

# THE OUTWARD BOUND TRUST

(COMPANY LIMITED BY GUARANTEE)

Trustees' Report and  
Financial Statements  
for the year ended 30 September 2022

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 our major donors  
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 of the Mark Scott Leadership for Life Award  
All supporters who remembered the Trust in their wills  
All those who supported our Christmas Appeal with The Times,  
The Sunday Times & BBC Radio 4  
All trusts and foundations supporters  
AkzoNobel UK  
Annington Management Ltd  
Arc'teryx Equipment  
Bacon Foundation Limited  
Major Matthew Bacon Legacy Fund  
Baillie Gifford  
Robert Barr's Charitable Trust  
Barratt Developments PLC  
TP Bennett  
Berghaus Ltd  
The Britford Bridge Trust  
Bulkhaul Ltd  
The George Cadbury Trust  
The W A Cargill Fund  
Castle View  
Champion X Technologies  
The Chartley Foundation  
The Clare Foundation  
Clarion Solicitors  
CNOOC International  
John Coates Charitable Trust  
The Community Foundation for Tyne & Wear & Northumberland  
The Peter Cundill Foundation  
Dalziel Ltd  
Defra Green Recovery Fund  
Deltec International  
DHL UK Foundation/DHL  
The Dulverton Trust  
The Education Endowment Foundation  
Equip UK (RAB & Lowe Alpine)  
Esri UK  
Fidelity UK Foundation  
The Fort Foundation  
Hugh Fraser Foundation  
Fraser Memorial Trust  
Gapuma  
Garfield Weston Foundation  
Glasgow City Council  
Great Portland Estates  
Hammerson PLC  
The Hands Trust  
The Andrew Harris Charitable Trust  
The Hearth Foundation  
Hemraj Goyal Foundation  
The Sandy and Zorica Glen Charitable Settlement  
GMAC-RFC Ltd  
The Mike Gooley Trailfinders Charity  
Halewood International  
The Hutchinson Charitable Trust  
The Ingram Trust  
The Johnnie Johnson Trust  
Keela  
The Sir James Knott Trust  
London Stock Exchange Group Foundation  
John Lyons Charity  
The Midcounties Co-operative Ltd  
M & J Construction Group  
Mondrian Investment Partners Ltd  
Mowi Scotland  
MS Amlin  
Northwood Charitable Trust  
Persimmon Homes  
PF Charitable Trust  
The Portman Foundation  
Provident Financial  
The Derek Raphael Charitable Trust  
Rathbone Investment Management  
The Julia & Hans Rausing Trust  
Reisser Ltd  
Reliance Worldwide Corporation  
Scot JCB  
The Mark Scott Foundation  
Scott Group Ltd  
The Scottish Government  
SEGRO plc  
Siccar Point Energy Ltd  
Sigma Capital Group Limited  
Souter Charitable Trust  
Sport England  
The Stevenson Trust  
Stichting West Coast Foundation  
Swagelok Scotland  
The Taylor Charitable Trust  
The Thompson Family Charitable Trust  
The Constance Travis Charitable Trust  
Trendsetter Home Furnishings Ltd  
The 29th May 1961 Charitable Trust  
U-POL Ltd  
The Vardy Foundation  
VF International SAGL (The North Face)  
The Jo Walters Trust  
The Watson Foundation  
Welsh Government

# THE OUTWARD BOUND TRUST FOR THE YEAR ENDED 30 SEPTEMBER 2022

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<b>CONTENTS</b>	<b>PAGE</b>
Reference and Administrative Details	2
Trustees' Report (incorporating the Strategic Report)	3
Independent Auditors' Report	13
Statement of Financial Activities	15
Balance Sheet	16
Cash Flow Statement	17
Notes to the Financial Statements	18-32

# THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2022

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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 preceding company became Outward Bound Global.

**GOVERNING DOCUMENT:** The Trust was established under a Memorandum and Articles of Association which includes 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	Telephone: 01931 740000
Cumbria, CA10 2HX	Fax: 01931 740001

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

**TRUSTEES:**

Charles Philipps – Chairman **	
Her Royal Highness Princess Beatrice of York	
Julia Abel (Appointed 21 March 2022)	
Ian Ashman	
Andrew Cartwright (Resigned 13 December 2021)	
Nick Gair MBE ***	
Youlande Harrowell	
David Hempleman-Adams (Appointed 23 September 2022)	
Leo Houlding	
Philippa Kramer **	
Jonathan Lewis *	
Fasha Mahjoor	
Colin Maund (Resigned 13 December 2021)	
Nick Sanderson*	* Member of the Audit Committee
Paul Voller	** Member of the Remuneration and Nominations Committee
Christine Walker ***	*** Member of the Operational Risk Management Committee
Guy Williams ***	
Helen Wright * (Appointed 20 June 2022)	

**SENIOR EXECUTIVES:**

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

**COMPANY SECRETARY:** Kim Parry LVO

**AUDITORS:** Haysmacintyre LLP  
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 2022

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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:**

Our mission is to inspire young people to believe they can achieve more than they ever thought possible.

### **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.
- A belief that everyone has the right to feel valued, welcomed and encouraged to be themselves.

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 What It Means to Be Outward Bound, 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.

Even before one considers the impact of the pandemic, the world had 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 nearly 80 years ago. Emerging research suggests that Covid19 is having a huge additional impact on the life prospects and well-being of young people and this is being further compounded by the economic crisis and global uncertainty precipitated by war in Europe. Everything has been amplified by the upheaval of the last few years. The Trust's work has and will make a significant contribution to the personal development of young people, helping to build their confidence and resilience to equip them to meet the challenges they face both now and in the future.

© Outward Bound and the compass rose device are each registered trademarks of The Outward Bound Trust..

# THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2022

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

During the year under review Colin Maund and Andrew Cartwright resigned as Trustees. Helen Wright, Julia Abel and Sir David Hempleman-Adams 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.

Ordinarily 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 regular 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.

The Trustees have considered The Trust's governance practices in the light of the Charity Governance Code. The Trustees believe that governance practices at The Trust substantially conform to those best practices advocated within the Charity Governance Code. Every year Trustees are asked to complete a Board Effectiveness Survey, with the latest survey being completed in September 2022. This survey is coordinated by the Chairman and the results are used to improve the workings of the Board.

### COMPANIES ACT, SECTION 172 STATEMENT

Director's duties under Section 172(1) of the Companies Act require that a director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and in doing so have regard to:

- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, parents, the community and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct
- the need to act fairly between members of the company.

