

THE OUTWARD BOUND TRUST
(Company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

Company Number: 6748835

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



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

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AkzoNobel UK	The Mike Gooley Trailfinders Charity
All those who bravely participated in and generously supported the City Three Peaks challenge	The Gosling Foundation
All of our dedicated challenge event participants	The Hands Trust
All major donors and supporters of our Friends' scheme	Henry Schein UK Ltd
All supporters of our Generations alumni programme	Hilton in the Community Foundation
All our volunteer Outward Bound Associations	The Hobson Charity
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Hugh Fraser Foundation	Scotia Gas Networks
Gapuma	Scot JCB
Simon Gibson Charitable Trust	The Mark Scott Foundation
The Sandy and Zorica Glen Charitable Settlement	Scott Group
Advanced Computer Software	The Scottish Government
	GMAC-RFC Ltd

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

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ScottishPower Foundation
SEGRO plc
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David Soul
Souter Charitable Trust
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The WPA Benevolent Foundation
Young Start

**THE OUTWARD BOUND TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

The Trustees are pleased to present their report together with the financial statements of the Charity for the year ended 30 September 2015.

PATRON: His Royal Highness The Duke of Edinburgh KG KT
DEPUTY PATRONS: The Lord Kirkham CVO
Sir Chris Bonington CVO CBE

TRUSTEES: His Royal Highness The Duke of York KG KGCVO – Chairman **
Ian Ashman *
Rod Carr CBE
Nick Gair ***
Ian Gowrie-Smith
Philippa Kramer **
Fasha Mahjoor (appointed 15 March 2015)
Louise Makin DBE *
Colin Maund */**
Charles Philipps */**
Caroline Sellar
Dick Watson
Guy Williams

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

SENIOR EXECUTIVES: Nick Barrett Chief Executive
Alan Bolchover Director of Fundraising
Kim Parry Commercial and Finance Director
William Ripley MVO Director of Learning and Adventure
Martin Davidson Scottish Director

COMPANY SECRETARY: Kim Parry

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Leeds LS1 2TW
SOLICITORS: McCormicks
37 East Parade
Harrogate HG1 5LQ

TRADEMARK SOLICITORS: Humphreys & Co.
14 King Street
Bristol BS1 4EF
INVESTMENT MANAGERS: Investec
30 Gresham Street
London EC2V 7PG

**THE OUTWARD BOUND TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

OBJECTIVES AND ACTIVITIES

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

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

The Outward Bound Trust mission:

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

The Outward Bound Trust core values:

- *A belief that we all have undiscovered potential.* We aim to create moments when everyone can see and believe in themselves as never before and to translate such moments into lessons for everyday life.
- *A belief in the power and intensity of learning through adventure* – 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 year under review The Trust delivered a wide variety of personal development courses for young people in line with its mission and values. These varied from short weekend courses through to three week courses. The majority of the courses were aimed at young people at school or college or on apprentice or graduate development programmes and are around five days in length.

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

The mountains, sea, rivers and lakes

The Trust sets out to provide direct and dramatic experiences in inspiring and unfamiliar settings. Our competence lies in using the mountains, 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 facilitation and mentoring skills that enable an instructor to translate the events of an adventure into lessons for life.

Experiential learning

People learn best by reflecting on an experience, planning to do better the next time and then acting on that plan. 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 seaman about to serve as part of the North Atlantic convoys. However, in today's world, the pressures on young people and the issues they face are as intense and varied as ever, albeit markedly different to those of 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 trademarks of The Outward Bound Trust.

**THE OUTWARD BOUND TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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.

A restructuring of The Trust 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 The Outward Bound Trust on 1 April 2009. The original Outward Bound Trust was renamed as Outward Bound Global on the same date. All assets and liabilities of the old company were transferred to the new company, leaving only the global licensing activity in the old company.

The Governing instrument of The Trust is its 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.

In setting our objectives and planning our activities The Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. This is borne out by our commitment to provide a first class Outward Bound experience to as wide a range of young people as possible, irrespective of their financial circumstances. 75% of young people who came to our centres from schools this year were awarded bursary funding that enabled them to attend.

Trustees

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

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

During the course of the year no Trustees resigned and 1 new Trustee was appointed. All new Trustees undergo an induction programme that includes a visit to one of the centres operated by The Trust and meetings with existing Trustees, senior executives and other key members of staff.

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

During the year there is usually 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. This year the centre based meeting took place at Loch Eil in September.

**THE OUTWARD BOUND TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

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. In addition, The Trust leases a fifth centre at Loch Eil in the Highlands of Scotland and with effect from September 2015 entered into a partnership with the National Trust and is leasing the 36 bed centre at Ogwen Cottage in the heart of the Snowdonia National Park. The Trust also operates the Mark Scott Leadership for Life Award from a base in Glasgow. This is a non-residential operation working with young people from the Central Belt area of Scotland.

