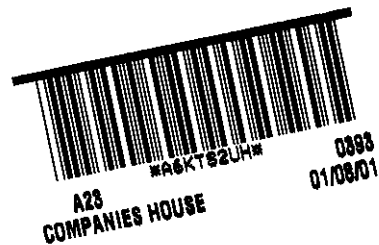


**THE OUTWARD BOUND TRUST**  
**(Company limited by guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2001**

Company Number: 405180

Registered Charity Number: 313645



## THE OUTWARD BOUND TRUST

**PATRON:** His Royal Highness The Duke of Edinburgh, KG, KT

**TRUSTEES:** His Royal Highness The Duke of York CVO, ADC - Chairman  
His Royal Highness The Duke of Edinburgh KG, KT  
Sir Chris Bonington CBE \*\*  
Nigel Buchanan (appointed 1 July 2001) \*  
Bernard Dewe Mathews CBE, TD (resigned 10 October 2000)  
The Rt. Hon. Lord Harris of Peckham (appointed 25 May 2001)  
Alex van Heeren  
Hugh Hudson-Davies CVO (resigned 29 November 2000)  
Rev. Canon Michael Irving  
The Lord Kirkham CVO  
Ian Lawson  
Peter Neumark (appointed 25 October 2000) \*  
Michael O'Neill (appointed 25 May 2001)  
Dame Mary Peters DBE (appointed 25 May 2001)  
Peter Ridsdale (appointed 28 November 2000)  
Lady Ryder, MBE (resigned 26 July 2000)  
John Spurling, OBE

\* Members of the Audit and Remuneration Committees

\*\* Chairman of the Operational Risk Management Committee

<b>SENIOR EXECUTIVES:</b>	Sir Michael Hobbs KCVO, CBE	Director
	Anne Ireland	Director of Finance and Administration
	William Ripley	Operational Managing Director
	Steve Howe	Sales and Marketing Director
	Emma Gardiner	Head of Fundraising
	Roger Eames	Properties Director

**FUNDRAISING CONSULTANT:** Eric Worrall CVO

**COMPANY SECRETARY:** Anne Ireland

<b>HEADQUARTERS:</b>	The Outward Bound Trust	Tel: 0207 928 1991
	207 Waterloo Road	Fax: 0207 928 3733
	London SE1 8XD	
	web site: <a href="http://www.outwardbound-uk.org">www.outwardbound-uk.org</a>	
	email: <a href="mailto:enquiries@outwardbound-uk.org">enquiries@outwardbound-uk.org</a>	

**REGISTERED OFFICE:** 12 Plumtree Court  
London  
EC4A 4HT

**AUDITORS:** PricewaterhouseCoopers  
1 Embankment Place  
London  
WC2N 6NN

**BANKERS:** Barclays Bank Plc  
Rugby Business Centre  
North Street  
Rugby  
Warwickshire  
CV21 2AN

**SOLICITORS:** McCormicks  
Britannia Chambers  
4 Oxford Place  
Leeds  
LS1 3AX

**TRADEMARK SOLICITORS:** Humphreys & Co.  
14 King Street  
Bristol  
BS1 4EF

## **THE OUTWARD BOUND TRUST**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2001**

The Outward Bound Trust was established as a charity in 1941 and incorporated as a company limited by guarantee on 27 February 1946. A revised constitution was adopted on 12 February 1997 which allows for a Board of between 10 and 15 Trustees. The current Trustees are listed on page 1. They are directors of the company. The Trustees are also the Members of the company. The liability of Members is limited, and their individual limit of guarantee is £1. After the year end The Rt. Hon. Lord Harris of Peckham, Michael O'Neill and Dame Mary Peters were appointed as Trustees on 25 May 2001 and Nigel Buchanan was appointed as a Trustee on 1 July 2001.

The Governing Instrument of the Trust is a Memorandum and Articles of Association.

### **CHARITABLE OBJECTIVES**

The Trust's mission is to inspire young people to fulfil their potential through challenging outdoor activities. Its charitable objectives, as described in the Memorandum of Association, 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."

### **REVIEW OF ACTIVITIES**

The Trust runs residential personal development courses for young people at three centres in the United Kingdom; Aberdovey on the west coast of Wales, Ullswater in the Lake District of England and Loch Eil in the Highlands of Scotland. Aberdovey is the location of the original Outward Bound centre founded in 1941. A fourth centre at Eskdale in the Lake District is used for professional management training courses, which are run through one of the Trust's trading subsidiary companies. The Trust's Head Office, incorporating the Director's office, fundraising, finance and administration is based in London. Operational management and sales and marketing are run from Ullswater.

The value of Outward Bound courses has been proven over many years. The Trust will be 60 years old in October 2001 and has launched a drive to try to get in touch with as many people as possible who have been on Outward Bound courses at any time over the years. The response has been remarkable, with many people in all walks of life contacting the Trust's offices to talk about how their course made a difference to their life. The Trust has succeeded in adapting to the changes in society and in youth culture through the decades, whilst retaining the core qualities and standards which allow young people to find out what possibilities life can hold. The total number of young people attending courses at Outward Bound centres during the year increased by nearly a third from 16,400 in 2000 to 21,600 in 2001.

As the centres become fuller, a number of projects have been started in which participants take part in a full Outward Bound designed course, but stay in accommodation outside a centre. This year, over 1,000 young people took part in "off-site" courses.

The Trust tries to make Outward Bound courses accessible to all, regardless of background, ability and financial resources. The Trust's work would not be possible without the commitment of its supporters and the generosity of many donors, both private and corporate. Many supporters are members of The Patron's Company and as such commit to giving annual donations to the Trust's bursary programme, which supports young people who would otherwise not be able to afford course fees. Patron's Company membership increased from 59 at March 2000 to 73 at March 2001. The total value of bursaries granted to young people through the Patron's Company programme in the year was £605,000. A further £49,000 was granted in bursaries funded from other sources.

Volunteers form an essential part of the Outward Bound organisation. A number of Outward Bound Associations have been established around the UK and these provide invaluable support by promoting the aims of the Trust, working with young people in the local area and by raising funds to help pay for course fees.

## **THE OUTWARD BOUND TRUST**

### **REPORT OF THE TRUSTEES (CONTINUED)**

#### **REVIEW OF ACTIVITIES (CONTINUED)**

The Trust has two wholly owned subsidiary companies. Outward Bound Professional Limited runs courses for adults over the age of 25, and the majority of its activities are concentrated at Eskdale. The second trading subsidiary, Outward Bound Trading Limited, organises fund-raising events and other activities on behalf of the Trust.