All Directors of the Company have acted in good faith in a manner most likely to achieve the long-term success of The Trust in achieving its charitable objectives as described in the objects, aims objectives and activities section of this report.

# THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2022

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## STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

### COMPANIES ACT, SECTION 172 STATEMENT (CONTINUED)

The Trustees have specific regard to the employees' interests as described in the Statement of Engagement with Employees. The Board also pays close attention to the relationships that are formed with our suppliers, customers, donors and wider community stakeholders, and these are described in the Statement of Engagement with Suppliers, Customers, Donors and the Community. These two statements are provided within this Report of the Trustees.

The Directors have considered the impact of the Charity on the community in complying with public benefit requirements as described in the objectives and activities section of this report. The Directors have also considered the Charity's impact on the environment as outlined in the Carbon and Energy Reporting Statement on page 11 of this report

The Directors recognise the importance of acting in good faith and fairly between Directors and other stakeholders of The Trust.

### STATEMENT OF ENGAGEMENT WITH SUPPLIERS, CUSTOMERS, THE COMMUNITY AND OTHERS

The Trustees are committed to building positive long-term relationships with all suppliers, customers, donors and the wider communities within which we operate. The Trust has worked hard to establish open and honest communication with all of our key stakeholder groups, building trust and mutual respect wherever possible:

- With suppliers we have continued to apply our normal, timely payment processes throughout the pandemic, enabling strong relationships to be maintained.
- With customers we have worked closely to re-organise and re-schedule their programmes with the Trust, ensuring that the needs of the young people in question remain central to our planning for the future.
- With donors we have stayed in constant contact and have organised some specific briefing engagement events
- And with our communities we have been careful to consider the local impact of our activities during the pandemic and have run a number of funded programmes for young people from key worker families
- More broadly we aim to work positively and constructively as part of the wider community, taking our responsibilities seriously in this domain.

### STATEMENT OF ENGAGEMENT WITH EMPLOYEES

The Trustees also pay very close attention to the well-being and interests of all Trust employees, meeting regularly with the Senior Management Team and attending events at centres and offices throughout the year, when possible, to meet with staff. The Board is provided with regular updates on staff matters.

### 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 2022

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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. We are constantly striving to make sure that our courses are linked to relevant objectives and provide genuine educational benefits 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.

The Trust has a three person Evaluation Team dedicated to monitoring the learning outcomes achieved on our courses. Every three years we aim to produce a comprehensive Social Impact Report that brings together the internal and external research related to The Trust's effectiveness in delivering its mission.

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 10% 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 14(c) to the accounts.

### RELATED PARTIES AND ORGANISATIONS

#### *Volunteer Outward Bound Associations*

Volunteers, operating within the regionally based Outward Bound Associations, undertake immensely 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

The focus over the last year has been on recovering from the impact of the pandemic, during which time The Trust had up to 90% of its staff on furlough and all of its centres closed.

The main achievements in the year ended to 30th September 2022 have been:

- We reopened all our centres, addressed issues of "skills fade" amongst our staff and rebuilt our operating capacity so that we can once again fill our centres with young people.
- We worked with 18,795 young people during the year, delivering traditional Outward Bound courses rich in learning and adventure
- We began the year forecasting an operating deficit of up to £2 million and an aim to end the financial year with unrestricted cash balances of more than £8 million. We performed far better than this and ended the financial year with a small General fund surplus.
- We have maintained excellent relationships with our partner schools, corporate supporters and corporate clients and with our donors. This has been evidenced by a solid fundraising performance during the year and a significant demand by our partners to book Outward Bound courses for their young people during the coming year.
- We have made significant progress in the implementation of our Digital Transformation Project. This is a complicated project that will modernise our systems and help create a more efficient organisation.
- We launched our 2022-2024 Outward ReBound strategy clearly laying our direction of travel over the next couple of years.



# THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2022

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## FINANCIAL REVIEW

### FINANCIAL RESULTS

The results for the year ended 30 September 2022 reflect the ongoing financial recovery of The Trust after two very challenging years caused by the Covid19 pandemic. We came into the 2021-22 financial year still planning for a difficult winter period, with the Omicron variant threatening to impact the delivery of our work with young people; at that time we estimated that General Fund deficits of up to £2m were possible, assuming ongoing disruption to the operation of our residential centres and to our ability to generate client and donor income. In fact we were able to operate throughout the winter with minimal disruption, and thereafter we have worked hard to re-build our staff teams and centre operating capacities so that we were able to offer a full range of courses at all our sites in time for the summer season. This recovery in our delivery capacity was more rapid than we had hoped for, and, perhaps more importantly, the response from our school and corporate clients has been very strong indeed, as has been the outstanding ongoing support from our donors and supporters. The combination of these factors has driven a significant improvement in our course fee income for the year, to the extent that the original budget deficit has eventually converted into a small surplus in our General Fund at the year end.

The Consolidated Statement of Financial Activities for the year ended 30 September 2022 shows a surplus of £306,000 (2021: deficit of £976,000), which is made up of a surplus of £260,000 (2021: deficit of £2,183,000) in Unrestricted Fund activities and a surplus of £46,000 (2021: surplus of £1,207,000) in Restricted Fund movements. Within the Unrestricted Funds a General Fund surplus before transfers of £128,000 was recorded, a much improved result when compared with the original deficit budget for the year, with the remainder of these Fund movements relating largely to Designated Fund transfers. Net assets at 30 September were £26.8m (2021: £26.5m), with net current assets of £13.4m (2021: £12.9m). Cash balances are inflated by the £3m medium term loan facility from Barclays, drawn down during the pandemic, which is due for repayment in 2024.

Overall, the results for the 2021-22 financial year reflect our ongoing recovery from the immense challenges experienced during the Covid pandemic. Our considerably improved performance during this year has created a solid financial position at the balance sheet date, with the General Fund having returned to surplus and with the balance sheet and our cash position both in good health. This recovery provides us with a strong base from which we can respond to the significant and ongoing economic challenges that we now face. Inflationary effects on our cost base are significant, in staffing and energy costs in particular, and while our operating volumes have recovered well we will struggle to return to sustainable surpluses in our General Fund in the short to medium term. We are concerned that client demand and donor support will be increasingly challenged as the cost of living crisis deepens in 2023. Our reserves position is robust however, meaning that we are able to withstand the expected challenges that lie ahead, and our updated Reserves Policy takes full account of these issues and has applied some further stress testing to ensure that we carry sufficient reserves during this next phase.

# THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2022

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## FINANCIAL REVIEW (CONTINUED)

### RESERVES POLICY

The Reserves Policy, which is reviewed and approved by the Board on annual basis, sets out an assessment of an appropriate level of free reserves after designations.

Prior to the Covid19 pandemic the Board had established that The Trust should hold a minimum of £2m of General Fund reserves; this represented approximately two months of operating costs and the Trustees felt that this level of reserves was appropriate given the risks and mitigations that were a feature of the organisation's pre-pandemic financial model.

During the pandemic this target level of reserves was thoroughly reviewed and amended given the very significant ongoing risks being confronted by the Trust. At 30 September 2021 the Trustees took account of the ongoing risks to client and donor income generation and the potential scale of ongoing deficits in the event of a continuation of the pandemic (and therefore another possible closure of our centres); this review resulted in the Trustees deciding to implement a much-increased reserves target of £8.5m for the duration of the ongoing Covid restrictions and associated uncertainties. This target reflected the scale of the financial impact that the Trust had experienced during the period since March 2020, and it was considered appropriate to retain this scale of reserves for the short-term future at least.

The Trustees have again considered the Reserves Policy at 30 September 2022, taking full account of the range of risks that face the organisation and as captured in our updated Risk Register. In determining the target level of General Fund reserves, the Board have paid close attention to certain key risks; in particular these include the short-term deficits that we expect to continue to incur due to the economic challenges facing the UK and Outward Bound as referred to above. This risk-based approach to determining our policy has resulted in a revised target level of General Fund reserves of £5.5m (2021: £8.5m), a reduction compared to the prior year due to the changes in our assessment of risk as the effects of the pandemic have diminished. It is worth noting that this new target level of reserves also equates to approximately four months of operating costs, compared to the two months of operating cover that we carried prior to the pandemic.

In addition to our General Fund reserves target of £5.5m, the Board also consider it appropriate and prudent to carry a Bursary Fund reserve with a target of £3.5m, this sum being equivalent to the total value of bursaries allocated in any given twelve month period. This reserve recognises that most of our client bookings for the next financial year have already been made at the balance sheet date, meaning that we have already committed a significant amount of fundraised bursary income at that time. At 30 September 2022 we were carrying a restricted Bursary Reserve of £4.0m.

Total reserves, excluding those associated with The Trust's properties, were £13.7m at 30 September; of these £5.7m are now General Funds, £2.9m are Designated Funds for ongoing and future projects and £5.0m are Restricted Funds (which include Bursary Funds and Other Restricted Funds, all held for future use). Overall, this means that we are carrying General Fund reserves of £5.7m and that we meet the target reserves level established by our updated policy.

The Trustees consider that the practices adopted by the Board, Committees and the Senior Management Team in planning and evaluating ongoing operational and financial performance are appropriate for monitoring and maintaining this revised Reserves Policy.

### 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 benchmark is in the upper quartile of the range paid for similar roles in similar charities and sizes.

All Trustees give of their time freely, and other than as specified in note 7 of the financial statements, no Trustee received remuneration in the year.

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. Below is our fundraising promise, (which is available on our website to reassure supporters of our approach).

# THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2022

## FINANCIAL REVIEW (CONTINUED)

### FUNDRAISING APPROACH AND PERFORMANCE

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.

No complaints about fundraising activity were received in the year.

Our fundraising activities generated funds of £5.5m from donations and legacies with a further £320k of net income raised from various one-off events.

### CARBON & ENERGY REPORTING

#### ENERGY EFFICIENCY AND EMISSIONS REDUCTIONS MEASURES UNDERTAKEN IN THIS FINANCIAL YEAR

Recovery from the effects of the Covid-19 emergency has meant an increase in activity in this reporting period compared to 2020-21, hence total emissions have risen. Performance against the intensity metric has improved as when our centres are full we operate more efficiently.

Continual improvement within our energy management system has realised some marginal gains, but larger capital projects are required to replace fossil fuels with renewables in our buildings. One such major project is being planned for our Eskdale site.

We have set an interim strategic target of a reduction in emissions of 130 tCO<sub>2</sub>e by the end of our 2023-24 financial year, and by the end of 2022-23 we shall have set a net zero target date and developed a roadmap to get there.

	2022	2021	
UK energy use kWh	3,507,976	2,808,861	Gas, oil, electricity and fuel
Associated greenhouse gas emissions Tonnes CO <sub>2</sub> equivalent	571.6 tonnes	443.0 tonnes	
Intensity ratio Emissions per Group Activity Day 8,229 (2021: 4,654)	0.069 tonnes	0.095 tonnes	The intensity ratio measures energy usage compared with an appropriate business metric.
Outside of scope emissions from biogenic content of combusted fuels	281.1 tonnes	254.3 tonnes	

#### METHODOLOGY

Activity data is collected from fuel supplier invoices, meter readings and expense claims. Energy consumption, where not provided directly, is calculated based on fuel net CV data. Where fuel is claimed for by cost rather than volume, the mean price for the fuel over the reporting period is taken from BEIS Monthly and annual prices of road fuels and petroleum products and used to estimate the volume of fuel purchased.

The 2022 Government greenhouse gas conversion factors for company reporting from BEIS are used to calculate emissions as tonnes of CO<sub>2</sub> equivalent.

The Group Activity Day used in the intensity ratio is one day of delivered activity to one group of young people.

# THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2022

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## PLANS FOR FUTURE YEARS

Our plans for future years are set out in 'Outward Rebound, Emerging from the pandemic 2022-24'. This plan sets out three factors that shape our forward planning

1. The Covid pandemic, the current turmoil in Europe and the cost of living crisis have combined to cause the biggest global upheaval since 1945. Young people have been and will be badly impacted. Very significant educational, emotional, social and financial problems will challenge the well-being and resilience of a generation of young people
2. The Outward Bound Trust has also been adversely affected. Over the last two years 40,000 young people have missed out on their Outward Bound opportunity. Many staff have left, we have taken on debt and every aspect of our work and teamwork has been disrupted. Our pre-pandemic plans no longer seem as relevant.
3. The next two years are likely to see substantial changes to the leadership at The Trust. The Board of Trustees is in the process of being refreshed as some experienced Trustees retire and are replaced.
4. Nick Barrett, our Chief Executive for the last seventeen years, is retiring in early 2023. The Board recently decided to appoint Martin Davidson, who has been employed by The Trust for 25 years and a member of Outward Bound's senior management team for 12 years, as Nick's successor. This followed a rigorous process which involved an external search for candidates against whom Martin Davidson compared favourably.

