

THE OUTWARD BOUND TRUST
(Company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2009

Company Number 6748835

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



The Outward Bound Trust is extremely grateful to the following for their generous support over the course of the period

29th May 1961 Charitable Trust
Abbot Group plc
Achilles Group Ltd
All of our dedicated Marathon runners
Anonymous donor
ARAMARK Limited
Autographs of the World
AVEVA Group plc
Bang & Olufsen
Barclays Capital
Barry D Smith
Beaverbrooks the Jewellers Ltd
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Blevins Franks Ltd
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Drapers' Charitable Fund
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Evans Property Group
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Freespirit Events Ltd
Fribourg Family Foundation
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GE Capital
Glasdon Group Ltd
GMAC-RFC Limited
Grange Hotels
Hedley Foundation
Helga Leone
Hilton in the Community Foundation
HSBC in the Community Foundation

Humphreys & Co Solicitors
Ian Gowrie-Smith
ICI Paints AkzoNobel
IMLA
Investec Bank (UK) Ltd
Isabell Kristensen
John Hargreaves
John Lyon's Charity
John Spurling OBE
John Woodward OBE
Jonathan Owen
Kaupthing Singer & Friedlander Ltd
Keepmoat Ltd
KPMG LLP
Krispy Kreme UK Ltd
Lloyds TSB Foundation for Scotland
Lord Laidlaw of Rothiemay
Louis Roederer
Lutz Richter
Malcolm Verey
MAN Truck and Bus UK Ltd
McCormicks Solicitors
Mobus Fabrics Ltd
Morgan Hunt
Nationwide Building Society
North Lanarkshire Council
North Lincs Training Group Ltd
Northern Housing Consortium Ltd
P F Charitable Trust
P H Holt Foundation
P1 International
Philips Electronics UK Ltd
Quantum Leap Events
Reed Elsevier
Reisser Ltd
Ressler Family Foundation
Richard Deans
Ricoh UK Ltd
Robert and Ann Gordon
Robin Gibb CBE & Dwina Gibb
Rockliffe Hall
Rolls-Royce plc
RWE npower plc
Scottish Power plc
SEGRO
Sherwood Motor Holdings Ltd
Simon Hope
Sir John Priestman Charity Trust
Sir John Sumner's Trust
Skipton Building Society
Smyle
Sodexo
SSL International plc
Sunseeker Asia
Sunseeker Charters
Sunseeker International Ltd
Sweet Dreams Ltd

The Outward Bound Trust is extremely grateful to the following for their generous support over the course of the period

Symantec
The Charles Littlewood Hill Trust
The Dame Agnes Mellers Lads' Club Charity
The David Stevenson Trust
The Derek Raphael Charitable Trust
The Design Quorum
The Dickon Trust
The Duke of Edinburgh Charitable Trust
The Dulverton Trust
The Eranda Foundation
The Freemasons' Grand Charity
The Gosling Foundation
The Graham Kirkham Foundation
The Hands Trust
The Hobson Charity
The Hugh Fraser Foundation
The Joseph Strong Frazer Trust
The Kauri Trust
The Lewis Winstock Trust
The Mark Scott Foundation
The Mel Weir Charitable Trust
The Mercers' Charitable Foundation

The Midcounties Co-operative
The Morgan Crucible Company plc
The Mortgage Point Ltd
The Prince Andrew Charitable Trust
The Sir Francis Chichester Trust
The Sir James Knott Trust
The Stonewall Park Charitable Trust
The Tay Charitable Trust
Thus plc
Trader Media Group
Unicom
Unisys Ltd
Vale Bridgecraft
Vestey Group Ltd
W L Gore and Associates UK Ltd
Wakefield and District Housing
West Bromwich Building Society
Westerton Ltd
Whitaker Charitable Trust
Whyte and Mackay
William Jackson Food Group
ZVM Rangoonwala Foundation UK

**THE OUTWARD BOUND TRUST ANNUAL REPORT
REPORT OF THE TRUSTEES
FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

The Trustees are pleased to present their report together with the financial statements of the Charity for the period ended 30 September 2009

PATRON: His Royal Highness The Duke of Edinburgh KG KT
DEPUTY PATRON. The Lord Kirkham CVO
Sir Chris Bonington CBE (appointed 18 September 2009)

TRUSTEES: His Royal Highness The Duke of York KG KCVO – Chairman ****
John Spurling OBE – Deputy Chairman */****
Nigel Buchanan FCA */**/****
Sir Chris Bonington CBE (resigned 6 August 2009)
Ian Gowrie-Smith *
Ffion Hague **/****
Kate Hoey MP
Professor David Hopkins (resigned 1 June 2009, reappointed 18 Sept 2009)
Peter Neumark */**
Iain Peter ***
Lady (Lynn) de Rothschild
Dick Watson
Eric Worrall CVO

John Spurling, Nigel Buchanan, Ian Gowrie-Smith and Peter Neumark were all appointed on incorporation of the company on 13 November 2008. All other trustees were appointed on 1 April 2009

* Member of the Audit Committee
** Member of the Remuneration Committee
*** Member of the Operational Risk Management Committee
**** Member of the Nominations Committee

SENIOR EXECUTIVES: Nick Barrett Chief Executive
Kim Parry Commercial and Finance Director
Lynn Petersen Director of Fundraising
William Ripley Director of Learning and Adventure

COMPANY SECRETARY: Nigel Buchanan FCA

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SOLICITORS: Claron
4 Oxford Place
Leeds LS1 3AX
SOLICITORS: Farrer & Co
66 Lincoln's Inn Fields
London WC2A 3LH

TRADEMARK SOLICITORS: Humphreys & Co
14 King Street
Bristol BS1 4EF
SOLICITORS: McCormicks
37 East Parade
Harrogate HG1 5LQ

THE OUTWARD BOUND TRUST ANNUAL REPORT

OBJECTIVES AND ACTIVITIES

The Trust is driven by the words of its founding father, Kurt Hahn *"We are all better than we know. If only we can be made to realise this we may never be prepared to settle for anything less"*

The mission and values of The Outward Bound Trust are as follows

The Outward Bound Trust mission:

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

The Outward Bound Trust core values:

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

During the course of 2009 The Trust ran more than ten different types of personal development courses for young people in line with its mission and values. These varied from three week courses through to short weekend courses. The majority of the courses were aimed at young people at school or college or on apprentice programmes and were five days in length. Professional development and management training courses are also provided for adults and this work is done through Outward Bound Professional Limited

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

The mountains, sea, rivers and lakes

The Trust sets out to provide direct and dramatic experiences in inspiring and unfamiliar settings. Our competence lies in using the mountains, sea, 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 "soft 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. The use of this Plan-Action-Review learning cycle 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 a team member working alongside the same instructor for the duration of the course. The Trust's courses focus on the development of the individual, the team and the interface of both with the natural environment

The world has changed hugely since The Trust was founded during the Second World War with a view to teaching physical and mental survival skills to young merchant seamen 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 seventy years ago. The Trust's courses continue to make a significant contribution to the personal development of young people, helping to build their confidence and character to equip them to meet the challenges they face both now and in the future

® Outward Bound and the compass device are each registered trade marks of The Outward Bound Trust

ACHIEVEMENTS AND PERFORMANCE OVER THE PERIOD

Headline achievements in the six months to 30 September 2009 were:

- 17,634 young people attended an Outward Bound course
- We ran 72,408 "personal development" days across our centres
- We provided £803,000 in bursaries to ensure that young people, irrespective of their financial circumstances, could attend an Outward Bound course
- 46% of participants received some measure of bursary support to attend courses
- We worked with 171 schools across the UK
- The restructuring of The Trust successfully took place on 1 April 2009. Outward Bound Global was incorporated on 13 November 2008 and received Charity Commission registration on 14 February 2009 before changing its name to Outward Bound Trust on 1 April 2009. The old Outward Bound Trust became Outward Bound Global on the same date. All assets and liabilities of the old company were transferred to the new company, leaving behind the global licensing authority and £10,000 in the old company. The value of the transfer of assets, liabilities and operations amounted to £14,772k. The subsidiaries Outward Bound Professional Ltd and Outward Bound Trading were also transferred to the new parent company now The Outward Bound Trust. Outward Bound Oman UK remained in the old company, now Outward Bound Global (see further note 18)
- There have been a compelling number of reasons to move the year end of The Trust to 30 September. The new date fits better with the cycle followed by many of our beneficiaries and the new year end now falls at a quieter time of the year both for internal departments (finance) and external partners (auditors), and this has provided a welcome cost saving from the latter

In our last Annual Report we identified four priority areas on which to focus for the coming year.

We said we would:

"Produce our first ever Impact Report, evidencing the outcomes we achieve with young people but also describing candidly the journey we are taking to improve our ability to evaluate our work effectively."

What happened?

In September 2009 we produced the Impact Report, a copy of which is available upon request from the Chief Executive. This is a really important document aiming to answer the best possible question that anyone can ever ask of a charity, namely "Does what you do actually work?" The Impact Report will now be produced on a very regular basis in addition to this Annual Report. Outcome evaluation lies at the heart of our ability to gain support and to challenge ourselves to improve the quality of our work. This first Impact Report is our public declaration of our commitment to prove and improve our effectiveness as a charity. We will produce a second report by early 2011.

We said we would:

"Put into place measures designed to retain the very best instructors, so that we are consistently delivering courses of learning and adventure to the very highest standards."

What happened?

Following a widespread period of consultation, over the summer of 2009 we made significant changes to the terms and conditions of our instructors and hopefully to their entire experience of working at Outward Bound. The emphasis now is on retaining talent and to do this we have overhauled the systems by which instructor achievement is recognised and rewarded, enabling the best to advance more rapidly up the promotional ladder. There are improved terms and conditions, including better pay and a health care scheme. We have made some changes to the way we organise our work to create an improved work life balance for our instructors. We are seeking to manage instructors in a different way, with far greater emphasis on trusting staff to do the job we have trained them to do. There is a complex mixture of tangible improvements and cultural change that will take some time to bear fruit and a challenge in the coming year will be to realise the qualitative, quantitative and financial benefits of these changes. We know that our courses and the learning outcomes they achieve will only ever be as great as the people tasked to deliver them and for this reason we have made these important changes.

We said we would:

"Further embrace the fact that good personal development courses contain learning themes about the individual's role in respect of protecting the natural environment. More of our instructors will be John Muir Award trained, more participants will attain the John Muir Award and we will identify a programme of action aimed at reducing our carbon footprint."

THE OUTWARD BOUND TRUST ANNUAL REPORT

ACHIEVEMENTS AND PERFORMANCE OVER THE PERIOD (continued)

What happened:

In May 2009 we were awarded the new ISO 14064 Accreditation for organisations measuring and reducing their carbon footprint. We have set ourselves the target of making a 2% reduction in our carbon emissions in 2009 (against the 2008 recorded baseline) and our different centres and offices are working to various action plans in order to make their respective contributions. In September 2009 we officially launched our partnership with the John Muir Award (JMA) and over the last twelve months just under 1000 participants received the Award whilst simultaneously undertaking an Outward Bound course. Over 100 of our instructors are now JMA trained. Not only does this enable them to deliver joint OB/JMA courses but it has significantly added to their capability and confidence when it comes to introducing environmental themes and messages on "standard" courses.

We said we would:

"Husband The Trust through some of the most challenging economic times seen in recent history".

What happened?

The financial sections of this Annual Report tell this story, which can best be summarised by the phrase – so far, so good. The most significant issue to surface has been the need to re-focus and re-structure the work of The Trust's trading subsidiary, Outward Bound Professional. This has been badly hit by the recession and making the necessary changes to this part of the organisation is a priority for the coming year.

PLANS FOR FUTURE PERIODS

Our new strategic plan *Arriving Where We Started* was launched in September 2007. It has clearly laid out our mission, values and key directions going ahead. The plan is a public document and anyone wishing to read it is warmly encouraged to contact the Chief Executive.

The goal of *Arriving Where We Started* is to position The Trust as a financially secure, highly specialised and growing provider of adventure based personal learning and development. The Trust is aiming to achieve a focus and competitive advantage based on what are recognised as the organisation's greatest strengths – its experience, its core competencies, its passions, and the inspiring landscape that surrounds the centres.

This strategic plan should remain relevant for 5 years, but it does not have a fixed life-span. It will be revised and built on as circumstances change and The Trust learns from experience.

The strategic plan outlines four main areas of action:

- 1 To ensure that in all The Trust's work there is a greater and more confident focus on learning through frontier adventure and the protection of the natural environment
- 2 To work with significantly more young people in our residential centres
- 3 To become better at describing and evaluating the impact of The Trust's work
- 4 To create a financially secure organisation with an appropriately skilled and motivated workforce better able to deliver the strategy

Plans for the future revolve around progressing these areas of action. The current economic situation might mean that things move more slowly than would otherwise be the case, but the overall direction of travel remains unchanged. In particular during the coming year we will aim to:

- Embed the recently implemented measures designed to retain the very best instructors, so that we are consistently delivering courses of learning through adventure to the very highest standards
- Integrate the work of Outward Bound Professional (based at our Eskdale site) into the work of the charity. In practice this will mean focusing the work at Eskdale on running personal development courses for young people who have recently entered the world of work, particularly apprentices and graduates
- Research and pilot some ways of further increasing the impact of an Outward Bound course on young people. Our current evaluation work suggests that the best way of doing this might be to develop pre-course and post-course products that enable young people to arrive in a good position to get the very best out of their course and for their learning to be "re-booted" once they have returned to their everyday lives

THE OUTWARD BOUND TRUST ANNUAL REPORT

PLANS FOR FUTURE PERIODS (continued)

- Diversify our bursary fundraising streams by launching The Generations Project, an initiative by which we will seek to regain contact with as many of the estimated one million former Outward Bounders as possible with a view to enlisting their support in helping today's youngsters have the same powerful learning experience

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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 in 1997 which allows for a Board of between ten and fifteen Trustees.

The Governing instrument of The Trust is a Memorandum and Articles of Association.

The Trust's 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". In 1994 the Trustees agreed with the Charity Commission that in this context young people mean those under the age of 25.

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 £1. There are no members of The Trust who are not Trustees.

Trustees are appointed on the recommendation of the Nominations Committee, which aims to ensure that the Board is well balanced and represents the breadth of work undertaken by The Trust. The Trustees are re-elected at the Annual General Meeting, which will be held in March each year. The Nominations Committee is also responsible for reviewing the specific skills of the Trustees and identifying what training may be required.