The Trust is very grateful to its professional advisers; McCormicks, who provide legal advice free of charge, and PricewaterhouseCoopers, who, for the second year, have waived their audit fees. Humphreys & Co., the Trust's trade mark advisers, are also generous in discounting their fees.

#### **FINANCIAL POSITION**

After a difficult year in 1999/2000, the results for 2000/01 were encouraging. Total net incoming resources, before gains and losses, were £94,000 (2000: net outgoing resources £571,000). Whilst total borrowings were still high at £1,683,000 (2000: £1,704,000), interest-bearing borrowings reduced from £1,704,000 at 31 March 2000 to £1,353,000 at 31 March 2001. This will have the effect of reducing the Trust's interest burden by approximately 20% in 2002.

The turn round in the Trust's net incoming resources resulted from two major changes in structure implemented in the early part of 2000. First, in February 2000 the operational management of the Eskdale-based professional management training work, together with related sales and marketing, was consolidated with that of the other centres. This brought together operational control of all Outward Bound courses under a single, proven management team. The success of this change is reflected in the financial results for the year, in which a loss of £116,000 incurred by Outward Bound Professional Limited in 2000 was converted to a profit of £219,000 in 2001.

Second, in April 2000 the Trust established its own in-house fundraising department, bringing to an end the joint fundraising arrangement with The Duke of Edinburgh's Award. The new team had a successful first year, with funds raised totalling £1,770,000 compared with £1,200,000 in 2000. Towards the end of the financial year, the team was expanded further in order to take advantage of the numerous opportunities for further fundraising that have been identified. The Trust is extremely grateful to their Royal Highnesses The Duke of Edinburgh and The Duke of York for their tireless support and commitment to the Trust, and the time they give to supporting fundraising events.

Operationally, the results for the year were hit by the outbreak of foot and mouth disease in February 2001. Whilst the Trust's centres remained open and functional, access to surrounding countryside was barred for a considerable time. The Trust has worked closely with local authorities and land-owners to ensure that all staff and participants have complied with access regulations. The centres offered a full range of in-centre activities, and, where possible, expeditions were organised using mountain bikes on tarmac public roads. Aberdovey, Ullswater and Loch Eil centres were also able to continue to offer water-based activities, as each centre has direct access to sea, lake or loch without crossing farm land.

Unfortunately a small number of courses, notably the winter mountaineering skills courses at Loch Eil had to be cancelled due to access restrictions. Further cancellations were received from customers who were disinclined to travel to infected areas. The total value of cancellations in the financial year ending 31 March 2001 was £125,000, and this was reflected in reduced net incoming resources. Of the cancellations, however, approximately £90,000 was re-booked for later in 2001/02 and did not therefore represent permanently lost income. In spite of the continued restrictions on access, bookings for courses taking place in 2001/02 are good; they are running at a rate significantly ahead of last year.

The Trust's upgraded web-site was launched in February 2001 - [www.outwardbound-uk.org](http://www.outwardbound-uk.org). It provides regularly updated information about courses, foot and mouth access restrictions, news and comment. The internet is now a significant factor in producing enquiries and bookings for courses; approximately 50% of all current enquiries originate from the website.

## **THE OUTWARD BOUND TRUST**

### **REPORT OF THE TRUSTEES (CONTINUED)**

#### **FUND RAISING INCOME**

In total, £1,770,000 was raised from donations and other fundraising during the year ending 31 March 2001 (2000: £1,200,000). Of this sum:

- ♦ £903,000 (2000: £699,000) was raised from Patron's Company donors, helping to build up a fund to provide bursaries for young people who could not otherwise afford to come on an Outward Bound course;
- ♦ £231,000 (2000: £320,000) was raised from direct donations and grants for specific charitable operational purposes, benefiting young people either directly through grant funding of course fees, or indirectly through the financial support of Outward Bound centres;
- ♦ £636,000 (2000: £278,000) was raised through fundraising events, general donations and legacies to support the Head Office and fundraising costs essential to support the work of the Outward Bound schools and to reduce borrowings.

Fundraising costs for the year were £259,000 (2000: £149,000), the increase resulting from the establishment of the Trust's own internal fundraising department to replace the shared fundraising resources provided by The Duke of Edinburgh's Award.

#### **FUTURE PLANS**

In May 2001, the Trust was informed of the success of its bid to become joint Official Charity for the 2002 Flora London Marathon together with Children with Leukaemia. This is a major opportunity both to raise the profile of the Trust and to raise substantial funds. A new project team, led by a Trustee, will take over the organisation of the Trust's involvement in the Marathon in order to oversee the project without deflecting energies from other fundraising plans.

As the centres become fuller, opportunities for providing Outward Bound courses at other locations are being researched. Some courses, such as those for the Princes Trust Volunteers, are already being delivered using off-site accommodation, and the Trust has also made arrangements with an outdoor activity centre in Yorkshire for the use of facilities over the summer of 2001. Collaboration with certain International Outward Bound schools is resulting in considerable interest from young people in the UK, and the first International course organised by the UK Trust ran in July 2001 at a centre in Slovakia. Future courses in Malaysia, Australia and the United States are planned.

The Trust's overall priorities for the future remain eliminating debt and building reserves. Operationally, the Eskdale centre should build on the turn round achieved in 2000/01 and increase the profits which it can covenant to the parent charity. Other challenges for the coming year are to retain the standards and quality of courses provided whilst exploring opportunities for running them outside the Trust's existing centres.

#### **RELATED ORGANISATION**

##### **Outward Bound International**

The Outward Bound Trust is one of 26 national Outward Bound members of Outward Bound International (OBI), which is a non-profit organisation incorporated in Canada. A further 9 countries have provisional or exploratory status. The principal object of OBI is to promote Outward Bound throughout the world. The OBI Board also works on many other fronts including the implementation and monitoring of safety protocols, international marketing initiatives, fund-raising and implementation of ideas debated at international meetings of members.

The Board of OBI works closely with The Outward Bound Trust to ensure that all member organisations are properly licensed to operate to required standards under the trademarked Outward Bound name. The Outward Bound name and compass device are registered trademarks owned by The Outward Bound Trust.