These factors all present significant opportunity for the charity.

The need for what Outward Bound does for young people has never been greater. We are relevant, topical and demand for our services is huge. As we pull away from the disruption of the pandemic, catch our breath and rebuild, there is a natural moment when we can take stock and make some internal changes and improvements so that we can re-emerge even stronger than before.

In March 2022 the Board approved The Trust's strategy for 2022-2024. This takes account of all of the points above and has four priorities:

**Priority One** – To return to our pre-pandemic scale of operation running high quality Outward Bound courses from our existing centres.

**Priority Two** – To run a limited number of experiments to test how best we can have a positive impact on a greater number of young people – with particular emphasis on reaching those young people who might never ordinarily come to one of our residential centres.

**Priority Three** – To take steps to modernise the charity and make it fit for purpose in the post Covid era. This modernisation programme has a digital element to it, a Net Zero element to it, it involves continued investment into the fabric of our centres, and a plan to further develop our EDI work

**Priority Four** – To return to financial sustainability after a deficit-making period during the pandemic.

There are specific success criteria against each of these four priorities. The detail of the Outward ReBound strategy is prominently displayed on our website.

## 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 register, 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**

Two year rolling income projections are maintained and reviewed regularly. High risk clients and income streams are monitored closely and there is a focus on high quality relationship management. 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 has an Operational Risk Management Committee, which is chaired by Dr Nick Gair, who is also a Trustee. The Chief Executive 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. Since 2020 this Committee also meets annually with the Audit Committee to help ensure that all aspects of risk to which The Trust might be exposed are being attended to.

# THE OUTWARD BOUND TRUST FOR THE YEAR ENDED 30 SEPTEMBER 2022

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## 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 availability of cash resources has continued to be a key focus throughout the year.

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

The Trust places surplus funds on short and medium term deposits with Barclays Bank plc. Interest rate cash flow risk is 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 portfolios in accordance with the approved investment policy.

The cash in The Trust bank accounts is retained for its liquidity needs and the level of cash held is reviewed on an ongoing basis.

# THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2022

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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 LLP have expressed their willingness to continue in office as auditors. A resolution proposing that Haysmacintyre LLP 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



Jonathan Lewis, Trustee  
12 December 2022

# THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2022

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

### Opinion

We have audited the financial statements of The Outward Bound Trust for the year ended 30 September 2022 which comprise the Consolidated Statement of Financial Activities, the Group and charity Balance Sheet, Consolidated 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's and of the parent charitable company's affairs as at 30 September 2022 and of the group's 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 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 group 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.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### 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.

### 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 includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have 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 the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charity Accounts (Scotland) Regulations (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 OUTWARD BOUND TRUST FOR THE YEAR ENDED 30 SEPTEMBER 2022

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

### Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 15, 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's and the 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 or the 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Health & Safety regulations, safeguarding, fundraising regulations, GDPR, compliance with government social distancing regulations for Covid19 and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and income tax, payroll tax and sales tax regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Review of trustee meeting minutes for discussion of non-compliance with laws and regulations.
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates relating to income recognition and valuation of assets held for sale.

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.

### 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, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 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 LLP, Statutory Auditors  
12 December 2022

10 Queen Street Place

London  
EC4R 1AG



**THE OUTWARD BOUND TRUST**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating the income and expenditure account)  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Note	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
<b>Income:</b>					
Donations, grants and legacies	2	882	4,646	5,528	6,713
<b>Income from charitable activities:</b>					
Outward Bound young people courses					
Net course fee income	3	5,406	-	5,406	975
<b>Income from other trading activities:</b>					
Activities for generating funds	4	5,031	-	5,031	1,844
<b>Other Income:</b>					
Investment Income		99	3	102	33
<b>Total income</b>		<b>11,418</b>	<b>4,649</b>	<b>16,067</b>	<b>9,565</b>
<b>Expenditure:</b>					
Raising donation, grants and legacies		(1,640)	-	(1,640)	(1,426)
<b>Expenditure on charitable activities:</b>					
Outward Bound young people courses		(11,134)	(1)	(11,135)	(7,695)
<b>Expenditure on other trading activities:</b>					
Activities for generating funds		(2,693)	-	(2,693)	(1,952)
Bank Interest paid		(119)	-	(119)	(35)
<b>Total Expenditure</b>	5	<b>(15,586)</b>	<b>(1)</b>	<b>(15,587)</b>	<b>(11,108)</b>
<b>Net income/expenditure</b>		<b>(4,168)</b>	<b>4,648</b>	<b>480</b>	<b>(1,543)</b>
<b>Other recognised gains/(losses)</b>					
Realised gains/losses on investment assets	9	(6)	(10)	(16)	(1)
Unrealised gains on investment assets	9	(45)	(113)	(158)	218
Revaluation Adjustment	8	-	-	-	350
<b>Net movement of funds in year before transfers</b>		<b>(4,219)</b>	<b>4,525</b>	<b>306</b>	<b>(976)</b>
Bursary funds transfer	3	2,176	(2,176)	-	-
Transfers between other funds	15	2,303	(2,303)	-	-
<b>Net movement of funds in year</b>		<b>260</b>	<b>46</b>	<b>306</b>	<b>(976)</b>
<b>Total fund balances at 1 October 2021</b>		<b>21,558</b>	<b>4,967</b>	<b>26,525</b>	<b>27,501</b>
<b>Total fund balances at 30 September 2022</b>		<b>21,818</b>	<b>5,013</b>	<b>26,831</b>	<b>26,525</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.