On 1 April 2009 thirteen Trustees were appointed. All new Trustees undergo an induction programme that includes a visit to one of the centres operated by The Trust and meetings with existing Trustees, senior executives and other key members of staff.

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

During the year there is one Board of Trustees meeting 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. In the current period this meeting took place at The Trust's Ullswater centre during two days in mid September.

Organisation

The Trust owns four residential centres in the United Kingdom: Aberdovey on the west coast of Wales and Ullswater, Howtown and Eskdale in the Lake District. The Trust also leases a fifth centre at Loch Eil in the Highlands of Scotland. The Aberdovey, Howtown, Ullswater and Loch Eil centres concentrate on The Trust's charitable work with young people. The Trust also operates a base in Glasgow, known as Outward Bound Metro. This is a non-residential centre working with young people from the central belt area of Scotland.

The Eskdale centre is used for professional management training programmes, which are run by one of The Trust's subsidiary companies, Outward Bound Professional Limited. Profits from this company are transferred to The Trust under a deed of covenant. A second subsidiary, Outward Bound Trading Limited, organises fundraising events and other activities on behalf of The Trust. Profits from this company are also transferred to The Trust under a deed of covenant.

The Trust's Head Office, incorporating the offices of the Chief Executive, the commercial, financial and administrative functions, the operational management and the sales and marketing teams, is based at Hackthorpe near Penrith in Cumbria. The fundraising team is located in West Kensington, London.

THE OUTWARD BOUND TRUST ANNUAL REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related parties and organisations

Volunteer Outward Bound Associations

Volunteers, operating within the regionally based Outward Bound Associations, undertake valuable work by promoting The Trust, working with young people in the local area and by raising funds to help pay for course fees. Associations work as branches under the umbrella of the The Trust. During 2001 Accreditation Agreements were drawn up which clarified the working relationship between The Outward Bound Associations and The Trust. These Agreements entitle the Associations to use The Trust's trademarked name and logo and sets standards for the conduct of their work. The Trust does not currently include a valuation of volunteers' time within the financial statements.

Outward Bound International

The Outward Bound Trust is one of thirty-four chartered, licensed or provisionally licensed national members of Outward Bound International (OBI), a non-profit organisation incorporated in the USA. The principal objectives of OBI are to work on The Trust's behalf in protecting the trademark and in implementing and monitoring risk management protocols.

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

Risk management

A summary of the major risks to The Trust and their mitigating controls is held on a risk matrix and is reviewed annually by the Board.

Twice a year The Trust convenes an Operational Risk Management Committee meeting which is chaired by Iain Peter, who is also a Trustee. This committee consists 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 on an annual basis. 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. The Chief Executive attends the meetings of the Risk Management Committee.

Financial risk management

The following statements summarise The Trust's policy on managing identified forms of financial risk.

Price risk

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

Credit risk

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

Liquidity risk

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

Interest rate cash flow risk

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

FINANCIAL REVIEW

Financial results

The financial results for the six month period ended 30 September reveal both positive and negative performance issues during the period. The total net income from all funds for the period to 30 September 2009 was very encouraging at £1,804,000 (2009 £1,504,000). A net surplus of £301,000 arose on the General Fund (2009 £nil). The General Fund projection for the period was for a trading surplus and this was achieved. Key factors contributing to this result were firstly The Trust exceeded the overall sales revenue targets for the period, and secondly continued good cost control in our central overhead expenditure. Outward Bound Professional Limited continues to encounter challenging trading conditions and did not produce the result that was budgeted. The loss of £89,000 recorded in the subsidiary Outward Bound Trading Ltd is as a result of the provision being made for an outstanding debt. It is expected that over the next twelve months the company will make sufficient profit to cover this loss.

Designated fund reserves have increased with a net positive movement in funds in the period of £1,070,000 and total reserves of £7,145,000 at the balance sheet date (2009 £6,075,000). The main reason for the increase in funds was a hugely generous unrestricted donation of £1m which the Trustees have agreed to re-allocate from the General Fund in equal amounts between the Designated Bursary Reserve Fund and Designated Special & Capital Funds.

Restricted Funds reserves increased with a net positive movement in funds in the period of £464,000 and total reserves of £2,338,000 at the balance sheet date (2009 £1,874,000). The movement includes an increase in Restricted Capital Reserves of £609,000 donated for Restricted bursary funding and £192,000 donated for building improvement schemes and asset purchases at our centres. £490,000 of these funds were expensed in the period and transferred accordingly (see Note 12, transfers between funds).

The Group's balance sheet at 30 September 2009 shows an increase in net assets of £1,797,000 (2009 decrease of £180,000), with net current assets much improved for a second year at £3,777,000 (2009 £1,836,000). Cash-flows remained positive throughout the period and as a result the overdraft facility remained unutilised. Period end cash balances totalled £4,416,000 (2009 £2,811,000).

In summary, the Balance Sheet and Statement of Financial Activities provide a positive financial picture at 30 September 2009. The Trustees and Management Team are very grateful to our supporters for the capital, bursary and other funding received during the period. We do remain concerned, however, that the General Fund is not yet adequately financially sustainable, and as a result we are continuing to examine options which may help us to achieve this ambition in the medium term future.

Investment powers and policy

There are no restrictions on the charity's power to invest. The investment policy is to select, where possible, investments based on their income growth potential and this is monitored throughout the period. The main investments of The Trust are three managed investment funds. These are held within the restricted and endowment funds and generate income for specific purposes, primarily bursaries. The income received in the period is in line with expectations. The Trust still retains some AIM listed UK company shares. These are the result of share donations. It is The Trust's policy to dispose of these shares wherever possible once any initial lock-in period has expired.

Reserves policy

The reserves policy, which is reviewed and approved by the Board on an annual basis, sets out an assessment of an appropriate level of free reserves (being General and Designated Fund reserves) of at least £1m. The Trustees remain fully committed to sustaining these reserves. In considering the target level of reserves, the Trustees have taken into consideration The Trust's needs for appropriate protection against normal financial and business risks, a stable financial foundation and adequate funding to take advantage of the potential for further growth. The Trustees consider that the present practices of the Board, Committees and the senior executive team in planning and evaluating operational and financial performance are adequate for monitoring and maintaining the reserves policy.

THE OUTWARD BOUND TRUST ANNUAL REPORT

STATEMENT ON DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware

Each Trustee has taken all the steps (such as making enquiries of other Trustees and the auditors and any other steps required by the Trustee's duty to exercise due care, skill and diligence) that he ought to have taken in his duty as a Trustee in order to make himself aware of any relevant audit information and to establish that the charity's auditors are aware of that information

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and group, and of the result of the charitable company and group for that year.

In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

AUDITORS

A resolution to reappoint haysmacintyre as auditors to the company will be proposed at the annual general meeting to be held in March 2010.

