust as is its device.  
The Outward Bound Trust is a registered charity in England and Wales (1128090)  
and in Scotland (SC040341) and a company limited by guarantee,  
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