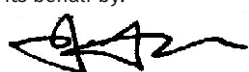
**THE OUTWARD BOUND TRUST  
BALANCE SHEETS  
AT 30 SEPTEMBER 2022**

**COMPANY REG NO: 6748835**

	Note	2022 £000	Group 2021 £000	2022 £000	Charity 2021 £000
<b>FIXED ASSETS</b>					
Tangible assets	8	14,751	14,889	14,731	14,860
Investments	9	1,494	1,658	1,494	1,658
		<u>16,245</u>	<u>16,547</u>	<u>16,225</u>	<u>16,518</u>
<b>CURRENT ASSETS</b>					
Asset held for resale		550	550	550	550
Stocks	10	200	162	191	157
Debtors	11	1,838	1,543	2,251	2,400
Cash at bank and in hand	20	8,292	6,841	7,789	5,644
Short term cash deposits		6,820	6,820	6,820	6,820
		<u>17,700</u>	<u>15,916</u>	<u>17,601</u>	<u>15,571</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	12	<u>(4,268)</u>	<u>(2,969)</u>	<u>(4,149)</u>	<u>(2,595)</u>
<b>NET CURRENT ASSETS</b>		<u>13,432</u>	<u>12,947</u>	<u>13,452</u>	<u>12,976</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</b>	13	<u>(2,846)</u>	<u>(2,969)</u>	<u>(2,846)</u>	<u>(2,969)</u>
<b>NET ASSETS</b>		<u>26,831</u>	<u>26,525</u>	<u>26,831</u>	<u>26,525</u>
<b>FUNDS</b>					
<b>Unrestricted</b>					
General Fund Reserves		5,706	8,521	5,706	8,521
Designated Project Funds		2,943	-	2,943	-
Designated Property Funds		13,169	13,037	13,169	13,037
		<u>21,818</u>	<u>21,558</u>	<u>21,818</u>	<u>21,558</u>
<b>Restricted and Endowment</b>					
Restricted Bursary Funds		4,046	3,979	4,046	3,979
Other Restricted Funds		879	890	879	890
Endowment Funds		88	98	88	98
		<u>5,013</u>	<u>4,967</u>	<u>5,013</u>	<u>4,967</u>
<b>TOTAL FUNDS</b>	14	<u>26,831</u>	<u>26,525</u>	<u>26,831</u>	<u>26,525</u>

The deficit of the parent charity was £306,000 (2021: £976,000 deficit). The notes on pages 18 to 32 form part of these accounts.

The financial statements were approved and authorised for issue by the Board of the Trustees on 12th December 2022 and were signed below on its behalf by:



Jonathan Lewis, Trustee



Charles Philipps, Trustee

# THE OUTWARD BOUND TRUST

## CONSOLIDATED CASH FLOW STATEMENT

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Note	Group 2022 £000	2021 £000	Charity 2022 £000	2021 £000
<b>Cash flows from operating activities</b>	20	1,649	(662)	2,342	(1,563)
<b>Cash flows from investing activities</b>					
Interest income		102	33	102	33
Purchase of tangible fixed assets		(167)	(27)	(166)	(10)
Purchase of Investments		(350)	(304)	(350)	(304)
Sale of Investments		340	308	340	308
Sale of tangible fixed assets		-	9	-	10
Loan repaid		(123)	3,000	(123)	3,000
<b>(Decrease)/Increase in cash and cash equivalents in the year</b>		1,451	2,357	2,145	1,474
Cash at bank and in hand at the beginning of the year		6,841	2,484	5,644	2,170
Short term cash deposits at the beginning of the year		6,820	8,820	6,820	8,820
Cash and cash equivalents at the beginning of the year		13,661	11,304	12,464	10,990
Cash at bank and in hand at the end of the year		8,292	6,841	7,789	5,644
Short term cash deposits at the end of the year		6,820	6,820	6,820	6,820
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		15,112	13,661	14,609	12,464

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 2022

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## NOTES TO THE FINANCIAL STATEMENTS

### 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) (Second Edition effective 1 January 2020) - (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 have given very careful consideration to the Charity's ability to continue as a going concern.

During the period the Audit Committee, on behalf of the Board, has continued to work closely with the Senior Management Team to review the trading and cashflow projections for the current and future years. In the two prior years, during the pandemic, this work led to the re-structuring and re-purposing of restricted reserves in order to create a more substantial unrestricted cash resilience fund, and also to the securing of a medium term loan facility (drawn down in April 2021).

In the year to 30 September 2022 these reviews confirmed an improving trading and cash position throughout the period, enabled by our return to full operating capacity, by strong demand from our school and corporate clients and with ongoing support from our donors. This return to pre pandemic levels of operation has provided the organisation with a stronger than expected balance sheet and cash position at 30 September, giving us a robust platform for the period ahead.

We currently expect to make a small General Fund deficit in 2022-23 due to the scale of the cost increases imposed on the organisation resulting from the various economic and cost of living challenges, and in spite of our return to pre pandemic operating volumes. Having said this we are confident that we have an appropriate level of reserves and cash resources to withstand the ongoing pressures, and our revised Reserves Policy reflects a fair and thorough assessment of the potential risks that lie ahead. Given the strong balance sheet position at 30 September and having carried out a detailed analysis of a range of possible scenarios in 2022-23 and 2023-24 the Trustees are confident that 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.

# THE OUTWARD BOUND TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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## 1 ACCOUNTING POLICIES (CONTINUED)

### 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.

### 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.

# THE OUTWARD BOUND TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

## 1 ACCOUNTING POLICIES (CONTINUED)

### 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.

### 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 2021 for fundraising events being run after the year end.

### Financial instruments

The group and charity only have 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.

	Group		Charity	
	2022	2021	2022	2021
	£000	£000	£000	£000
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss and debt	1,494	1,658	1,494	1,658
Cash and cash equivalents	15,146	13,661	14,642	12,464
Financial assets measured at amortised cost	1,489	1,270	1,909	2,134
	<u>18,095</u>	<u>16,589</u>	<u>18,012</u>	<u>16,256</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	4,267	4,044	4,215	3,990
	<u>4,267</u>	<u>4,044</u>	<u>4,215</u>	<u>3,990</u>

Financial assets measured at fair value through profit or loss comprise fixed asset investments

Financial assets measured at amortised cost comprise of trade debtors, other debtors and amounts due from subsidiary undertakings.