By order of the Board



Nigel Buchanan
Company Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OUTWARD BOUND TRUST

We have audited the financial statements of The Outward Bound Trust for the period ended 30 September 2009 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities. We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you under those Acts. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate and proper accounting records, if the charity's statement of account is not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2009 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

R Weaver

Richard Weaver (Senior statutory auditor)
for and on behalf of Haysmacintyre, Statutory Auditor

8 December 2009

Fairfax House
15 Fulwood Place
London WC1V 6AY

THE OUTWARD BOUND TRUST ANNUAL REPORT

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating the income and expenditure account) FOR THE PERIOD ENDED 30 SEPTEMBER 2009

	Note	Unrestricted Funds £000	Restricted Funds £000	Total 6m 2009 £000	*Memo Total 2009 £000
Incoming resources					
Incoming resources from generated funds.					
Voluntary income	2	1,267	1,828	3,095	5,107
Activities for generating funds	3	1,359	-	1,359	3,772
Investment income		10	-	10	101
Total Incoming resources from generated funds		2,636	1,828	4,464	8,980
Incoming resources from charitable activities:					
Outward Bound young people courses					
Net course fee income	4	3,066	-	3,066	4,649
Bursary fund income/(transfer)		803	(803)	-	-
Gross course fee income including bursary		3,869	(803)	3,066	4,649
Other incoming resources		7	-	7	14
Total Incoming resources from charitable activities		3,876	(803)	3,073	4,663
Total Incoming resources		6,512	1,025	7,537	13,643
Resources expended					
Costs of generating funds:					
Costs of generating voluntary income		(252)	(229)	(481)	(1,225)
Fundraising trading costs of goods sold and other costs		(1,147)	-	(1,147)	(2,910)
Charitable activities:					
Outward Bound young people courses		(3,957)	(62)	(4,019)	(7,800)
Governance costs		(77)	-	(77)	(163)
Other resources expended		(9)	-	(9)	(41)
Total resources expended	5	(5,442)	(291)	(5,733)	(12,139)
Net income for the period before other recognised gains, losses and taxation		1,070	734	1,804	1,504
Other recognised gains/losses					
Unrealised profit/(losses) on investment assets	7	(2)	(5)	(7)	(117)
Impairment & revaluation adjustment	6	-	-	-	(1,567)
Net movement of funds in period before transfers		1,068	729	1,797	(180)
Transfers between funds	11	265	(265)	-	-
Net movement of funds in period		1,333	464	1,797	(180)
Total fund balances at 1 April 2009		12,898	1,874	14,772	14,952
Total fund balances at 30 September 2009		14,231	2,338	16,569	14,772

*Memo – This represents the results of the previous charity (see note 18)

The notes on pages 16 to 34 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 ANNUAL REPORT

BALANCE SHEETS

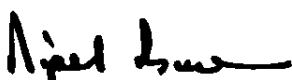
COMPANY REG NO: 6748835

AT 30 SEPTEMBER 2009

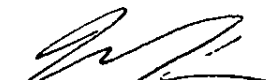
	Note	Group 6m 2009 £000	*Memo 2009 £000	Charity 6m 2009 £000	*Memo 2009 £000
FIXED ASSETS					
Tangible assets	6	12,709	12,846	12,668	12,797
Investments	7	83	90	83	90
		<u>12,792</u>	<u>12,936</u>	<u>12,751</u>	<u>12,887</u>
CURRENT ASSETS					
Stocks	8	30	28	26	25
Debtors	9	1,499	2,029	1,267	1,544
Cash at bank and in hand	16c	4,416	2,811	4,357	2,785
		<u>5,945</u>	<u>4,868</u>	<u>5,650</u>	<u>4,354</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE PERIOD	10	(2,168)	(3,032)	(1,742)	(2,469)
		<u>(2,168)</u>	<u>(3,032)</u>	<u>(1,742)</u>	<u>(2,469)</u>
NET CURRENT ASSETS		<u>3,777</u>	<u>1,836</u>	<u>3,908</u>	<u>1,885</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>16,569</u>	<u>14,772</u>	<u>16,659</u>	<u>14,772</u>
NET ASSETS		<u>16,569</u>	<u>14,772</u>	<u>16,659</u>	<u>14,772</u>
FUNDS					
Unrestricted					
General Fund		301	-	391	-
Revaluation Reserve		6,785	6,823	6,785	6,823
Designated Funds		7,145	6,075	7,145	6,075
		<u>14,231</u>	<u>12,898</u>	<u>14,321</u>	<u>12,898</u>
Restricted and Endowment					
Restricted Bursary Funds		1,214	1,046	1,214	1,046
Other Restricted Funds		1,069	774	1,069	774
Endowment Funds		55	54	55	54
		<u>2,338</u>	<u>1,874</u>	<u>2,338</u>	<u>1,874</u>
TOTAL FUNDS	11	<u>16,569</u>	<u>14,772</u>	<u>16,659</u>	<u>14,772</u>

*Memo – This represents the results of the previous charity (see note 18)

The financial statements were approved and authorised for issue by the Board of the Trustees on 8 December 2009 and were signed below on its behalf by



Nigel Buchanan, Trustee



Ian Gowrie-Smith, Trustee

THE OUTWARD BOUND TRUST ANNUAL REPORT
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2009

		6m 2009		*Memo 2009	
	Note	£000	£000	£000	£000
NET CASH INFLOW FROM OPERATIONS	16a		1,627		1,480
Returns on investment and servicing of finance					
Interest received		10		101	
			10		101
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(38)		(878)	
Receipts on sale of tangible fixed assets		6		20	
Receipts on sale of fixed asset investments		-		20	
			(32)		(838)
NET INCREASE IN CASH	16b		<u>1,605</u>		<u>743</u>

*Memo – This represents the results of the previous charity (see note 18)

The notes on pages 16 to 34 form part of these accounts

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2009

1 ACCOUNTING POLICIES

(a) **Basis of preparation**

The financial statements have been prepared in accordance with the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in 2005 ("SORP"), applicable UK Accounting Standards and the Companies Act 2006

The financial statements have been prepared under the historical cost convention as modified by the revaluation of property and investment assets

The financial statements are prepared on the basis of a going concern

The principal accounting policies, which have been applied consistently except where noted, are set out below

(b) **Group accounts**

The financial statements consolidate the results of the Charity and its two wholly-owned subsidiary companies on a line by line basis (see note 14) For the comparative financial information please refer to note 18

The Outward Bound Associations are branches of the Charity. Their income and expenditure, as reported to The Trust's Head Office in their latest accounts, are consolidated into the Charity's financial statements. The Scottish and Guernsey Associations are registered charities in their own right, but are still consolidated on the basis that their constitutions state that all funds will pass to The Outward Bound Trust upon dissolution

The Trust has taken advantage of the exemptions permitted under s 408 of the Companies Act 2006 and paragraph 397 of the Charities SORP 2005 and the charity does not therefore present a separate Statement of Financial Activities

(c) **Funds**

The Trust maintains four types of fund

- | | | |
|-------|------------|---|
| (i) | endowment | where the capital is held in perpetuity to generate income for bursaries, |
| (ii) | restricted | where the purposes for which the funds may be used have been restricted by donors, |
| (iii) | designated | where the funds are unrestricted, but where the Trustees have designated them for a specific purpose, |
| (iv) | general | where funds are unrestricted and not designated |

(d) **Voluntary Income**

Donations are accounted for by The Trust when received, and may be included in general, designated or restricted funds as appropriate. Receipts for the 2010 Flora London Marathon received prior to the 30 September 2009 were deferred and will be released on the date of the event to the Statement of Financial Activities (SOFA)