A subsidiary company, Outward Bound Corporate Limited, is used to run experiential outdoor learning and development programmes for apprentices, graduates, teams and leaders. Profits from this company are transferred to The Trust under a deed of covenant.

A second subsidiary company, Outward Bound Trading Limited, was previously used to organise fundraising events and other activities on behalf of The Trust. As all these activities represented one-off charitable events which are now being managed through the main charity and the subsidiary company is now dormant.

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

Our access and bursary policies

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

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

The Trust is committed to safeguarding and promoting the welfare of our participants and expects all staff and volunteers to share this commitment. We always provide customer feedback questionnaires at the conclusion of all courses for completion by participants and visiting members of staff from the participants' schools and employers. The comments received are taken very seriously and all questionnaires are reviewed centrally at The Trust's headquarters. We have also set up School Advisory Boards in England and in Scotland to help us improve the quality and content of the courses that we deliver. We are constantly striving to make sure any educational elements of the course are linked to curriculum objectives and provide a truly educational benefit for participants.

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

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

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

The bursary awards range in scale from just 1% through to 100% remission of fees depending on the nature of the specific funding stream and the financial circumstances of the young people in question. Further details of our bursary policy and how to apply are available on our website, and movements in our bursary funds are set out in note 11(c) to the accounts.

Related parties and organisations

Volunteer Outward Bound Associations

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

**THE OUTWARD BOUND TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE OVER THE YEAR

Headline achievements/performance in the year to 30 September 2015 were:

- 23,922, (2014: 25,802) young people attended an Outward Bound course, accompanied by 2,603 (2014: 2,978) visiting staff and observers. During the year under review we closed our Glasgow based Metro operation, meaning that we ceased to deliver non-residential courses. As a result, a more accurate like for like analysis of our residential work, excluding the Metro participants, shows that we worked with 23,504 young people in 2014-15 and 23,376 with in 2013-14.
- We delivered 126,930 (2014: 131,790) "personal development" days across our centres.
- We provided £2,539,002 (2014: £2,428,399) in bursaries to ensure that young people, irrespective of their financial circumstances, could attend an Outward Bound course.
- 75% (2014: 73%) of our schools' participants received some measure of bursary support to attend courses.
- We launched The Outward Bound Trust Skills for Life Award. This is a 19 day course, run during the summer months, for participants aged between 15-19. In 2015 266 participants gained the Award.
- We completed the fundraising for, and commenced work on, the £3.4m redevelopment of our Ullswater centre. This project is due for completion by mid 2016.
- We entered into a partnership with the National Trust and have leased Ogwen Cottage in Snowdonia. This iconic outdoor education centre is now part of the Trust's offering to young people. It is a 36 bed centre located in the midst of some of the most stunning mountain scenery to be found in the UK.
- We completed the restructuring of the management of our centres, most notably creating Learning and Adventure Management roles across all our centres focused on the coaching, supporting and adding value to our instructors and the delivery of our courses.
- We ran a very effective fundraising operation throughout the year, culminating in the City Three Peaks Challenge that took place on September 7th and which raised over £1 million.
- We reviewed the options for growth for The Trust, of which the acquisition of Ogwen Cottage is a first phase. This project made slower progress in 2015 than we had hoped, but we continue to lay the foundations to expand and it remains our intention to acquire the use of another 120+ bed residential centre as soon as possible.
- We completed a major evaluation project focusing on how an Outward Bound course contributes to young people's journey to employment as a result of how they apply the learning from their course. Details of findings can be found on our website at <https://www.outwardbound.org.uk/media/102609/social-impact-report-2014.pdf>

FINANCIAL REVIEW

Financial results

The Statement of Financial Activities for the year ended 30 September confirms a total net surplus for the year of £1,992,000 (2014: £357,000 surplus), made up of a surplus of £38,000 in Unrestricted Fund activities and a surplus of £1,954,000 in Restricted Funds. This total net surplus has been added to our brought forward reserves of £19,426,000, resulting in total funds of £21,418,000 at 30 September.

The Unrestricted Fund surplus of £38,000 comprises a General Fund deficit of £5,000 (after transfers) and a Designated Fund surplus of £43,000. The General Fund has performed slightly below expectations during the year under review. Income from our Education, Individuals and Corporate work has again exceeded £10 million, and has increased year on year, though overall we did not quite achieve the income budget for the year. Given the high fixed cost nature of our activities, the course fee shortfall resulted in our original surplus budget turning into a disappointing though manageable deficit. Cost control has continued to be managed well within both our operational delivery costs and our overheads.