Cash and cash equivalents comprise cash at bank and in hand and short term deposits.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, and other creditors

# THE OUTWARD BOUND TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

## 1 ACCOUNTING POLICIES (CONTINUED)

### 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.

## 2 DONATIONS AND LEGACIES

	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
Donations for bursaries and general expenditure	4,496	4,123
Grants for specific projects	1,002	217
Legacies	30	27
CIRS Government Support	-	2,346
	<u>5,528</u>	<u>6,713</u>

Donations for bursaries and general expenditure include intangible income of £17,450 (2020: £10,250) 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>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
Outward Bound courses for young people, gross course fees	7,582	2,207
Less: bursary fund contributions from restricted funds	(2,176)	(1,232)
Outward Bound courses for young people, net course fee income	<u>5,406</u>	<u>975</u>

## 4 ACTIVITIES FOR GENERATING FUNDS

	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
Fundraising events	537	509
Corporate learning and development income	4,494	1,335
	<u>5,031</u>	<u>1,844</u>

**THE OUTWARD BOUND TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**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>2022 Total £000</b>
Donations & legacies	1,136	383	119	2	1,640
Course delivery costs	7,326	2,912	634	262	11,134
Activities for generating funds:					
Fundraising events	-	176	39	-	215
Corporate learning and development	1,740	576	122	40	2,478
Bank interest paid	-	119	-	-	119
	<u>10,202</u>	<u>4,166</u>	<u>914</u>	<u>304</u>	<u>15,586</u>
<b>Prior year comparatives</b>					<b>2021 Total £000</b>
	<b>Staff Costs £000</b>	<b>Other Costs £000</b>	<b>Support Costs £000</b>	<b>Depreciation £000</b>	<b>2021 Total £000</b>
Donations & legacies	1,055	291	78	2	1,426
Course delivery costs	5,401	1,671	324	299	7,695
Activities for generating funds:					
Fundraising events	-	149	33	-	182
Corporate learning and development	1,317	342	71	40	1,770
Bank interest paid	-	35	-	-	35
	<u>7,773</u>	<u>2,488</u>	<u>506</u>	<u>341</u>	<u>11,108</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>2022 Total £000</b>
Management	18	40	14	72
Sales and Marketing	11	108	25	144
Finance	12	58	23	93
Resources	78	428	99	605
	<u>119</u>	<u>634</u>	<u>161</u>	<u>914</u>
<b>Prior year comparatives</b>				<b>2021 Total £000</b>
	<b>Donations &amp; Legacies £000</b>	<b>Course Delivery Costs £000</b>	<b>Activities for generating funds £000</b>	<b>2021 Total £000</b>
Management	12	27	9	48
Sales and Marketing	3	62	17	82
Finance	16	75	30	121
Resources	47	160	48	255
	<u>78</u>	<u>324</u>	<u>104</u>	<u>506</u>

Resources includes costs of IT, premises and evaluation



**THE OUTWARD BOUND TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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

	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
Staff costs	10,202	7,773
Auditors' remuneration - charity	18	20
- subsidiary	9	9
- other services	3	2
Depreciation	304	341
Operating leases – equipment hire	146	174
– rent payable	74	74
	<u>10,202</u>	<u>7,773</u>

**7 STAFF COSTS AND NUMBERS**

Staff costs were as follows:	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
Wages and salaries	8,539	6,552
National Insurance costs	775	523
Pension costs	492	419
Other staff benefits and costs	396	279
	<u>10,202</u>	<u>7,773</u>

<b>The mean average number of employees during the year were:</b>	<b>2022</b>	<b>2021</b>
Charitable activities	234	206
Corporate training and development	41	35
Fundraising	14	14
Management and administration	7	7
	<u>296</u>	<u>262</u>

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

	<b>2022</b>	<b>2021</b>
£60,001 - £70,000	1	1
£70,001 - £80,000	2	2
£80,001 - £90,000	2	1
£90,001 - £100,000	1	1
£100,001 - £110,000	1	-
£120,001 - £130,000	-	1
£130,001 - £140,000	-	1
£170,001 - £180,000	-	-

The total employee benefits of the key management personnel of the Group were £677,000 (2021: £632,000). 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 performance during the year under review.

Pension contributions in respect of these six employees totalled £58,519 in the year (2021: six employees £50,730).

No Trustee received remuneration in the year of £nil (2021:£nil). Two Trustees received expenses for travelling expenses and accommodation of £1,112 (2021: £nil).

During the year redundancy and termination payments totalling £28,000 (2021: £134,000) as ratified by the Trustees were made.

**THE OUTWARD BOUND TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**8 TANGIBLE FIXED ASSETS - GROUP**

	<b>Land &amp; Buildings £000</b>	<b>Short Leasehold Improvements £000</b>	<b>Fixtures, Fittings &amp; Equipment £000</b>	<b>Group Total £000</b>
<b>Cost or valuation</b>				
At 1 October 2021	14,319	2,607	2,557	19,483
Additions	-	90	77	167
Disposals	-	-	-	-
	<u>14,319</u>	<u>2,697</u>	<u>2,634</u>	<u>19,650</u>
At 30 September 2022	14,319	2,697	2,634	19,650
<b>Depreciation</b>				
At 1 October 2021	1,689	763	2,142	4,594
Charge for the year	153	51	101	305
Disposals	-	-	-	-
	<u>1,842</u>	<u>814</u>	<u>2,243</u>	<u>4,899</u>
At 30 September 2022	1,842	814	2,243	4,899
<b>Net Book Value</b>				
At 30 September 2022	<u>12,477</u>	<u>1,883</u>	<u>390</u>	<u>14,751</u>
At 30 September 2021	<u>12,630</u>	<u>1,844</u>	<u>415</u>	<u>14,889</u>

**TANGIBLE FIXED ASSETS - CHARITY**

	<b>Land &amp; Buildings £000</b>	<b>Short Leasehold Improvements £000</b>	<b>Fixtures, Fittings &amp; Equipment £000</b>	<b>Charity Total £000</b>
<b>Cost or valuation</b>				
At 1 October 2021	14,319	2,607	2,280	19,206
Additions	-	90	76	166
Disposals	-	-	-	-
	<u>14,319</u>	<u>2,697</u>	<u>2,356</u>	<u>19,372</u>
At 30 September 2022	14,319	2,697	2,356	19,372
<b>Depreciation</b>				
At 1 October 2021	1,689	763	1,894	4,346
Charge for the year	153	51	91	295
Disposals	-	-	-	-
	<u>1,842</u>	<u>814</u>	<u>1,985</u>	<u>4,641</u>
At 30 September 2022	1,842	814	1,985	4,641
<b>Net Book Value</b>				
At 30 September 2022	<u>12,477</u>	<u>1,883</u>	<u>371</u>	<u>14,731</u>
At 30 September 2021	<u>12,630</u>	<u>1,844</u>	<u>386</u>	<u>14,860</u>

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 2022

## 8 TANGIBLE FIXED ASSETS (CONTINUED)

The Loch Eil centre is operated by The Trust under a repairing lease from The Dulverton Trust. A new lease commenced in 2020 and will expire in 2045, with an option to extend to 2070 subject to the landlord not requiring the property for redevelopment.