Grants are included in the appropriate fund when receivable. Grants are recognised as receivable when there are no outstanding conditions for the receipt of the grant other than those which are within The Trust's control

(e) **Activities for generating funds**

Income from adult training operations is the invoiced value of courses run for adults, management training programmes, shop and bar income and the hire of the Eskdale centre for conferences and weddings. All such income arises as a result of the activities of the trading subsidiary, Outward Bound Professional Limited

Income from fundraising events arises as a result of the activities of the trading subsidiary, Outward Bound Trading Limited, and is credited to the SOFA when the event to which it relates has taken place

(f) **Income from Outward Bound charitable activities**

Income from charitable activities is the total value invoiced to customers of Outward Bound courses taking place during the period. This income includes the value of bursary assistance provided by The Trust towards course fees. Details are provided at notes 4 and 11b

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 SEPTEMBER 2009

1 ACCOUNTING POLICIES (continued)

(g) **Deferred income**

Deferred income represents the value of courses invoiced to customers before the period end with start dates after the period end and income received prior to 30 September 2009 for events being run after the period end

(h) **Resources expended**

All expenditure is included on an accruals basis and is recognised when there is a legal and constructive obligation to pay for it. Expenditure is directly allocated to activities wherever practicable. Otherwise expenditure is apportioned over activities using a variety of allocations based mainly on headcount. Governance costs consist of professional fees, costs of Trustee and Committee meetings, Trustee expenses and an allocation of other central overheads. Non-recoverable VAT, resulting from the charity's partially exempt VAT status, is included in the costs of each activity.

(i) **Fixed assets and depreciation**

All fixed assets are held for charitable operational use, with the exception of the land and buildings at Eskdale and some equipment held by Outward Bound Professional Limited which is used for its own trading purposes. Individual items of activity equipment costing less than £500 are written off in the year of purchase. All equipment (other than £43,970 of antique furniture) is held at cost less depreciation.

Freehold properties are held at valuation plus the cost of capital improvements carried out since the date of the last valuation. Generally The Trust's properties are re-valued every five years, but may be re-valued more frequently when the Trustees consider that significant changes have occurred. The most recent valuation was carried out by Hyde Harrington, independent valuers, in March 2009. 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. The Trust rents the Eskdale centre to Outward Bound Professional Limited at an estimated market rent. Land is not depreciated.

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
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

In the year of acquisition, and subsequently if indications of impairment are detected, an impairment review is carried out. If impairment has occurred then the asset or assets in question will be written down to their recoverable amount.

(j) **Intangible income**

Intangible income is the estimated valuation of gifts in kind received by The Trust during the period, where it is possible to quantify them and where The Trust would otherwise have had to purchase them.

(k) **Listed investments**

In most cases listed investments are stated at market value at the balance sheet date, or the nearest working day prior to the balance sheet date. Gifted AIM-listed shares are now written down to 50% of their market value at the balance sheet date in the year in which the gift is received. This write-down calculation is based upon experience of the differences between values at the date of gift and eventual disposal.

Realised and unrealised gains or losses are accounted for in the relevant fund.

Unrealised gains on restricted bursary fund investments are included in the restricted bursary fund. However, upon realisation of the investments, any surplus on the required membership contribution will be transferred to the General Fund.

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 SEPTEMBER 2009

1 ACCOUNTING POLICIES (continued)

(l) **Stocks**

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

(m) **Leasing transactions**

Operating lease costs are charged to the SOFA on a straight-line basis over the lease term

(n) **Pensions**

Pension costs included in the financial statements represent the employer's contributions payable during the period to the relevant Pension Schemes, all of which are accounted for as defined contribution schemes

2 VOLUNTARY INCOME

	6m 2009 £000	2009 £000
Donations for bursaries and general expenditure	2,227	4,106
Grants for specific projects	851	958
Legacies	17	43
	<u>3,095</u>	<u>5,107</u>

Donations for bursaries and general expenditure include intangible income of £57,197 (2009 £148,390) resulting from gifts in kind received from supporters. These gifts relate to legal and professional fees, office equipment and gifts for fundraising events

3 ACTIVITIES FOR GENERATING FUNDS

	6m 2009 £000	2009 £000
Fundraising events	119	1,007
Adult training operations	1,240	2,765
	<u>1,359</u>	<u>3,772</u>

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	6m 2009 Total £000	2009 Total £000
Outward Bound young people courses, gross course fees	3,869	6,813
Less bursary fund contributions from restricted funds	(803)	(2,164)
Outward Bound young people courses, net course fee income	<u>3,066</u>	<u>4,649</u>

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 SEPTEMBER 2009

5 RESOURCES EXPENDED

(a) Analysis of total resources expended by the group:

	Staff Costs £000	Other Direct costs £000	Support Costs £000	Depreciation £000	6m 2009 Total £000	2009 Total £000
Costs of generating voluntary income	260	203	17	1	481	1,225
Costs of activities for generating funds	611	488	24	24	1,147	2,910
Outward Bound young people courses	2,306	2,265	103	148	4,822	9,964
Governance costs	45	16	16	-	77	163
Other resources expended	-	9	-	-	9	41
	<u>3,222</u>	<u>2,981</u>	<u>160</u>	<u>173</u>	<u>6,536</u>	<u>14,303</u>
Less Bursary fund transfer	-	(803)	-	-	(803)	(2,164)
	<u>3,222</u>	<u>2,178</u>	<u>160</u>	<u>173</u>	<u>5,733</u>	<u>12,139</u>

(b) Analysis of support costs

	Generating Voluntary Income £000	Generating Funds £000	Charitable Activities £000	Governance £000	6m 2009 Total £000	2009 Total £000
Unrestricted Funds						
Office facilities	3	5	28	2	38	82
Sales	-	-	4	-	4	9
Marketing	5	5	36	5	51	21
Operations and IT	1	1	6	1	9	48
Finance	4	8	17	3	32	57
Central Management	4	5	12	5	26	178
	<u>17</u>	<u>24</u>	<u>103</u>	<u>16</u>	<u>160</u>	<u>395</u>

(c) Total resources expended by the charity include the following:

	6m 2009 £000	2009 £000
Staff costs	3,222	6,415
Auditors' remuneration - audit	12	22
- other services	1	1
Depreciation	173	376
Operating leases -equipment hire	67	122
- rent payable	22	50
	<u>3,222</u>	<u>6,415</u>
Staff costs are made up of		
Wages and salaries	2,726	5,336
National Insurance costs	239	546
Pension costs	71	139
Other staff benefits and costs	186	394
	<u>3,222</u>	<u>6,415</u>

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 SEPTEMBER 2009

5 RESOURCES EXPENDED (continued)

(c) Total resources expended by the charity include the following: (continued)

	6m 2009 No.	2009 No.
The average number of full time equivalent employees during the period were		
Charitable activities	217	227
Adult training operations	32	35
Fundraising	12	12
Management and administration	1	1
	<u>262</u>	<u>275</u>

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

	6m 2009	2009
£60,001 - £70,000	3	3
£80,001 - £90,000	1	1

Pension contributions for the provision of money purchase benefits in respect of these 4 employees totalled £13,300 in the period (2009 £26,601)