Designated Funds have increased during the year due to the City Three Peaks event which is to be used for The Trust's continued development. Alongside this and very much in line with our expectations, gradual expenditure of the accumulated funds continues as does the long term amortisation of funds allocated to completed property projects. The funding made available from the Descent of the Shard has continued to enable us to make a number of important investments into our properties and also into the execution of our strategic priorities.

Restricted Funds have increased by £1,954,000 in the year (after transfers), with bursary fund reserves increasing by £568,000 by year-end and with capital fund reserves rising by £1,385,000. Bursary fundraising has been boosted by the receipt of our first instalment from The Cundill Foundation. Capital fund reserves have also accumulated in the year, due to the various fundraising activities that have been undertaken to build funds for the redevelopment of the Ullswater centre. The project will improve this key site very considerably, with work having started in March 2015 and expecting to be completed by July 2016.

The Group balance sheet at 30 September shows net assets of £21,418,000 (2014: £19,426,000), with net current assets of £6,122,000 (2014: £5,586,000), so an increase of £1,992,000 in net funds year on year. Cash flow balances remained positive throughout, with year-end balances increasing to £7,078,000 (2014: £6,154,000). Cash will diminish on a planned basis during the coming financial year, as some of our accumulated funds are expended on projects including the Ullswater site project and the redevelopment of various facilities at Loch Eil.

**THE OUTWARD BOUND TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

STRATEGIC REPORT (Continued)

FINANCIAL REVIEW (Continued)

Overall, 2014-15 has been another very positive year, in spite of our slight disappointment with General Fund performance. Fundraising activities have performed well, with both bursary and capital funding increasing our cash reserves. As a result our balance sheet position has also strengthened, and we have been able to make important investments into a range of medium term projects. Indications for 2015-16 are also very positive, with bookings well ahead of the prior year and with some exciting projects and fundraising events in prospect. We have certainly started the year well and expect to maintain this early momentum. Given the financial structure and recent performance of the Trust, we are confident that we are well placed to further develop the work of The Trust and to reach an ever increasing number of young people with our work each year.

PLANS FOR FUTURE YEARS

Each Adventure a New Beginning details our current strategy and can be summarised as follows:

Priority one:

We will increase the impact of our courses. Our goal is to ensure we have an even greater and more sustained impact on the lives of the young people we work with, whether they are in education, training or employment.

Priority two:

We will create a financially stable charity with a modern infrastructure and a commercial edge to it, so that even in a period of great economic uncertainty we can be sure that The Trust remains in a position to carry out its mission.

Challenge one:

To improve our ability to evaluate the impact of our courses on the individuals, students, employees and organisations we work with.

Challenge two:

To widen our donor base and to fundraise more effectively.

Challenge three:

To support and encourage our staff to reach for excellence in everything we do.

Challenge four:

To have a credible and engaging external and internal voice so that our strengths and differentiators are properly understood and valued.

Challenge five:

To develop longer term and deeper relationships with a greater number of schools, businesses and other like-minded organisations.

Challenge six:

To fully realise the range of opportunities that now exist in Scotland so as to expand and strengthen our work in that country.

Each Adventure a New Beginning details eight specific and measurable impact goals and nine specific and measurable organisational sustainability goals for The Trust. *Each Adventure a New Beginning* is a public document and anyone wishing to read it is warmly encouraged to contact the Chief Executive, who reports progress against the strategic plan to the Trustees at every Board meeting.

**THE OUTWARD BOUND TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

STRATEGIC REPORT (Continued)

PLANS FOR FUTURE YEARS (Continued)

In the 2015/16 year we are setting out to do the following:

WORKING WITH YOUNG PEOPLE:

- To work with more than 27,000 young people.
- To deliver more than 146,000 activity days.
- To provide bursary to young people of more than £2.65 million so as to ensure that an Outward Bound experience is accessible to those young people who are from financially disadvantaged backgrounds.

FINANCIAL:

- To maintain a sustainable gross margin and central overhead percentage.
- To achieve a General Fund surplus before unrealised gains/losses of more than £200k.

***EACH ADVENTURE A NEW BEGINNING* PRIORITY ONE “INCREASING THE IMPACT” OBJECTIVES**

- To fully integrate Ogwen Cottage, our new partnership site into our operation.
- To acquire the use of a new 120+ bedded residential centre, so that our plans for a step-change growth in the number of young people we work with can be implemented.
- To deliver the new Outward Bound Skills for Life Award to more than 450 young people in the summer of 2016.
- In any given year we are carrying out a wide range of evaluation projects. These will be pulled together in late 2016 in the form of another Social Impact Report.