## **THE OUTWARD BOUND TRUST**

### **REPORT OF THE TRUSTEES (CONTINUED)**

#### **CORPORATE GOVERNANCE AND RISK MANAGEMENT**

The Trustees are committed to the principles of good governance practice as recommended by the Combined Code prepared by the Committee on Corporate Governance. The Trust has adopted the spirit of the Code and has complied with its relevant provisions. In line with the recommendations of the new charities Statement of Recommended Accounting Practice (SORP), the Board intends to expand its systems for analysing risk and monitoring controls, prior to adoption of the new SORP with effect from 1 April 2001.

Trustees meet as a full Board at least 4 times a year. In addition, the Chairman holds monthly meetings with representatives of the Trustees and senior executives in order to monitor progress and discuss plans.

Other Committees meet to deal with specific matters on behalf of the Board;

- ♦ the Audit Committee meets once a year, and on other occasions as required. Its role is to advise the Trustees on corporate governance, risk management (other than operational safety, which is dealt with by the Operational Risk Management Committee - see below), financial control and the Trust's annual financial statements;
- ♦ members of the Audit Committee also meet as a Remuneration Committee;
- ♦ the Operational Risk Management Committee meets at least twice a year. Its role is to advise the Trustees on safety standards and performance. The secretary of the Committee is an employee of the Trust, but reports through the Chairman of the Committee, Sir Chris Bonington, directly to the Board of Trustees;
- ♦ a Nominations Committee meets as required in order to consider and make recommendations on the appointment of new Trustees and the membership of committees.

All the above Committees are chaired by a Trustee.

The Director of the Trust, who reports directly to the Board of Trustees, is responsible for the overall management of the Trust's operations and activities.

#### **RESERVES**

The Trustees are committed to working towards building the Trust's free reserves to a level which will provide appropriate protection against normal financial and business risks, and which will also provide the necessary stable financial foundation for further growth. The Trustees' Reserves Policy sets out an assessment of an appropriate level of free reserves which the Trustees aim to accumulate following repayment of all borrowings. In arriving at a target level of reserves, the Trustees have analysed future needs, opportunities, contingencies and risks.

The Trustees consider that the appropriate level of reserves for the Trust would be £5m. This sum would provide a sound financial basis for future development. However the Trustees have concluded that such a target would be unrealistic for the foreseeable future. Their present aim therefore is to eliminate borrowings and build free reserves of £2.5m over the next four to five years.

The Trustees consider that the present practices of the Trustees, Committees and the senior executive team in planning and evaluating operational and financial performance are adequate for monitoring the progress of their Reserves plans.

## **THE OUTWARD BOUND TRUST**

### **REPORT OF THE TRUSTEES (CONTINUED)**

#### **TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for the preparation of financial statements for each financial year which give a true and fair view of the company's incoming resources and application of resources during the year, and of its state of affairs at the end of the year. In preparing those financial statements the Trustees confirm that:

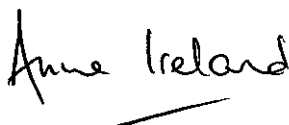
- ◆ suitable accounting policies have been selected and then applied consistently;
- ◆ judgements and estimates that have been made are reasonable and prudent;
- ◆ applicable accounting standards and statements of recommended practice have been followed;
- ◆ it is appropriate for the financial statements to be prepared on a going concern basis, for the reasons given in Note 2 to the financial statements.

The Trustees are responsible for ensuring proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the charity and enable the Trustees to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the company's assets and hence for taking reasonable steps for the prevention and detection of fraud and breaches of law and regulations.

#### **AUDITORS**

The Trust's auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office. A resolution to appoint auditors for the financial year ended 31 March 2002 will be proposed at the Annual General Meeting.

**By order of the Board**



**Anne Ireland**  
**Secretary**

25 July 2001

Registered Office:  
12 Plumtree Court  
London  
EC4A 4HT

## **THE OUTWARD BOUND TRUST**

### **REPORT OF THE AUDITORS TO THE MEMBERS OF THE OUTWARD BOUND TRUST**

We have audited the financial statements on pages 8 to 26.

#### **Respective responsibilities of Trustees and Auditors**

The Trustees who are also directors of The Outward Bound Trust for the purpose of Company Law are responsible for preparing the Annual Report. As described on page 6 this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

#### **Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Fundamental uncertainty**

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the basis on which they have been prepared. The financial statements have been prepared on a going concern basis and the validity of this depends on the charitable company and group being able to meet their projected cash flow forecasts and on the continued support of the group's bankers in providing adequate overdraft facilities. The financial statements do not include any adjustments that would result from a failure to obtain such continued support or projected cashflows. Details of the circumstances relating to this fundamental uncertainty are described in note 2. Our opinion is not qualified in this respect.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company and the group at 31 March 2001 and of the net incoming resources, including the income and expenditure, and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
London

25 July 2001



## THE OUTWARD BOUND TRUST

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2001 (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

		<u>Unrestricted Funds</u>		<u>Endowment and Restricted Funds</u>	<u>Total Funds</u>	<u>Total Funds</u>
		<u>General, Maintenance &amp; Revaluation</u>	<u>Patron's Company</u>		<u>2001</u>	<u>2000</u>
		<u>Reserve</u>				
<u>INCOME AND EXPENDITURE</u>	<u>Note</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
<u>INCOMING RESOURCES</u>						
Charitable operational income:						
Outward Bound centres income		2,689	-	-	2,689	2,300
Bursaries granted	3a	654	-	-	654	667
<b>Gross operational income</b>		<b>3,343</b>	<b>-</b>	<b>-</b>	<b>3,343</b>	<b>2,967</b>
Donations and other fund raising income		636	903	231	1,770	1,200
Gifts in kind	3b	112	-	-	112	97
Funding from English Sports Lottery		-	-	-	-	22
Income from UK listed investments		-	-	11	11	9
Gains on disposals of fixed assets		19	-	-	19	29
Net results of trading subsidiaries	16	269	-	-	269	(102)
<b>TOTAL INCOMING RESOURCES</b>	<b>3</b>	<b>4,379</b>	<b>903</b>	<b>242</b>	<b>5,524</b>	<b>4,222</b>
<u>RESOURCES EXPENDED</u>						
Direct charitable expenditure	4	3,701	-	126	3,827	3,256
Bursaries granted	3a	-	605	49	654	667
Fund raising		157	102	-	259	149
Management and administration		434	-	-	434	506
Non-recoverable VAT		137	-	-	137	120
Interest payable	5	119	-	-	119	95
<b>TOTAL RESOURCES EXPENDED</b>	<b>4</b>	<b>4,548</b>	<b>707</b>	<b>175</b>	<b>5,430</b>	<b>4,793</b>
<b>NET INCOMING / (OUTGOING)</b>						
<b>RESOURCES BEFORE TRANSFERS</b>		<b>(169)</b>	<b>196</b>	<b>67</b>	<b>94</b>	<b>(571)</b>
Transfers between funds	13	28	(58)	30	-	-
<b><u>NET INCOMING / (OUTGOING)</u></b>						
<b><u>RESOURCES</u></b>		<b>(141)</b>	<b>138</b>	<b>97</b>	<b>94</b>	<b>(571)</b>
<b><u>GAINS AND LOSSES</u></b>						
Realised loss on disposals of investments		-	-	-	-	(1)
Unrealised gains / (losses)	7	-	(5)	2	(3)	677
<b><u>NET MOVEMENT IN FUNDS</u></b>		<b>(141)</b>	<b>133</b>	<b>99</b>	<b>91</b>	<b>105</b>
<b><u>FUND BALANCES AT 1 APRIL 2000</u></b>		<b>1,368</b>	<b>471</b>	<b>478</b>	<b>2,317</b>	<b>2,212</b>
<b><u>FUND BALANCES AT 31 MARCH 2001</u></b>		<b>1,227</b>	<b>604</b>	<b>577</b>	<b>2,408</b>	<b>2,317</b>