The Trustees did not receive any remuneration in the period (2009 £ nil) One Trustee received expenses totalling £1,738 in respect of refunded travelling expenses and accommodation (2009 Three Trustees received expenses totalling £9,971)

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 SEPTEMBER 2009

6 TANGIBLE FIXED ASSETS

	Group Land & Buildings £000	Group Short Leasehold Improvements £000	Group Fixtures, Fittings & Equipment £000	Group Total £000
Cost or valuation				
At 1 April 2009	12,910	74	1,777	14,761
Additions	-	-	39	39
Disposals	-	-	(36)	(36)
At 30 September 2009	12,910	74	1,780	14,764
Depreciation				
At 1 April 2009	707	35	1,173	1,915
Charge for the period	91	2	80	173
Disposals	-	-	(33)	(33)
At 30 September 2009	798	37	1,220	2,055
Net Book Value				
At 30 September 2009	12,112	37	560	12,709
At 31 March 2009	12,203	39	604	12,846
	Charity Land & Buildings £000	Charity Short Leasehold Improvements £000	Charity Fixtures, Fittings & Equipment £000	Charity Total £000
Cost or valuation				
At 1 April 2009	12,910	74	1,559	14,543
Additions	-	-	38	38
Disposals	-	-	(36)	(36)
At 30 September 2009	12,910	74	1,561	14,545
Depreciation				
At 1 April 2009	707	35	1,004	1,746
Charge for the period	91	2	71	164
Disposals	-	-	(33)	(33)
At 30 September 2009	798	37	1,042	1,877
Net Book Value				
At 30 September 2009	12,112	37	519	12,668
At 31 March 2009	12,203	39	555	12,797

THE OUTWARD BOUND TRUST ANNUAL REPORT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30 SEPTEMBER 2009

6 TANGIBLE FIXED ASSETS (continued)

The Trust's freehold properties were re-valued in the balance sheet on the basis of valuations carried out by Hyde Harrington, Property Consultants, at open market value on 31 March 2009 £4,125,707 of the freehold valuation is apportioned to land and is not depreciated. Included in fixed assets are net unrealised gains of £6,823,000 arising from revaluation of the property portfolio. The calculation of these net unrealised gains is based on the most recent valuation of each property, less the value of capital improvements made to the property since the previous valuation date, and less the depreciation which relates exclusively to the re-valued buildings valuation.

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 30 September 2009 had a net book value of £39,000. The new boathouse facility at Loch Eil, which has been capitalised is disclosed within freehold land and buildings as these assets are located on a piece of freehold land which was gifted to the Trust in 2002.

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

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 totaling £41,000 (2009 £50,000) which is held for operational use by The Trust's subsidiary, Outward Bound Professional Limited.

7 FIXED ASSET INVESTMENTS

	Group and Charity	
	6m 2009	2009
	£000	£000
Listed UK Investments at market value		
Valuation at 1 April 2009	90	227
Disposals at opening market valuation	-	(20)
Decrease in market value	(7)	(117)
	<u>83</u>	<u>90</u>
Valuation at 30 th September 2009	<u>83</u>	<u>90</u>
Historical cost (or market value at date of gift) of investments	<u>818</u>	<u>818</u>
Breakdown of investment gains and revaluations:		
Unrealised losses on investments	(7)	(117)
	<u>(7)</u>	<u>(117)</u>

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 SEPTEMBER 2009

7 FIXED ASSET INVESTMENTS (continued)

Investments consist of 7 holdings, which individually range from 0.0 % to 42 % of the total portfolio value. Holdings making up more than 5% of the total market value are as follows:

Invesco High Income Trust units	17%
Avacta Group plc (formerly Readybuy plc)	11%
Henderson High Income Exempt Trust units	28%
M & G Charfund units	42%

As at 30 September 2009 there were no remaining lock-in periods for AIM-listed investments.

	Group and Charity	
	9m 2009	2009
	£000	£000
The market value of investments is split between:		
Equities	83	90
	<u>83</u>	<u>90</u>

Note 11 (c) shows the allocation of the above investments between the different types of funds.

The charity also holds investments in its two wholly-owned subsidiaries, Outward Bound Trading Limited and Outward Bound Professional Limited being two ordinary shares of £1 in each company (see also note 14).

8 STOCKS

	Group		Charity	
	6m 2009	2009	6m 2009	2009
	£000	£000	£000	£000
Staff clothing for issue, bar & catering stock	30	28	26	25
	<u>30</u>	<u>28</u>	<u>26</u>	<u>25</u>

9 DEBTORS

	Group		Charity	
	6m 2009	2009	6m 2009	2009
	£000	£000	£000	£000
Trade debtors	1,018	1,826	510	1,072
Amounts due from subsidiary undertakings	-	-	297	288
Prepayments	197	160	182	141
Other debtors	284	43	278	43
	<u>1,499</u>	<u>2,029</u>	<u>1,267</u>	<u>1,544</u>

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 SEPTEMBER 2009

10 CREDITORS: amounts falling due within one year	Group		Charity	
	6m 2009 £000	2009 £000	6m 2009 £000	2009 £000
Deferred income	1,149	2,049	883	1,610
Trade creditors	573	289	482	245
Accruals	178	388	168	360
PAYE, National Insurance and VAT	198	227	172	206
Other creditors	70	79	37	48
	<u>2,168</u>	<u>3,032</u>	<u>1,742</u>	<u>2,469</u>

11 FUNDS

(a) Types of Funds:

- (i) Unrestricted Funds
 - The General Fund is an unrestricted fund which is used for all activities of The Trust not otherwise designated or restricted
- (ii) Revaluation Reserve
 - The Revaluation Reserve arises from professional revaluations of The Trust's properties which have taken place since 1994. The most recent revaluation took place in March 2009
- (ii) Unrestricted, Designated Funds
 - The Horizon Appeal, launched in 2004/05, and the Outward Bound Development Appeal, launched in 2006/07, were funds that raised and held capital funds for projects. The balances on both funds have now been transferred to the Special & capital projects fund
 - The Outward Bound Bursary Reserve, which was launched in 2008/09, is intended to provide a capital fund from which investment income will be derived to support the long term provision of bursaries for young people
 - The other Designated Funds represent funding for capital projects which has been fully expensed on the project whether the funding has been transferred in from Restricted or Unrestricted funds. The fund is now being written down over the lives 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. The fund provides bursaries for young people to attend Outward Bound courses who would not otherwise be able to afford them. Other occasional one-off donations for bursaries are received which are also accounted for through the fund
 - Within the fund are donations for Corporate Projects which relate to funds received from major corporate donors who fund specific projects for young people
 - Also in these funds are Trusts Foundations 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

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 SEPTEMBER 2009

11 FUNDS (continued)

(a) Types of Funds: (continued)

(vi) Restricted Capital Funds

- Included in Restricted Capital Funds is funding to be spent on the refurbishment of and purchase of equipment for our centres
- The Boathouse Fund is a restricted fund which holds the value of the grant received from the English Sports Council Lottery Sports 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 General Fund when the original restriction on the donation has been satisfied.