***EACH ADVENTURE A NEW BEGINNING* “STATING THE OBVIOUS” OBJECTIVES**

- To maintain our excellent safety record and to retain an oversight of all aspects of operational risk management through the Risk Management Committee.
- To sustain the concept of “Top Right” (our belief that the most impactful learning outcomes are realised through highly adventurous and challenging programmes) and to receive six monthly reports from the Director of Adventure and Learning on the levels of adventure and learning demonstrated on our courses.
- To have undertaken a review of other growth options available to The Trust.

***EACH ADVENTURE A NEW BEGINNING* PRIORITY TWO “ORGANISATIONAL SUSTAINABILITY” OBJECTIVES**

- To complete the £3.4m redevelopment of our Ullswater centre
- To complete Phase 1 of the redevelopment of the barn at our Loch Eil centre.
- To maintain the level of unrestricted and designated reserves at £2.3m or more so as to ensure that The Trust can plan ahead with confidence and a sense of stability.
- In Scotland to raise more than £300k of bursary funding, to have raised £1.2m in funds for the Mark Scott Leadership for Life Award in the period 2012-17.
- To maintain our good safety record and retain an oversight of all aspects of operational risk management through the effective working of the Risk Management Committee.
- Our *Each Adventure a New Beginning* strategy has served us well over the last few years, but in 2016 it will need to be updated and a refreshed strategy will be put into place.

**THE OUTWARD BOUND TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

STRATEGIC REPORT (Continued)

PRINCIPAL RISKS AND UNCERTAINTIES

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 Professor Nick Gair, 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 position on managing identified forms of financial risk:

Price risk

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

Credit risk

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

Liquidity risk

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

Interest rate cash flow risk

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

Investment powers and policy

There are no restrictions on the charity's power to invest.

The Trust's investments continue to be managed by our Investment Managers, who manage our portfolio in accordance with the approved investment policy.

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

Reserves policy

The reserves policy, which is reviewed and approved by the Board on an annual basis, sets out an assessment of an appropriate level of free reserves, after designations. The Trustees currently consider an amount of £1,000,000 to be appropriate. At the year end The Trust had total reserves of £21,418,000 of which £6,131,000 is restricted and £11,655,000 is represented by property funds to reflect the investment in fixed assets and which are held for operational purposes. £2,153,000 is designated for future bursary support, and a further £979,000 is designated for particular capital spending and development activity that the Trustees expect to be undertaken in the next three years for specific capital and other development activity. The Pensions Reserve fund stands at £500,000. This leaves a free general fund balance of £nil. The Trustees are therefore mindful of the need to increase free reserves through operational surpluses in future years to reach their desired target of £1,000,000, but would emphasise that currently designated reserves could be reallocated if circumstances so required.

The Trustees remain fully committed to creating and sustaining these reserves. In considering the target level of free 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
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure 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;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of the financial position of the charitable company 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT ON DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each Trustee is aware, there is no relevant audit information of which the charitable company and group'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.

AUDITORS

A resolution to reappoint haysmacintyre as auditors to the company will be proposed at the next general meeting to be held in March 2015.

By order of the Board



Kim Parry
Company Secretary
7 December 2015

THE OUTWARD BOUND TRUST

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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

We have audited the financial statements of The Outward Bound Trust for the year ended 30 September 2015 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 September 2015 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

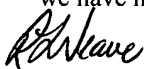
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report incorporating the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the charitable company and group have not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the consolidated charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


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

26 Red Lion Square
London
WC1R 4AG

Date:

15 December 2015

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE OUTWARD BOUND TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating the income and expenditure account) FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Note	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Incoming Resources					
Incoming resources from generated funds:					
Voluntary income	2	1,189	3,746	4,935	4,835
Activities for generating funds	3	4,856	-	4,856	2,961
Investment Income		<u>38</u>	<u>2</u>	<u>40</u>	<u>22</u>
Total incoming resources from generated funds		<u>6,083</u>	<u>3,748</u>	<u>9,831</u>	<u>7,818</u>
Incoming resources from charitable activities:					
Outward Bound young people courses					
Net course fee income	4	5,812	-	5,812	5,665
Bursary fund income/(transfer)		<u>2,539</u>	<u>(2,539)</u>	<u>-</u>	<u>-</u>
Gross course fee income including bursary		8,351	(2,539)	5,812	5,665
Other incoming resources		<u>6</u>	<u>-</u>	<u>6</u>	<u>4</u>
Total incoming resources from charitable activities		<u>8,357</u>	<u>(2,539)</u>	<u>5,818</u>	<u>5,669</u>
Total incoming resources		<u>14,440</u>	<u>1,209</u>	<u>15,649</u>	<u>13,487</u>
Resources expended					
Costs of generating funds:					
Costs of generating voluntary income		(1,339)	(123)	(1,462)	(1,321)
Fundraising trading: costs of goods sold and other costs		(3,074)	-	(3,074)	(2,174)
Charitable activities:					
Outward Bound young people courses		(9,462)	(9)	(9,471)	(9,420)
Governance costs		<u>(218)</u>	<u>-</u>	<u>(218)</u>	<u>(229)</u>
Total resources expended	5	<u>(14,093)</u>	<u>(132)</u>	<u>(14,225)</u>	<u>(13,144)</u>
Net income for the year before other recognised gains, losses and taxation		347	1,077	1,424	343
Other recognised gains/losses					
Realised gains on investment assets	7	3	1	4	2
Unrealised gains/(losses) on investment assets	7	(9)	1	(8)	12
Revaluation adjustment		<u>572</u>	<u>-</u>	<u>572</u>	<u>-</u>
Net movement of funds in year before transfers		913	1,079	1,992	357
Transfers between funds	11	(875)	875	-	-
Net movement of funds in year		38	1,954	1,992	357
Total fund balances at 1 October 2014		15,249	4,177	19,426	19,069
Total fund balances at 30 September 2015		<u>15,287</u>	<u>6,131</u>	<u>21,418</u>	<u>19,426</u>

The notes on pages 16 to 33 form part of these accounts.

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

THE OUTWARD BOUND TRUST

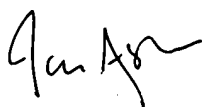
BALANCE SHEETS

COMPANY REG NO: 6748835

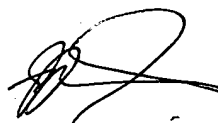
AT 30 SEPTEMBER 2015

	Note	Group		Charity	
		2015 £000	2014 £000	2015 £000	2014 £000
FIXED ASSETS					
Tangible assets	6	14,953	13,504	14,910	13,455
Investments	7	343	336	343	336
		<u>15,296</u>	<u>13,840</u>	<u>15,253</u>	<u>13,791</u>
CURRENT ASSETS					
Stocks	8	100	80	97	76
Debtors	9	2,360	2,156	2,376	2,094
Cash at bank and in hand	16c	7,078	6,154	6,927	5,992
		<u>9,538</u>	<u>8,390</u>	<u>9,400</u>	<u>8,162</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(3,416)	(2,804)	(3,235)	(2,527)
NET CURRENT ASSETS		<u>6,122</u>	<u>5,586</u>	<u>6,165</u>	<u>5,635</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>21,418</u>	<u>19,426</u>	<u>21,418</u>	<u>19,426</u>
NET ASSETS		<u>21,418</u>	<u>19,426</u>	<u>21,418</u>	<u>19,426</u>
FUNDS					
Unrestricted					
General Fund		-	5	-	5
Revaluation Reserve		7,590	7,093	7,590	7,093
Designated Funds		7,697	8,151	7,697	8,151
		<u>15,287</u>	<u>15,249</u>	<u>15,287</u>	<u>15,249</u>
Restricted and Endowment					
Restricted Bursary Funds		2,099	1,531	2,095	1,531
Other Restricted Funds		3,965	2,579	3,968	2,579
Endowment Funds		67	67	68	67
		<u>6,131</u>	<u>4,177</u>	<u>6,131</u>	<u>4,177</u>
TOTAL FUNDS	11	<u>21,418</u>	<u>19,426</u>	<u>21,418</u>	<u>19,426</u>

The financial statements were approved and authorised for issue by the Board of the Trustees on 7 December 2015 and were signed below on its behalf by:



Ian Ashman, Trustee



Colin Maund, Trustee

THE OUTWARD BOUND TRUST

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Note	2015		2014	
		£000	£000	£000	£000
NET CASH INFLOW FROM OPERATIONS	16a		2,146		1,136
Returns on investment and servicing of finance					
Interest received		40		22	
			40		22
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(1,308)		(359)	
Receipts on sale of tangible fixed assets		46		11	
			(1,262)		(348)
NET INCREASE/(DECREASE) IN CASH	16b		924		810

The notes on pages 16 to 33 form part of these accounts.

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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 assumption.

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).

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

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) General: where funds are unrestricted and not designated;
- (ii) Designated: where the funds are unrestricted, but where the Trustees have designated them for a specific purpose;
- (iii) Restricted: where the purposes for which the funds may be used have been restricted by donors;
- (iv) Endowment: where the capital is held in perpetuity to generate income for bursaries.