The notes on pages 11 to 26 form part of these accounts.

Net incoming / outgoing resources represent only continuing operations. There is no material difference between the net incoming / outgoing resources for the period stated above and their historical cost equivalent. No summary income and expenditure account is shown as the movement on the Endowment Fund is shown separately under Note 12.

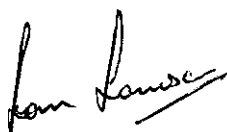
# THE OUTWARD BOUND TRUST

## BALANCE SHEETS AT 31 MARCH 2001

	Note	<u>Group</u>		<u>Company</u>	
		2001 £000	2000 £000	2001 £000	2000 £000
<b><u>FIXED ASSETS</u></b>					
Tangible assets	6	4,123	4,219	4,092	4,174
Investments	7	175	127	175	127
		<u>4,298</u>	<u>4,346</u>	<u>4,267</u>	<u>4,301</u>
<b><u>CURRENT ASSETS</u></b>					
Stocks	8	11	10	-	-
Debtors	9	775	573	585	432
Cash at bank and in hand	18c	309	319	263	297
		<u>1,095</u>	<u>902</u>	<u>848</u>	<u>729</u>
<b><u>LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR</u></b>					
Bank overdraft	10	(1,100)	(1,351)	(1,100)	(1,351)
Short term bank loan	10	(100)	(100)	(100)	(100)
Other short term loans	10	(330)	-	(330)	-
Other creditors	10	(1,302)	(1,227)	(1,020)	(1,002)
		<u>(2,832)</u>	<u>(2,678)</u>	<u>(2,550)</u>	<u>(2,453)</u>
<b><u>NET CURRENT LIABILITIES</u></b>		<u>(1,737)</u>	<u>(1,776)</u>	<u>(1,702)</u>	<u>(1,724)</u>
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>		<u>2,561</u>	<u>2,570</u>	<u>2,565</u>	<u>2,577</u>
<b><u>LIABILITIES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u></b>					
Loans	11	(153)	(253)	(153)	(253)
<b><u>NET ASSETS</u></b>		<u>2,408</u>	<u>2,317</u>	<u>2,412</u>	<u>2,324</u>
<b><u>FUNDS</u></b>					
Unrestricted:					
General Fund		(540)	(457)	(536)	(450)
Revaluation Reserve		1,525	1,525	1,525	1,525
Maintenance Fund		242	300	242	300
Patron's Company Fund		604	471	604	471
		<u>1,831</u>	<u>1,839</u>	<u>1,835</u>	<u>1,846</u>
Endowment and Restricted:					
Endowment Funds		85	88	85	88
Boathouse Fund		223	223	223	223
Other Restricted Funds		269	167	269	167
		<u>577</u>	<u>478</u>	<u>577</u>	<u>478</u>
<b><u>TOTAL FUNDS</u></b>	12	<u>2,408</u>	<u>2,317</u>	<u>2,412</u>	<u>2,324</u>

The financial statements on pages 8 to 26 were approved by the Trustees on 25 July 2001 and signed on their behalf by:

Trustee



Trustee



# THE OUTWARD BOUND TRUST

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2001

	Note	2001 £000	2000 £000
<b>NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES</b>	18a	201	(370)
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest paid		(119)	(71)
Interest paid relating to prior year		(24)	-
Investment income received		11	9
		<hr/>	<hr/>
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		(132)	(62)
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Payments to acquire tangible fixed assets		(96)	(369)
Receipts on sale of tangible fixed assets		29	152
Receipts on sale of fixed asset investments		9	27
		<hr/>	<hr/>
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		(58)	(190)
<b>NET CASH INFLOW / (OUTFLOW) BEFORE FINANCING ACTIVITIES</b>		11	(622)
<b>FINANCING ACTIVITIES</b>			
Loans from Trustees		330	-
Bank loan repaid		(100)	(100)
Loan repaid to The Duke of Edinburgh's Award		-	(200)
		<hr/>	<hr/>
<b>NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES</b>		230	(300)
<b>INCREASE / (DECREASE) IN CASH</b>	18c	241	(922)

The notes on pages 11 to 26 form part of these accounts.

## THE OUTWARD BOUND TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

#### 1 ACCOUNTING POLICIES

(a) **Basis of accounting**

The financial statements are prepared in accordance with the requirements of the Statement of Recommended Practice 'Accounting by Charities' issued by The Charity Commission in October 1995, UK Accounting Standards and with generally accepted accounting practice.

(b) **Accounting convention**

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain assets.

(c) **Basis of consolidation**

The consolidated financial statements include those of the parent company and the wholly owned subsidiary undertakings as at 31 March 2001 together with the receipts and payments from the latest accounts of the Outward Bound Associations regarded as branches under the Statement of Recommended Practice (SORP) 'Accounting by Charities'. The financial statements do not include Outward Bound International Inc. which is a separate not-for-profit organisation incorporated in Canada.

(d) **Funds**

The Trust maintains four types of fund:

- endowment - where the capital is held in perpetuity to generate income for bursaries;
- restricted - where the purposes for which the funds may be used have been restricted by donors;
- designated - where the funds are unrestricted, but where the Trustees have designated them for a specific purpose;
- unrestricted - where the fund is not restricted as to use.