(b) Movements in Unrestricted Funds:

	Balance 1 April 2009 £000	Income £000	Expenditure Gains and Losses £000	Depreciation Adjustments £000	Fund Transfers £000	Balance 30 Sept 2009 £000
General Fund	-	6,512	(5,409)	38	(840)	301
Revaluation Reserve	6,823	-	-	(38)	-	6,785
Designated Funds:						
Horizon Appeal	154	-	-	-	(154)	-
Development Appeal	328	-	(33)	-	(295)	-
Bursary Reserve	2,096	-	-	-	500	2,596
Special & capital funds	-	-	-	-	532	532
Aberdovey Funds	669	-	(2)	-	498	1,165
Loch Eil Funds	464	-	-	-	(32)	432
Howtown Funds	2,336	-	-	-	(38)	2,298
Ullswater Funds	28	-	-	-	94	122
Total Designated Funds	<u>6,075</u>	<u>-</u>	<u>(35)</u>	<u>-</u>	<u>1,105</u>	<u>7,145</u>
	<u>12,898</u>	<u>6,512</u>	<u>(5,444)</u>	<u>-</u>	<u>265</u>	<u>14,231</u>

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FOR THE PERIOD ENDED 30 SEPTEMBER 2009

11 FUNDS (continued)

(b) Movements in Restricted and Endowment Funds:

	Balance 1 April 2009 £000	Income £000	Bursary Allocation £000	Expenditure Gains and Losses £000	Unrealised Loss on Revaluation £000	Transfers Between Funds £000	Balance 30 Sept 2009 £000
Restricted Bursary Funds	1,046	924	(777)	(231)	-	225	1,187
The Big Lottery Fund	-	53	(26)	-	-	-	27
Endowment Bursary Fund	54	-	-	1	-	-	55
Restricted Capital Funds							
Boathouse Fund	223	-	-	-	-	-	223
Restricted Capital Funds	551	851	-	(66)	-	(490)	846
	<u>1,874</u>	<u>1,828</u>	<u>(803)</u>	<u>(296)</u>	<u>-</u>	<u>(265)</u>	<u>2,338</u>

For details of transfers between funds see note 12

Movements in 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 14

(c) Analysis of net assets held by Funds:

	General Fund £000	Revaluation Reserve £000	Designated Funds £000	Endowment & Restricted Funds £000	Total £000
Tangible fixed assets	1,685	6,785	4,016	223	12,709
Investments	12	-	-	71	83
Net current assets/(liabilities)	(1,396)	-	3,129	2,044	3,777
Net assets	<u>301</u>	<u>6,785</u>	<u>7,145</u>	<u>2,338</u>	<u>16,569</u>

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FOR THE PERIOD ENDED 30 SEPTEMBER 2009

12 TRANSFERS BETWEEN FUNDS

During the period the following transfers have been made between the General, Designated and Restricted Funds

- The fund movement of £840,070 in the General Fund was made up of £500,000 (2009 £1,000,000) transferred to the Bursary Reserve Designated Fund, and £500,000 (2009 nil) to the Special & capital projects fund, £57,995 (2009 £210,769) which was transferred in from Horizon Designated Fund to cover a series of projects within the General Fund and £86,081 (2009 £185,425) which has been transferred into the General Fund from Designated Capital Funds in order to amortise restricted fund donations for specific capital projects against the associated depreciation already charged to the General Fund £15,854 was transferred from restricted capital funds to cover expenditure on refurbishment at Loch Eil
- The fund movement of £153,857 in the Horizon Designated Fund was made up of £57,995 as above (2009 £260,769), a transfer of £22,719 to the Development Appeal to cover costs in the year and a transfer of £40,609 to Restricted bursary funds to cover the costs of the Generations project costs The balance of funds remaining on the account of £32,534 has been transferred to the Special & capital projects fund
- The fund movement of £295,324 in the Development Appeal fund was made up of a transfer as above of £22,719 from Horizon fund and £318,043 to the Aberdovey designated capital fund
- £500,000 (2009 £1,000,000) was transferred to the Bursary Reserve Designated Fund as detailed above
- The fund movement of £532,534 is made up of the two transfers above, £32,534 from Horizon and £500,000 from the General fund
- The fund movement of £497,637 on the Aberdovey designated capital funds was made up of a transfer of £318,043 from the Development Appeal and £192,308 from the Aberdovey Restricted Capital fund representing funds received and the restriction having been satisfied in the period £12,714 was transferred from Aberdovey designated fund to General fund to cover amortisation as above
- £31,314 was transferred from Loch Eil designated fund to General Fund to cover amortisation as above
- £38,096 was transferred from Howtown designated fund to General Fund to cover amortisation as above
- The fund movement of £94,189 on the Ullswater designated fund is made up of £3,357 transferred to General Fund to cover amortisation as above and £97,546 transferred from Ullswater Restricted Capital fund funds received and the restriction having been satisfied in the period
- The fund movement of £224,999 on the Restricted Bursary funds is made up of £40,609 transferred from Horizon to fund Generations project costs and £184,390 from Other Capital Restricted funding
- The fund movement of £490,098 for Other Restricted Capital funds represents a transfer of £15,854 to General fund, £289,854 to Aberdovey & Ullswater Designated funds and £184,390 as detailed above to Restricted Bursary funds

13 RELATED PARTY TRANSACTIONS

During the period under review two Trustees made donations totalling £633,974 to Restricted Bursary Funds and Restricted Capital Funds (2009 £801,282) The Deputy Patron donated £25,000 for Restricted Bursary Funding and research into the Academy Project (2009 £195,000)

One Trustee was paid fees of £10,524 (2009 £8,625) in relation to time spent on The Academy Project These were paid on an arm's length basis and were approved by the other Trustees The Trustee resigned from his position as Trustee on 1st June 2009 so that he could continue his work on the Academy Project on an impartial basis, he was reappointed as a Trustee on 18th September 2009

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

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FOR THE PERIOD ENDED 30 SEPTEMBER 2009

14 SUBSIDIARY UNDERTAKINGS

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

Outward Bound Professional Limited runs corporate management training courses. Costs of £340,000 (2009 £675,000) were charged by the parent charity to Outward Bound Professional Limited, representing an allocation of the costs of running courses and of Head Office support services.

Outward Bound Trading Limited organises fundraising events and other activities in support of The Trust's charitable objectives. Costs of £40,000 (2009 £100,000) were charged by the parent charity to Outward Bound Trading Limited, representing an allocation of the costs of Head Office support services.

Both companies covenant taxable profits 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 obtainable from the Company Secretary at The Outward Bound Trust's office at Hackthorpe.