(d) **Voluntary Income**

Donations are accounted for by The Trust when received, and may be included in general, designated or restricted funds as appropriate.

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 corporate learning and development operations is the invoiced value of courses which have a start date falling in the financial year for apprentice, graduate and other learning and development programmes. All such income arises as a result of the activities of the trading subsidiary, Outward Bound Corporate Limited.

Income from fundraising events arises as a result of one off events taking place through The Outward Bound Trust and is credited to the Statement of Financial Activities 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 which have a start date falling in the financial year. This income includes the value of bursary assistance provided by The Trust towards course fees. Details are provided at notes 4 and 11c.

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

1 ACCOUNTING POLICIES (continued)

(g) **Deferred income**

Deferred income represents the value of courses invoiced to customers before the year end with start dates after the year end and income received prior to 30 September 2015 for fundraising events being run after the year 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 Corporate 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 three 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, Chartered Surveyors, on 30 September 2015. 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 lets the Eskdale centre to Outward Bound Corporate 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 year, where it is possible to quantify them and where The Trust would otherwise have had to purchase them.

(k) **Listed investments**

Listed investments are stated at market value at the balance sheet date, or the nearest working day prior to the balance sheet date.

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.

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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 year to the relevant pension schemes, all of which are accounted for as defined contribution schemes. See note 17 for more detail.

2 VOLUNTARY INCOME

	2015 £000	2014 £000
Donations for bursaries and general expenditure	4,055	3,486
Grants for specific projects	734	1,169
UK Government grants	145	180
Legacies	1	-
	<u>4,935</u>	<u>4,835</u>

Donations for bursaries and general expenditure include intangible income of £108,400 (2014: £71,250) resulting from gifts in kind received from supporters. These gifts relate to legal and professional fees, materials for centre improvements and gifts for fundraising events.

3 ACTIVITIES FOR GENERATING FUNDS

	2015 £000	2014 £000
Fundraising events	1,955	343
Corporate learning and development income	2,901	2,618
	<u>4,856</u>	<u>2,961</u>

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2015 £000	2014 £000
Outward Bound courses for young people, gross course fees	8,351	8,093
Less: bursary fund contributions from restricted funds	(2,539)	(2,428)
Outward Bound courses for young people, net course fee income	<u>5,812</u>	<u>5,665</u>

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

5 RESOURCES EXPENDED

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

	Staff Costs £000	Other Direct costs £000	Support Costs £000	Depreciation £000	2015 Total £000	2014 Total £000
Costs of generating voluntary income	906	494	55	7	1,462	1,321
Costs of activities for generating funds	1,437	1,469	122	46	3,074	2,174
Course delivery costs	5,828	5,432	383	367	12,010	11,848
Governance costs	121	50	47	-	218	229
	<u>8,292</u>	<u>7,445</u>	<u>607</u>	<u>420</u>	<u>16,764</u>	<u>15,572</u>
Less: Bursary fund transfer	-	(2,539)	-	-	(2,539)	(2,428)
	<u>8,292</u>	<u>4,906</u>	<u>607</u>	<u>420</u>	<u>14,225</u>	<u>13,144</u>

(b) Analysis of support costs:

	Generating Voluntary Income £000	Generating Funds £000	Charitable Activities £000	Governance £000	2015 Total £000	2014 Total £000
Unrestricted Funds						
Education Business Development	-	-	42	-	42	42
Individual Business Development	-	-	15	-	15	-
Corporate Business Development	-	47	-	-	47	57
Customer Services	-	4	18	-	22	25
Marketing	20	21	143	21	205	317
Office facilities	9	21	61	3	94	102
Operations and IT	3	6	47	6	62	34
Finance	5	10	27	1	43	67
Central Management	26	13	38	16	93	107
Evaluation	(8)	-	(8)	-	(16)	(2)
	<u>55</u>	<u>122</u>	<u>383</u>	<u>47</u>	<u>607</u>	<u>749</u>

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

	2015 £000	2014 £000
Staff costs	8,292	7,765
Auditors' remuneration - audit	25	24
- other services	3	7
Depreciation	420	416
Operating leases - equipment hire	200	204
- rent payable	83	73
	<u>8,993</u>	<u>8,489</u>
Staff costs are made up of:		
Wages and salaries	7,031	6,524
National Insurance costs	609	564
Pension costs	310	266
Other staff benefits and costs	342	411
	<u>8,292</u>	<u>7,765</u>

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

5 RESOURCES EXPENDED (continued)

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

	2015	2014
The average number of full time equivalent employees during the year were:		
Charitable activities	241	211
Corporate training and development	35	30
Fundraising	11	11
Management and administration	1	1
	<u>288</u>	<u>253</u>

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

	2015	2014
£60,001 - £70,000	2	1
£70,001 - £80,000	3	2
£90,001 - £100,000	1	2
£100,001-£110,000	1	-

Pension contributions in respect of these seven employees totalled £34,063 in the year (2014: five employees £25,197).