(e) **Operational income**

Operational income comprises fees for courses which have taken place during the year inclusive of bursaries granted and sales made by retail outlets.

(f) **Other incoming resources**

Income is accounted for when receivable except for donations which are accounted for when received.

(g) **Resources expended**

Direct expenditure is allocated, where practicable, to operating costs and other costs on a directly attributable basis. The remainder is apportioned over each expense category using appropriate allocations.

## THE OUTWARD BOUND TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001 (CONTINUED)

#### 1 ACCOUNTING POLICIES (CONTINUED)

(h) **Fixed assets and depreciation**

All fixed assets are held for charitable operational purposes, with the exception of some equipment held by Outward Bound Professional Limited, which is held for trading operational purposes.

Freehold properties are held at valuation plus the cost of capital improvements carried out since the date of the last valuation. A full valuation was performed at 31 March 2000 by the Trust's professional advisers. Generally the Trust's properties are revalued every five years, but may be revalued more frequently when the Trustees consider that significant changes have occurred.

The Trust's leasehold property is not valued in the balance sheet, other than capital improvements funded by the Trust, which are shown at cost.

Assets over £1,000 are capitalised. Generally assets costing less than £1,000 are written off in the year of purchase.

Depreciation of fixed assets is charged on a straight line basis on cost or valuation, less estimated residual value, as follows:-

Freehold buildings	- 2% per annum
Capital improvements to leasehold buildings	- over the remaining term of the lease
Motor vehicles	- 20% per annum
Other equipment	- 10 to 33% per annum as appropriate

(i) **Gifts in kind**

Gifts in kind are included in the statement of financial activities where it is possible to quantify them. Details are shown in Note 3.

(j) **Listed investments**

Listed investments are held at market value at the balance sheet date. Realised and unrealised gains or losses are accounted for in the relevant fund.

(k) **Stocks**

Stocks are valued at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis.

(l) **Leasing transactions**

Costs in respect of operating leases are charged on a straight line basis over the lease term.

(m) **Deferred income**

Deferred income represents invoiced amounts in respect of courses to be undertaken after the end of the accounting period.

(n) **Pensions**

The Trust operates a defined contribution pension scheme through The Pensions Trust. The assets of the scheme are held separately from those of the Trust in a separately administered fund. The pension costs included in these financial statements represent contributions payable by the Trust to the fund, which in turn represent a regular pension cost over the average service lives of employees.

## THE OUTWARD BOUND TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001 (CONTINUED)

#### 2 BASIS OF PREPARING THE FINANCIAL STATEMENTS - GOING CONCERN

During the period the company had net incoming resources of £94,000 (2000: net outgoing resources of £571,000).

The Trust is dependent on the support of Barclays Bank through the overdraft facility to meet day to day working capital requirements.

At the 31 March 2001, the overdraft was £1,100,000, which was within the agreed facility of £1,500,000. It bears interest at 1.5% above base rate. The facility is repayable on demand, but in the absence of adverse circumstances the bank does not consider that the facility would not be extended beyond June 2002.

In addition to the overdraft facility, the Trust has a Treasury loan from Barclays Bank. This was taken out in September 1998 for £500,000 and is repayable in equal monthly instalments over the 5 years to September 2003. It bears interest at 1.86% above LIBOR. The outstanding balance at 31 March 2001 was £253,000, of which £100,000 is treated as a current liability.

Both the overdraft and the Treasury loan are secured by a first fixed charge on the Trust's freehold properties and debts and by a floating charge on all other of the Trust's undertakings and assets.

Outside the overdraft facility the Trust held credit balances in separate bank accounts in respect of various unrestricted and restricted funds. Total balances on these accounts at 31 March 2001 were £57,000.

During the year, the Trust also received support from Trustees in the form of interest-free loans totalling £330,000. After the year-end, another interest-free loan of £165,000 was received from a Trustee. These loans are repayable one year from the date of receipt.

As described in the Trustees' report the poor results of the year to 31 March 2000 were reversed in the year ending 31 March 2001 as a result of changes in the management structure of the operational division. The success of the new fundraising team in the year has also given confidence that the improvements in the financial position achieved this year will continue. The Trustees therefore consider that it is appropriate for the financial statements to be prepared on a going concern basis.

#### 3 INCOMING RESOURCES

	2001 £000	2000 £000
(a) Bursaries funded by donations and investment income:		
from Patron's Company donations	605	598
from restricted funds investment income from prior years	11	-
from restricted funds investment income for current year	4	3
from other restricted donations	34	66
	<u>654</u>	<u>667</u>

# THE OUTWARD BOUND TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001 (CONTINUED)

### 3 INCOMING RESOURCES (CONTINUED)

(b) Gifts in kind are included in the statement of financial activities at the following estimates:

	2001	2000
	£000	£000
Provision of vehicles at discounted leasing rates	40	40
Outdoor clothing and equipment	20	20
Computer equipment	7	-
Professional services:		
Audit fee for the group of companies	20	17
Legal fees	25	20
	<u>112</u>	<u>97</u>

These gifts have been included in expenditure as follows:

Direct charitable operational costs	64	60
Fundraising	3	-
Management and administration	45	37
	<u>112</u>	<u>97</u>

In addition to the specific gifts identified above, the Trust receives support from local donors who may provide both services and tangible gifts from time to time.

### 4 RESOURCES EXPENDED

(a) Analysis of total resources expended:

			2001	2000
	Staff Costs £000	Other Costs £000	Total £000	Total £000
Direct charitable operational costs	1,773	1,936	3,827	3,256
Bursaries granted	-	654	654	667
Fundraising	107	152	259	149
Management and administration costs	426	99	571	626
Interest payable	-	119	119	95
	<u>2,306</u>	<u>2,960</u>	<u>5,430</u>	<u>4,793</u>