(a) Profit and loss accounts for the period ended 30 September 2009:

	Outward Bound Professional Limited		Outward Bound Trading Limited	
	6m 2009	2009	6m 2009	2009
	£000	£000	£000	£000
Turnover	1,239	2,764	120	1,007
Cost of sales and administration costs	(1,220)	(2,606)	(209)	(736)
Operating profit for the period	19	158	89	271
Covenanted to the parent charity	(19)	(158)	(-)	(271)
Retained in subsidiary	-	-	(89)	-
Average number of employees including part timers during the period	35	38	-	-

No employees in either company received emoluments in excess of £50,000 (2009 Nil employees)

The Directors received no emoluments or expenses (2009 £ nil)

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 SEPTEMBER 2009

14 SUBSIDIARY UNDERTAKINGS (continued)

(b) Summarised balance sheets at 30 September 2009:

	Outward Bound Professional Limited		Outward Bound Trading Limited	
	6m 2009	2009	6m 2009	2009
	£000	£000	£000	£000
Tangible fixed assets	41	50	-	-
Current assets	575	620	18	153
Current liabilities	(616)	(670)	(107)	(153)
Net current assets/(liabilities)	(41)	(50)	(89)	-
Net assets/(liabilities)	-	-	(89)	-
Called up share capital and profit and loss account	-	-	-	-

15 OPERATING LEASES

At 30 September 2009 there were annual commitments under operating leases expiring as follows

	Group				Charity			
	Land & buildings		Equipment		Land & buildings		Equipment	
	6m 2009	2009	6m 2009	2009	6m 2009	2009	6m 2009	2009
	£000	£000	£000	£000	£000	£000	£000	£000
Expiring:								
Up to 1 year	16	15	41	6	16	15	37	-
Between 1 and 2 years	-	19	44	72	-	19	34	66
Between 2 and 5 years	-	-	39	67	-	-	34	56
More than five years	-	-	7	7	-	-	7	7
	<u>16</u>	<u>34</u>	<u>131</u>	<u>152</u>	<u>16</u>	<u>34</u>	<u>112</u>	<u>129</u>

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FOR THE PERIOD ENDED 30 SEPTEMBER 2009

16 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of net income to net cash inflow from operating activities:

	6m 2009 £000	2009 £000
Net income	1,805	1,504
Adjustments:		
Items not involving the movement of funds:		
Depreciation charge	173	376
Profit on sale of tangible fixed assets	(3)	(7)
Interest receivable	(10)	(101)
Changes in working capital:		
Increase in stocks	(2)	(11)
Decrease in debtors	528	13
Decrease in creditors	(864)	(294)
Net cash inflow from operating activities	<u>1,627</u>	<u>1,480</u>

(b) Reconciliation of net cash flow to movement in net funds:

	6m 2009 £000	2009 £000
Increase in cash in the period	1,605	743
Change in net funds	<u>1,605</u>	<u>743</u>

(c) Analysis of the change in net funds:

	1 April 2009 £000	Cash flow £000	30 Sept 2009 £000
Net cash:			
Cash at bank and in hand	2,516	1,604	4,120
Cash held locally by Outward Bound Associations (see note below)	295	1	296
Change in net funds	<u>2,811</u>	<u>1,605</u>	<u>4,416</u>

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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 SEPTEMBER 2009

17 PENSIONS

(a) The Pensions Trust

Depending on their contract of employment, employees of The Trust are eligible to contribute to a pension scheme run by The Pensions Trust, which specialises in the provision of pensions for people working in the voluntary sector. The Pensions Trust's Growth Plan (the Plan) is funded and is not contracted out of the state scheme. The Growth Plan is a multi-employer pension plan. Contributions paid into the Growth Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity. The rules of the Growth Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Growth Plan every 3 years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Growth Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions. If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these. The rules of the Growth Plan state that the proportion of obligatory contributions to be borne by the Member and the Member's Employer shall be determined by agreement between them. Such agreement shall require the Employer to pay part of such contributions and may provide that the Employer shall pay the whole of them.

The Trust paid contributions at the rate of 5%-10% during the accounting period. Members paid normal contributions at the rate of 1%-5% during the accounting period. As at the balance sheet date there were 53 active members of the Plan employed by The Trust, which continues to offer membership of the Plan to its employees.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. Growth Plan is a multi-employer scheme where the scheme assets are co-mingled for investment purposes, and benefits are paid from the total scheme assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2009 have now been completed and will be formalised shortly. The valuation of the Scheme was performed by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £742 million and the Plan's Technical Provisions (i.e. past service liabilities) were £771 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a funding level of 96%. The financial assumptions underlying the valuation as at 30 September 2008 were as follows:

	%	
	per annum	
Investment return pre retirement	7.6	
Investment return post retirement -		
Actives/Deferreds	5.1	
Pensioners	5.6	
Bonuses on accrued benefits		0.0
Rate of price inflation	3.2	

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 30 SEPTEMBER 2009

17 PENSIONS (continued)

(a) The Pensions Trust (continued)

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions, such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall. In view of the small funding deficit and the level of prudence implicit in the assumptions used to calculate the Plan liabilities the Trustee has prepared a recovery plan on the basis that no additional contributions from participating employers are required at this point in time. In reaching this decision the Trustee has taken actuarial advice and has been advised that the shortfall of £29 million (as at 30 September 2008) will be cleared within 10 years if the investment returns from assets are in line with the "best estimate" assumptions. "Best estimate" means that there is a 50% expectation that the return will be in excess of that assumed and a 50% expectation that the return will be lower than that assumed over the next 10 years. These "best estimate" assumptions are 8.4% per annum pre retirement, 5.1% per annum post retirement (actives and deferreds) and 5.6% per annum post retirement (pensioners).

A copy of the recovery plan must be sent to the Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2008 valuation will be forwarded to the Pensions Regulator in due course.

The next full actuarial valuation will be carried out as at 30 September 2011.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The Trustee's current policy is that it only applies to employers with pre October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's pre October 2001 liability attributable to employment with the leaving employer compared to the total amount of the Plan's pre October 2001 liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The Trust has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2008. As of this date the estimated employer debt for The Trust was £440,729.45 and is regarded as a contingent liability at the balance sheet date. No provision for this debt is considered necessary at this time since the Trust has no foreseeable intention to withdraw from the Plan.

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17 PENSIONS (continued)

(b) The Teachers Pension Scheme

Where a new employee was a member of the Teachers' Pension Scheme by virtue of previous employment they could, until 31 August 2008, elect to continue to contribute whilst employed by the Company. From 1 September 2008, continued membership of the Teachers' Pension Scheme was no longer offered to new employees. The Company continues to contribute the percentage of salary laid down in the rules of the Teachers' Pension Scheme for those employees who are existing members. During the period 6 employees were members of the Teachers Pension Scheme (2009: 8 employees). Total employer's contributions to the Teachers Pension Scheme for the period to 30 September 2009 were £6,447 (2009: £16,263).

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Not less than every four years the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate (SCR) is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service.

Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

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17 PENSIONS (continued)

(b) The Teachers Pension Scheme (continued)

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years), a total contribution rate of 20.5%. This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement has also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

(c) Other pension contributions

The Trust also supports membership of a small number of private pension schemes for certain individuals. Total contributions for these schemes for the period to 30 September 2009 were £6,582 (2009 £12,512).

18 TRANSFER OF OPERATIONS

The restructuring of The Trust successfully took place on 1 April 2009. Outward Bound Global was incorporated on 13 November 2008 and received Charity Commission registration on 14 February 2009 before changing its name to Outward Bound Trust on 1 April 2009. The old Outward Bound Trust became Outward Bound Global on the same date. All assets and liabilities of the old company were transferred to the new company, leaving behind the global licensing authority and £10,000 in the old company. The value of the transfer of assets, liabilities and operations amounted to £14,772k. Rather than show a donation into the new organisation and no comparative, for the purpose of these accounts, the comparative numbers refer to the twelve months activities and balances of the predecessor entity to 31 March 2009 to reflect the fact that operations and activities have continued without interruption.

The subsidiaries Outward Bound Professional Ltd and Outward Bound Trading were also transferred to the new parent company now The Outward Bound Trust. Outward Bound Oman UK remained in the old company, now Outward Bound Global.