The Trustees did not receive any remuneration in the year (2014: £ nil). Two Trustees received expenses totalling £850 in respect of refunded travelling expenses and accommodation (2014: three Trustees received expenses totalling £2,375).

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

6 TANGIBLE FIXED ASSETS

	Group Land & Buildings £000	Group Short Leasehold Improvements £000	Group Assets in the Course of Construction £000	Group Fixtures, Fittings & Equipment £000	Group Total £000
Cost or valuation					
At 1 October 2014 (Restated)	13,581	603	83	2,048	16,315
Additions	8	-	1,033	267	1,308
Disposals	(21)	-	-	(114)	(135)
Revaluation adjustment	148	-	-	-	148
At 30 September 2015	13,716	603	1,116	2,201	17,636
Depreciation					
At 1 October 2014 (Restated)	911	224	-	1,677	2,812
Charge for the year	220	64	-	136	420
Disposals	(21)	-	-	(104)	(125)
Revaluation	(424)	-	-	-	(424)
At 30 September 2015	686	288	-	1,709	2,683
Net Book Value					
At 30 September 2015	13,030	315	1,116	492	14,953
At 30 September 2014	12,670	379	83	371	13,503
	Charity Land & Buildings £000	Charity Short Leasehold Improvements £000	Charity Assets in the Course of Construction £000	Charity Fixtures, Fittings & Equipment £000	Charity Total £000
Cost or valuation					
At 1 October 2014 (Restated)	13,581	603	83	1,807	16,074
Additions	8	-	1,033	256	1,297
Disposals	(21)	-	-	(108)	(129)
Revaluation adjustment	148	-	-	-	148
At 30 September 2015	13,716	603	1,116	1,955	17,390
Depreciation					
At 1 October 2014 (Restated)	911	224	-	1,484	2,619
Charge for the year	220	64	-	119	403
Disposals	(21)	-	-	(97)	(118)
Revaluation	(424)	-	-	-	(424)
At 30 September 2015	686	288	-	1,506	2,480
Net Book Value					
At 30 September 2015	13,030	315	1,116	449	14,910
At 30 September 2014	12,670	379	83	323	13,455

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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, Chartered Surveyors, at open market value on 30 September 2015. £3,905,000 of the freehold valuation is apportioned to land and is not depreciated. Included in fixed assets are net unrealised gains of £7,590,000 arising from revaluation of the property portfolio. The calculation of these net unrealised gains is based on the most recent valuation of each property.

There is a debenture held by the bank from 2009 in respect of the Eskdale property.

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 2015 are shown at cost. The boathouse facility at Loch Eil, which has been capitalised, is disclosed within freehold land and buildings as these assets are located on a piece of freehold land which was gifted to the Trust in 2002.

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

The Trust's operational properties are held in the accounts at value in use, in line with the accounting policies on page 17.

All tangible fixed assets are held for charitable use, with the exception of land and buildings at Eskdale and also certain equipment having a net book value totalling £25,000 (2014: £25,000) which is held for operational use by The Trust's subsidiary, Outward Bound Corporate Limited.

7 FIXED ASSET INVESTMENTS

	Group and Charity	
	2015	2014
	£000	£000
Listed UK Investments at market value		
Valuation at 1 October 2014	336	315
Additions in year	90	96
Disposals in year	(79)	(89)
(Decrease)/Increase in market value	(4)	14
	<u>343</u>	<u>336</u>
Valuation at 30 th September 2015	<u>343</u>	<u>336</u>
Historical cost (or market value at date of gift) of investments	<u>202</u>	<u>202</u>
Breakdown of investment gains and revaluations		
Realised gains on investments	4	2
Unrealised (losses)/gains on investments	(8)	12
	<u>(4)</u>	<u>14</u>

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

7 FIXED ASSET INVESTMENTS (continued)

Investments consist of 49 holdings, two of which are now written down to a £nil valuation and 47 of which range from 0.3% to 7.2% of the total portfolio value. Holdings making up more than 5% of the total market value are as follows:

Capita Financial Lindsell Train UK Equity	7.2%
Artemis Fund Managers	6.6%
Old Mutual Investment Management	6.3%
Jupiter Special Situation	5.8%
Coif Charity Funds Property Inc	5.4%

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 Corporate Limited being two ordinary shares of £1 in each company (see also note 14).