# THE OUTWARD BOUND TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001 (CONTINUED)

### 4 RESOURCES EXPENDED (CONTINUED)

	2001 £000	2000 £000
Other direct charitable operational costs comprise:		
Catering and housekeeping	693	650
Property costs	292	312
Vehicle costs	200	180
Course equipment consumables and other course expenses	277	117
Centre support costs	134	116
Marketing of courses	161	100
Other operational costs	53	33
Specific project costs funded from restricted donations	126	81
	<u>1,936</u>	<u>1,589</u>
	2001 £000	2000 £000
(b) Total resources expended by the charity include the following:		
Staff costs	2,306	1,939
Auditors' remuneration (waived – see Note 3)	20	17
Depreciation	164	124
Operating leases - equipment hire	95	108
- rent payable	25	21
	<u>2,306</u>	<u>1,939</u>
Staff costs comprise:		
Wages and salaries	1,930	1,674
National Insurance costs	170	138
Pension costs	66	59
Other staff benefits and costs	140	68
	<u>2,306</u>	<u>1,939</u>
	2001	2000
(c) The average number of employees, including part-timers, during the year was:	153	160
	<u>153</u>	<u>160</u>
(d) The table below sets out the number of employees of the charity whose emoluments, excluding pension contributions, were in excess of £40,000 per annum within the bands stated.		
	2001	2000
£40,000 - £50,000	5	2
£60,000 - £70,000	1	-
£80,000 - £90,000	-	1
	<u>5</u>	<u>1</u>



# THE OUTWARD BOUND TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001 (CONTINUED)

### 5 INTEREST PAYABLE

	2001 £000	2000 £000
Interest on bank overdraft	95	57
Interest on bank loan	24	30
Interest on loan from The Duke of Edinburgh's Award	-	8
	<u>119</u>	<u>95</u>

For interest calculation purposes only certain cleared credit balances held on account with the group's bankers are set off against borrowings with them.

### 6 TANGIBLE FIXED ASSETS

	Equipment	Group Land and buildings	Total	Equipment	Company Land and buildings	Total
	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>						
1 April 2000	1,022	3,734	4,756	895	3,734	4,629
Additions	47	49	96	42	49	91
Disposals	(52)	(1)	(53)	(33)	(1)	(34)
31 March 2001	<u>1,017</u>	<u>3,782</u>	<u>4,799</u>	<u>904</u>	<u>3,782</u>	<u>4,686</u>
<b>Depreciation</b>						
1 April 2000	534	3	537	452	3	455
Charge for the year	121	61	182	103	61	164
Disposals	(43)	-	(43)	(24)	-	(24)
31 March 2001	<u>612</u>	<u>64</u>	<u>676</u>	<u>530</u>	<u>64</u>	<u>594</u>
<b>Net book value</b>						
31 March 2001	<u>405</u>	<u>3,718</u>	<u>4,123</u>	<u>374</u>	<u>3,718</u>	<u>4,092</u>
31 March 2000	<u>488</u>	<u>3,731</u>	<u>4,219</u>	<u>443</u>	<u>3,731</u>	<u>4,174</u>

## THE OUTWARD BOUND TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001 (CONTINUED)

#### 6 TANGIBLE FIXED ASSETS (CONTINUED)

All three of the Trust's freehold properties were revalued in the balance sheet on the basis of valuations by Smiths Gore, Chartered Surveyors, at open market value on 31 March 2000.

The Loch Eil centre is leased by the Trust from The Dulverton Trust at an annual rent of £25. The lease commenced in August 1995 and expires in 2020, with an option to extend to 2045 subject to the Landlord not requiring the property for redevelopment. The centre is not valued in the balance sheet other than capital improvements to the buildings which at 31 March 2001 had a net book value of £67,000 (2000: £71,000). These capital improvements have been funded by The Outward Bound Trust, and they are depreciated over the remaining term of the lease.

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

Included in equipment is a small amount of antique furniture held at the centres, valued by professional valuers in January 1999 at £22,000.

All tangible fixed assets are for charitable use, with the exception of equipment of net book value totalling £31,000 (2000: £45,000) which is held by the Trust's trading subsidiary, Outward Bound Professional Limited, for operational use.

#### 7 FIXED ASSET INVESTMENTS

##### Listed UK Investments at market value

	Group and Company	
	2001 £000	2000 £000
Brought forward at 1 April	127	161
Disposals	(9)	(28)
Additions	60	-
Decrease in market value	(3)	(6)
Balance at 31 March	<u>175</u>	<u>127</u>
Historical cost of investments:	<u>126</u>	<u>70</u>

Investments are in 6 holdings which individually range from 5% to 31% of the total portfolio. Holdings are as follows:

Carpetright plc ordinary shares	31%
M&G Charifund units	21%
Henderson High Income Exempt Trust units	16%
New Zealand 11¼% Stock 2008	16%
Treasury 12½% Stock 2003 – 2005	11%
Invesco Extra Income Trust units	5%

# THE OUTWARD BOUND TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001 (CONTINUED)

### 7 FIXED ASSET INVESTMENTS (CONTINUED)

	2001 £000	2000 £000
The market value of investments is split between:		
Equities	129	54
Gilts	46	73
	<u>175</u>	<u>127</u>
Included in investments are unrealised gains as shown below:		
Balance brought forward at 1 April	57	73
Eliminated on disposals	-	(11)
Movement in year	(4)	(5)
Balance at 31 March	<u>53</u>	<u>57</u>

### 8 STOCKS

	Group		Company	
	2001 £000	2000 £000	2001 £000	2000 £000
Goods for resale	11	10	-	-
	<u>11</u>	<u>10</u>	<u>-</u>	<u>-</u>

### 9 DEBTORS

	Group		Company	
	2001 £000	2000 £000	2001 £000	2000 £000
Trade debtors	682	495	458	358
Amounts due from subsidiary undertakings	-	-	42	-
Income tax recoverable	4	13	4	13
VAT recoverable	22	20	22	17
Prepayments	18	10	17	10
Other debtors	49	35	42	34
	<u>775</u>	<u>573</u>	<u>585</u>	<u>432</u>

# THE OUTWARD BOUND TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001 (CONTINUED)

### 10 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2001 £000	2000 £000	2001 £000	2000 £000
Bank overdraft	1,100	1,351	1,100	1,351
Barclays Bank Treasury Loan (see Note 11)	100	100	100	100
Loans and overdraft	<u>1,200</u>	<u>1,451</u>	<u>1,200</u>	<u>1,451</u>
Other short term loans (see Note below)	<u>330</u>	<u>-</u>	<u>330</u>	<u>-</u>
Trade creditors	220	216	205	203
Amount due to subsidiary undertakings	-	-	-	85
PAYE, National Insurance and VAT	89	99	65	52
Accruals	203	200	158	152
Bank interest payable	-	24	-	24
Deferred income	790	688	592	486
Other creditors	<u>1,302</u>	<u>1,227</u>	<u>1,020</u>	<u>1,002</u>
Total	<u>2,832</u>	<u>2,678</u>	<u>2,550</u>	<u>2,453</u>

Two short term loans of £165,000 each were made by a Trustee and a connection of a second Trustee to the Trust in November and December 2000. They are interest free, unsecured and are repayable one year from the date of receipt.