The centre is not valued in the balance sheet other than capital improvements to the buildings which at 30 September 2022 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.

The Trust's operational properties are held in the accounts at value in use, in line with the accounting policies on pages 19 & 21. The trustees are actively looking to sell the West Lodge property at the Ullswater site. The property has been disclosed as current assets held for sale at year end and revalued to market value in accordance with FRS 102.

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 (2021: £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>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Listed UK Investments at market value</b>		
Valuation at 1 October 2021	1,658	1,445
Additions in year	350	304
Disposals in year	(340)	(308)
Increase / (Decrease) in market value	(174)	217
	<hr/>	<hr/>
Valuation at 30 September 2022	1,494	1,658
	<hr/>	<hr/>
Historical cost (or market value at date of gift) of investments	1,198	1,198
	<hr/>	<hr/>

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

Note 14(d) 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).

## 10 STOCKS

	<b>Group</b>		<b>Charity</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Catering & equipment stock	200	162	191	157
	<hr/>	<hr/>	<hr/>	<hr/>

Stock recognised in cost of sales during the year as an expense was £514,000 (2021: £41,000).

An impairment loss of £ nil (2021: £nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

**THE OUTWARD BOUND TRUST  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**11 DEBTORS**

	Group		Charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Trade debtors	1,320	1,069	858	304
Amounts due from subsidiary undertakings	-	-	882	1,629
Prepayments	349	273	342	266
Other debtors	169	201	169	201
	<u>1,838</u>	<u>1,543</u>	<u>2,251</u>	<u>2,400</u>

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

	Group		Charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Deferred income	1,902	1,187	1,850	877
Trade creditors	782	684	730	630
Accruals	945	707	930	697
PAYE, National Insurance and VAT	514	288	514	288
Other creditors	125	103	125	103
	<u>4,268</u>	<u>2,969</u>	<u>4,149</u>	<u>2,595</u>

**Deferred income**

	Deferred Income Balance 1 Oct 21 £000	Deferred Income Released 2021-22 £000	New Deferred Income 2021-22 £000	Balance 30 Sep 22 £000
Deferred income	<u>1,187</u>	<u>(1,072)</u>	<u>1,787</u>	<u>1,902</u>

**13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2022 £000	2021 £000	2022 £000	2021 £000
Bank Loan	<u>2,846</u>	<u>2,969</u>	<u>2,846</u>	<u>2,969</u>

A £3m medium term loan facility, provided by Barclays Bank plc, was drawn down in April 2021 to provide further resilience to the cash flows of The Trust. This facility has an initial one year capital repayment holiday, with repayments calculated over a 20 year term starting in June 2022 and with a final bullet repayment at the maturity date in March 2024.

# THE OUTWARD BOUND TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

## 14 FUNDS

### (a) Types of Funds

- (i) Unrestricted Funds
  - The General Reserve Fund is an unrestricted fund which is used for all activities of The Trust which are not designated or restricted.
- (ii) Unrestricted Designated Funds
  - The Designated infrastructure fund holds funds to be spent at our centres to improve their facilities and for smaller scale capital improvements
  - The Designated digital projects funds are to be spent matched with restricted funds on the digital transformation of our IT systems
  - The Designated centre maintenance funds are to be spent on central maintenance work on our centres as part of our ongoing work of maintaining our sites
  - The Designated Peter Cundill foundation bursary fund is to be spent on additional bursary in particular cases of need
  - The Designated Property Funds represent funding for capital projects that have been fully completed, with the funds raised for the project in question transferred across from Restricted Funds. The fund is amortised 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. Also included in this fund are Trust, Foundation and Statutory Funds gifted specifically to fund young people attending Outward Bound courses.
  - 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
  - These Funds related to funding that is to be spent on the acquisition and development of new centres, the refurbishment of our existing 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 2021 £000	Income £000	Bursary Allocation £000	Expenditure Gains and Losses £000	Amortisation £000	Fund Transfers £000	Balance 30 Sept 2022 £000
<b>General Fund Reserves</b>	8,521	11,417	2,176	(15,636)	215	(987)	5,706
<b>Designated Funds</b>							
Infrastructure funds	-	-	-	-	-	1,000	1,000
Digital project	-	-	-	-	-	250	250
Centre maintenance	-	-	-	-	-	143	143
Peter Cundill Foundation bursary fund	-	-	-	-	-	1,550	1,550
Property Funds	13,037	-	-	-	(215)	347	13,169
<b>Total Designated Funds</b>	<b>13,037</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(215)</b>	<b>13,290</b>	<b>13,037</b>
	<b>21,558</b>	<b>11,417</b>	<b>2,176</b>	<b>(15,636)</b>	<b>-</b>	<b>2,303</b>	<b>21,818</b>

**THE OUTWARD BOUND TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

**14 FUNDS (CONTINUED)**

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

	Balance 1 Oct 2021 £000	Income £000	Bursary Allocation £000	Expenditure Gains and Losses £000	Unrealised Gains on Revaluation £000	Transfers Between Funds £000	Balance 30 Sept 2022 £000
<b>Restricted Bursary Funds</b>	3,990	3,760	(2,176)	(1)	(100)	(1,427)	4,046
<b>Endowment Fund</b>	98	-	-	-	(10)	-	88
<b>Restricted Capital Funds</b>							
Boathouse Fund	223	-	-	-	-	(223)	-
Restricted Capital Funds	656	889	-	-	(13)	(653)	879
	<b>4,967</b>	<b>4,649</b>	<b>(2,176)</b>	<b>-</b>	<b>123</b>	<b>(2,303)</b>	<b>5,013</b>

**(d) Analysis of net assets held by Funds**

	General Fund £000	Property Funds £000	Designated Funds £000	Endowment & Restricted Funds £000	Total £000
Tangible fixed assets	1,582	13,169	-	-	14,751
Investments	363	-	-	1,131	1,494
Cash balances	8,341	-	2,943	3,862	15,146
Other Net current assets / (liabilities)	(4,580)	-	-	20	(4,560)
<b>Net assets</b>	<b>5,706</b>	<b>13,169</b>	<b>2,943</b>	<b>5,013</b>	<b>26,831</b>