### 11 LIABILITIES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group and Company	
	2001 £000	2000 £000
Barclays Bank Treasury loan	<u>153</u>	<u>253</u>

The Barclays Bank Treasury Loan referred to Note 10 is repayable in monthly instalments and interest is paid monthly on the outstanding balance at a rate of 1.86% above LIBOR. The loan is secured by a first fixed charge on the Trust's freehold properties and debts and on a floating charge on all other of the Trust's undertakings and assets.

## THE OUTWARD BOUND TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001 (CONTINUED)

#### 12 FUNDS

##### (a) Types of Funds:

At 31 March 2001, the Trust had eight funds:

- (i) The General Fund, the income of which is used to fund the recurring annual expenditure of the Trust. This fund is not restricted as to its use, provided that such uses fall within the terms of the Memorandum and Articles of Association.
- (ii) The Revaluation Reserve arose primarily from the professional revaluation of properties at December 1994, January 1998, May 1999 and March 2000. A small amount of antique furniture held at the properties was revalued in January 1999 giving rise to a small unrealised gain on revaluation.
- (iii) The Maintenance Fund is a designated fund. It was set up to hold allocated funds for repairs and improvements to the Trust's properties, following recommendations contained in a detailed report by Jones Lang Wootton in 1995. Expenditure is made in accordance with plans which are reviewed regularly by Trustees and senior executives.
- (iv) The Patron's Company Fund is an unrestricted fund which the Trustees have designated to be used for increasing accessibility of courses by way of bursaries. It receives donations from members of the Patron's Company.
- (v) The Boathouse Fund is a restricted fund which was set up following a successful application to the English Sports Council Lottery Sports Fund in 1999 for a grant of £223,000 towards the redevelopment of the boathouse at Ullswater. Under the terms of the Lottery grant, the boathouse must be held for the purposes for which the grant was made for a period of 21 years.
- (vi) The Endowment Fund comprises specific legacies and donations which are held in perpetuity as investments to provide income for bursaries.
- (vii) The restricted Bursary Funds receive the investment income from both the Endowment Fund investments and any other donations restricted to provide bursaries.
- (viii) The Trust has certain other funds which are restricted for specific purposes. They are released to General Fund when the approved project expenditure is incurred.

##### (b) Movements in Revaluation Reserve and Designated Funds

	Balance 1.4.00	Incoming Resources	Expenditure, gains, losses and transfers	Balance 31.3.01
	£000	£000	£000	£000
Revaluation Reserve	1,525	-	-	1,525
Maintenance Fund	300	-	(58)	242
Patron's Company	471	903	(770)	604
	<u>2,296</u>	<u>903</u>	<u>(828)</u>	<u>2,371</u>

For details of transfers between funds see Note 13.

# THE OUTWARD BOUND TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001 (CONTINUED)

### 12 FUNDS (CONTINUED)

#### (c) Movement in Endowment and Restricted Funds

	Balance 1.4.00	Incoming Resources	Expenditure, gains, losses and transfers	Balance 31.3.01
	£000	£000	£000	£000
Endowment Fund	88	-	(3)	85
Boat House Fund	223	-	-	223
Restricted Bursary Funds	70	11	12	93
Other Restricted Funds	97	231	(152)	176
	<u>478</u>	<u>242</u>	<u>(143)</u>	<u>577</u>

The movement on the funds of the parent charity are the same as for the group, less only the profits payable under Deed of Covenant by the two trading subsidiary companies as disclosed in Note 16.

#### (d) Fund Assets

	General Fund	Patron's Company Fund	Revaluation Reserve	Maintenance Fund	Endowment & Restricted Funds	Total
	£000	£000	£000	£000	£000	£000
Fixed assets	2,374	-	1,525	-	223	4,122
Investments	-	55	-	-	120	175
Net current (liabilities) / assets	(2,761)	549	-	242	234	(1,736)
Long term creditors	(153)	-	-	-	-	(153)
Net assets	<u>(540)</u>	<u>604</u>	<u>1,525</u>	<u>242</u>	<u>577</u>	<u>2,408</u>

## **THE OUTWARD BOUND TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001 (CONTINUED)**

#### **13 TRANSFERS BETWEEN FUNDS**

During the year the following transfers have been made between funds:

- £30,000 has been transferred from the General Fund to Restricted Funds in respect of the reclassification of a donation received by Hampshire Outward Bound Association several years ago. The donation is invested to provide income for bursaries to pupils at certain schools in Hampshire;
- £44,000 (2000: £165,000) has been transferred from the Maintenance Fund in respect of capital improvements and additions funded in the year; a further £14,000 (2000: £41,000) was transferred from the Maintenance Fund in respect of additional repairs and maintenance;
- £58,000 (2000: £79,000) has been transferred from the Patron's Company Fund in respect of an allocation of expenses.

#### **14 NET INCOME / EXPENDITURE FOR THE FINANCIAL PERIOD**

As permitted by section 230 of the Companies Act 1985, the parent company's statement of financial activities has not been included in these financial statements. The parent company's net expenditure for the financial period was £155,000 (2000: £469,000).

#### **15 RELATED PARTY TRANSACTIONS**

Trustees and companies controlled by The Trustees gave donations totalling £318,000 during the year (2000: £18,000). A further £15,000 was received before 31 March 2001 from a Trustee in respect of a fundraising event which took place after the end of the financial year. In addition, the donor of the Carpetright plc ordinary shares, valued at £55,000 at 31 March 2001, was appointed a Trustee after the year end on 25 May 2001.

During the year one Trustee and a connection of a second Trustee each made an interest-free loan of £165,000 to the Trust. The loans are repayable after one year. A third Trustee made a similar interest-free loan of £165,000 to the Trust after the year end in early April.

Several of the Trustees have related party connections with other charities. They have reviewed these connections and those of their close families. No disclosable transactions with The Outward Bound Trust other than those described above arose during the year from such connections.

The Director is a Trustee of Fairbridge, the Trust's Head Office landlords. He is also a Trustee of other charities which in total made donations to the Trust of £10,000 (2000: £10,000).

One Trustee received expenses totalling £428 in respect of travelling expenses (2000: 3 Trustees received expenses totalling £1,135).