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

	Balance 1 Oct 2020 £000	Income £000	Bursary Allocation £000	Expenditure Gains and Losses £000	Amortisation £000	Fund Transfers £000	Balance 30 Sept 2021 £000
<b>General Reserve Fund</b>	10,456	6,103	1,232	(10,688)	248	1,170	8,521
<b>Designated Funds</b>							
<b>Property Designations</b>							
Property Funds	13,285	-	-	-	(248)	-	13,037
<b>Total Designated Funds</b>	<b>13,285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(248)</b>	<b>-</b>	<b>13,037</b>
	<b>23,741</b>	<b>6,103</b>	<b>1,232</b>	<b>(10,688)</b>	<b>-</b>	<b>1,170</b>	<b>21,558</b>

# THE OUTWARD BOUND TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

## 14 FUNDS (CONTINUED)

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

	Balance 1 Oct 2020 £000	Income £000	Bursary Allocation £000	Expenditure Gains and Losses £000	Unrealised Gains on Revaluation £000	Transfers Between Funds £000	Balance 30 Sept 2021 £000
<b>Restricted Bursary Funds</b>	2,807	3,245	(1,232)	-	129	(959)	3,990
<b>Endowment Fund</b>	86	-	-	-	12	-	98
<b>Restricted Capital Funds</b>							
Boathouse Fund	223	-	-	-	-	-	223
Restricted Capital Funds	644	217	(11)	-	17	(211)	656
	<b>3,760</b>	<b>3,462</b>	<b>(1,243)</b>	<b>-</b>	<b>158</b>	<b>(1,170)</b>	<b>4,967</b>

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.

## 15 TRANSFERS BETWEEN FUNDS

During the year net transfers of £ 2,303,000 were made between Restricted & Unrestricted Funds, the main components of which are as follows:

### Transfers into Designated Funds from General Funds:

- There was a transfer of £1,000,000 from General funds to Designated funds to cover further development and improvement of the infrastructure at our centres
- There was a transfer of 1,550,000 from General Funds to Designated funds to be used in the first instance as bursaries to enable growth initiatives and to provide additional support where necessary, the Peter Cundill Foundation bursary fund
- There was a transfer of £143,000 from General Funds to Designated funds to cover ongoing maintenance work at our centres
- There was a transfer of £250,000 from General Funds to Designated covering our share of the costs of our digital transformation project which is ongoing
- There was a transfer of £347,000 from General Funds to Designated which included the transfer of the Boathouse funds, detailed below, as well as the funds capitalised for projects in the year, which includes the Tepee learning rooms at Loch Eil.

### Transfers into General Fund from Restricted Funds:

- There was a transfer in of £653,000 from Other Restricted Funds to cover various small projects from restricted funds donated for these purposes.
- There was a transfer in of £223,000 from Boathouse Funds releasing funds held under the terms of the donation after 21 years from restricted funds donated for this purpose.
- There was a transfer in of £1,000,000 from Bursary Restricted Funds to provide a charitable subsidy for our work during the recovery from the pandemic from funds donated and available for this purpose.
- There was a transfer in of £427,000 from Restricted Funds to cover the costs of fundraising from funds donated and available for this purpose.

## 16 RELATED PARTY TRANSACTIONS

During the year under review eight Trustees made donations totalling £140,827 (2021: £93,120).

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 2022

## 17 SUBSIDIARY UNDERTAKINGS

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

Outward Bound Corporate Limited, registered office Hackthorpe Hall, Hackthorpe, Penrith CA10 2HX, (Company No 2892257) runs learning and development programmes for corporate clients. Costs of £1,005,000 (2021: £1,600,000) 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 2022

	Outward Bound Corporate Limited		Outward Bound Trading Limited	
	2022 £000	2021 £000	2022 £000	2021 £000
Turnover	4,486	1,334	-	-
Cost of sales and administration costs	(3,465)	(1,327)	(-)	(-)
Operating profit for the year	1,021	7	-	-
Covenanted to the parent charity	(1,021)	(7)	(-)	(-)
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 (2021: Nil Employees).

The Directors received no emoluments or expenses (2021: £ nil).

### (b) Summarised balance sheets at 30 September 2022:

	Outward Bound Corporate Limited		Outward Bound Trading Limited	
	2022 £000	2021 £000	2010 £000	2021 £000
Tangible fixed assets	20	29	-	-
Current assets	982	1,974	1	1
Current liabilities	(1,002)	(2,003)	(1)	(1)
Net current liabilities	(20)	(29)	-	-
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 2022

## 18 OPERATING LEASES

At 30 September 2022 the company was committed to make the following payments in total in respect of operating leases:

	Group				Charity			
	Land & buildings		Equipment		Land & buildings		Equipment	
	2022	2021	2022	2021	2022	2021	2022	2021
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Leases which expire:</b>								
Within one year	37	64	50	27	37	64	46	27
Within two to five years	30	65	49	26	30	65	45	26
	<b>67</b>	<b>129</b>	<b>99</b>	<b>53</b>	<b>67</b>	<b>129</b>	<b>91</b>	<b>53</b>

## 19 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.

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

	Group		Charity	
	2022	2021	2022	2021
	£000	£000	£000	£000
<b>Net income for the year</b>	480	(1,543)	480	(1,543)
Add back depreciation charge	305	341	295	331
(Profit) / Loss on sale of tangible fixed assets	-	(7)	-	(7)
Deduct interest income shown in investing activities	(102)	(33)	(102)	(33)
Increase in stocks	(38)	(14)	(34)	(15)
Decrease / (Increase) in debtors	(295)	271	149	(589)
Increase in creditors	1,299	323	1,554	293
<b>Net cash (outflow)/inflow from operating activities</b>	<b>1,649</b>	<b>(662)</b>	<b>2,342</b>	<b>(1,563)</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 2022

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## 21 PENSIONS

### (a) The Teachers' Pension Scheme

The Charity participated in the Teachers' Pension Scheme ("the TPS") for a single member who left in 2021. The pension charge for the year includes contributions payable to the TPS of £ nil (2021: £1,197) and at the yearend £ nil (2021: £nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions 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 2016 and the Valuation Report, which was published in March 2021, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2021. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2022 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2021, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary and are aiming to implement these changes in time for the 2021 valuations.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism revision is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

### (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 2022 were £31,000 (2021: £42,000). Contributions of £6,050 (2021: £6,050) were outstanding at the year end.

## 22 POST BALANCE SHEET EVENT

After the year end the property held for resale, West Lodge, received formal planning permission for the intended use by the prospective purchaser. There now follows a period of review, meaning that the effective completion of the sale was still pending at the time of approval of these accounts. The property therefore continues to be held at deemed market value, as stated in note 8.



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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

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