## THE OUTWARD BOUND TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001 (CONTINUED)

#### 16 SUBSIDIARY UNDERTAKINGS

The Trust has a wholly owned subsidiary, Outward Bound Professional Limited, a company registered in England. Outward Bound Professional Limited runs corporate management training courses and courses for people over the age of 25 through participation in a wide variety of activities, with special reference to the outdoors. The company also operates a number of retail outlets selling merchandise related to those courses.

The Trust has a second wholly owned subsidiary, Outward Bound Trading Limited, a company registered in England. The company organises fundraising events and other activities in support of the Trust's objectives.

A management charge was levied by the parent charity on both subsidiary companies. In respect of Outward Bound Professional Limited the management charge of £460,000 (2000: £480,000) represented an allocation of the costs of the Centres and of Head Office support services. In respect of Outward Bound Trading Limited the management charge of £1,000 represented an allocation of indirect Head Office support costs. Both companies covenant taxable profits to the parent charity.

A fundraising charge of £32,000 was levied by Outward Bound Trading Limited on the Trust in respect of work performed by the company which resulted in donations being received by the parent charity.

Both companies covenant taxable profits to the parent charity. A summary of the results of the companies is shown below. Full financial statements are filed with the Registrar of Companies and are obtainable from the Company Secretary at The Outward Bound Trust's headquarters.

#### (a) Profit and loss accounts for the year ended 31 March 2001

	Outward Bound Professional Limited		Outward Bound Trading Limited	
	2001 £000	2000 £000	2001 £000	2000 £000
Turnover	1,674	1,644	132	71
Cost of sales and administration costs	(1,455)	(1,760)	(82)	(57)
Operating profit / (loss) for the period	219	(116)	50	14
Amount (covenanted to) / refunded by The Outward Bound Trust	(216)	113	(50)	(14)
Retained in subsidiary	3	(3)	Nil	Nil
The average number of employees, including part-timers, during the year were:	18	30	Nil	Nil

No employees in either company received emoluments in excess of £40,000 (2000: nil).

The Directors received no emoluments or expenses (2000 - Nil).



## THE OUTWARD BOUND TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001 (CONTINUED)

#### 16 SUBSIDIARY UNDERTAKINGS (CONTINUED)

##### (b) Summarised Balance Sheets at 31 March 2001

	Outward Bound Professional Limited		Outward Bound Trading Limited	
	2001 £000	2000 £000	2001 £000	2000 £000
Tangible fixed assets	31	45	-	-
Current assets	253	241	36	18
Current liabilities	(288)	(293)	(36)	(18)
Net current assets/(liabilities)	(35)	(52)	Nil	Nil
Net assets/(liabilities)	(4)	(7)	Nil	Nil
Called up share capital and profit and loss account	(4)	(7)	Nil	Nil

#### 17 OPERATING LEASES

At 31 March 2001 the company had annual commitments under operating leases expiring as follows:

	<u>Group</u>				<u>Company</u>			
	Land and buildings		Equipment		Land and buildings		Equipment	
	2001 £000	2000 £000	2001 £000	2000 £000	2001 £000	2000 £000	2001 £000	2000 £000
Expiring:								
Up to one year		-	53	6		-	48	6
Between 1 and two years		-	35	81		-	35	81
Between 2 and 5 years		-	5	17		-	2	11
After more than five years	23	25	1	2	23	25	1	-
	<u>23</u>	<u>25</u>	<u>94</u>	<u>106</u>	<u>23</u>	<u>25</u>	<u>86</u>	<u>98</u>

# THE OUTWARD BOUND TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001 (CONTINUED)

### 18 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2001

#### (a) Reconciliation of net incoming resources to net cash outflow from operating activities

	2001 £000	2000 £000
Net incoming / (outgoing) resources	94	(571)
Realised loss on disposal of investments	-	(1)
	<u>94</u>	<u>(572)</u>
Adjustments:		
Items not involving the movement of funds:		
Depreciation charge	182	138
Gains on disposals of tangible fixed assets	(19)	(29)
Donation of investment	(60)	-
Loss on disposal of investments	-	1
Other items	-	22
Interest payable (separately disclosed)	119	95
Investment income received separately disclosed	(11)	(9)
Changes in working capital		
Decrease / (increase) in stocks	(1)	2
Decrease / (increase) in debtors	(202)	2
Increase / (decrease) in creditors, excluding interest payable	99	(20)
	<u>201</u>	<u>(370)</u>

#### (b) Reconciliation of net cash flow to movement in net debt

	2001 £000	2000 £000
Increase / (decrease) in cash in the period	241	(922)
Cash to repay bank loan	100	100
Cash received in loans from Trustees	(330)	-
	<u>11</u>	<u>(822)</u>

## THE OUTWARD BOUND TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001 (CONTINUED)

#### 18 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2001 (CONTINUED)

##### (c) Analysis of net debt as shown in the Balance Sheet

	31.3.00	Cash flow	Other non-cash changes	31.3.01
	£000	£000	£000	£000
Net cash:				
Cash at bank and in hand	38	19	-	57
Cash held locally by Outward Bound Associations	281	(29)	-	252
	<u>319</u>	<u>(10)</u>	<u>-</u>	<u>309</u>
Bank overdraft	(1,351)	251	-	(1,100)
Bank loan due within one year	(100)	100	(100)	(100)
Loans from Trustees due within one year	-	(330)	-	(330)
	<u>(1,451)</u>	<u>21</u>	<u>(100)</u>	<u>(1,530)</u>
Long term bank loan	(253)	-	100	(153)
	<u>(1,385)</u>	<u>11</u>	<u>-</u>	<u>(1,374)</u>

Cash held locally by Outward Bound Associations is not directly available to the Trust headquarters operations 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.

#### 19 PENSIONS

The Trust operates a defined contribution scheme with The Pensions Trust. With the exception of three employees who are members of the Teachers Pension Scheme, all current employees who are eligible and choose to do so contribute to the Pensions Trust.

The Trust used to operate a funded "defined benefit" pension scheme. At 31 March 1997 there were only 12 members in the scheme who were current employees, and a further 26 members who had terminated their service with the Trust. In view of the small number of members of the scheme, The Trustees decided to initiate action to wind it up. Final calculations were provided by the insurers which were approved by the Pension Scheme Trustee. Members have been contacted to seek their choice of options for the transfer of their benefits. The deadline for responses from members was 31 March 2001, and transfers are now being made. The Trustee expects that the final administration of the winding-up will be completed in the year ending 31 March 2002.