8 STOCKS

	Group		Charity	
	2015 £000	2014 £000	2015 £000	2014 £000
Catering & equipment stock	100	80	97	76

9 DEBTORS

	Group		Charity	
	2015 £000	2014 £000	2015 £000	2014 £000
Trade debtors	1,783	1,774	1,022	865
Amounts due from subsidiary undertakings	-	-	785	874
Prepayments	363	357	355	330
Other debtors	214	25	214	25
	<u>2,360</u>	<u>2,156</u>	<u>2,376</u>	<u>2,094</u>

10 CREDITORS: amounts falling due within one year

	Group		Charity	
	2015 £000	2014 £000	2015 £000	2014 £000
Deferred income	1,617	1,515	1,507	1,326
Trade creditors	712	621	653	578
Accruals	747	269	740	239
PAYE, National Insurance and VAT	337	359	332	349
Other creditors	3	40	3	35
	<u>3,416</u>	<u>2,804</u>	<u>3,235</u>	<u>2,527</u>

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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 September 2015.
- (iii) Unrestricted Designated Funds
 - The Special & Capital Projects Fund was established in 2009, it holds funds available for any projects designated by the Directors of a specific or capital nature.
 - The Bursary Reserve, which was launched in 2009, was created to provide a capital fund from which investment income will be derived to support the long term provision of bursaries for young people. In the short term this fund may also subsidise any in year shortfall in bursary funding.
 - The Designated Fund was established for the funds raised from the Descent of The Shard fundraising event on 3 September 2012. During this year the residue of these funds has been transferred to the Special and Capital Projects Designated Fund.
 - The Designated Fund established for any future costs of a pension deficit that may arise in the current scheme or on the transfer of the scheme to a new provider.
 - The other Designated Funds represent funding for capital projects which has been fully expensed on the project and 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.
- (iv) Restricted Bursary Funds
 - The Restricted Bursary Fund holds donations from corporate and individual donors and provides bursaries for young people to attend Outward Bound courses. Other occasional one-off donations for bursaries are received which are also accounted for through the fund.
 - Included within this fund are donations for Corporate Projects which relate to monies received from major corporate donors who fund specific projects for young people.
 - Also in this fund are Trust, Foundation and Statutory Funds gifted specifically to fund young people attending Outward Bound courses.
 - 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.
- (v) 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.
- (vi) Restricted Capital Funds
 - Included in Restricted Capital Funds is funding to be spent on the refurbishment of our centres and the purchase of equipment.
 - The Boathouse Fund is a restricted fund which holds the value of the grant received from the Sport England Lottery Fund in 1999 for the redevelopment of the boathouse at Ullswater. The grant may be repayable in full or in part if The Trust disposes of the boathouse within 21 years of the grant being received or uses the boathouse for non-charitable activities within that period.

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

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

11 FUNDS (continued)

(b) Movements in Unrestricted Funds:

	Balance 1 Oct 2014 £000	Income £000	Expenditure Gains and Losses £000	Depreciation Adjustments £000	Fund Transfers £000	Balance 30 Sept 2015 £000
General Fund	5	14,440	(14,099)	75	(421)	-
Designated Funds						
Bursary Reserve	2,534	-	-	-	(381)	2,153
Special & Capital Funds	527	-	-	-	452	979
The Shard	584	-	-	-	(584)	-
Pensions Reserve	200	-	-	-	300	500
Property Designations						
Revaluation Reserve	7,093	-	572	(75)	-	7,590
Aberdovey Funds	1,546	-	-	-	(78)	1,468
Loch Eil Funds	463	-	-	-	(113)	350
Eskdale Funds	328	-	-	-	(7)	321
Howtown Funds	1,874	-	-	-	(38)	1,836
Ullswater Funds	95	-	-	-	(5)	90
Total Designated Funds	<u>15,244</u>	<u>-</u>	<u>572</u>	<u>(75)</u>	<u>(454)</u>	<u>15,287</u>
	<u>15,249</u>	<u>14,440</u>	<u>(13,527)</u>	<u>-</u>	<u>(875)</u>	<u>15,287</u>

(c) Movements in Restricted and Endowment Funds:

	Balance 1 Oct 2014 £000	Income £000	Bursary Allocation £000	Expenditure Gains and Losses £000	Unrealised Gains on Revaluation £000	Transfers Between Funds £000	Balance 30 Sept 2015 £000
Restricted Bursary Funds	1,531	3,013	(2,539)	(132)	1	225	2,099
Endowment Bursary Fund	67	-	-	-	1	-	68
Restricted Capital Funds							
Boathouse Fund	223	-	-	-	-	-	223
Restricted Capital Funds	2,356	735	-	-	-	650	3,741
	<u>4,177</u>	<u>3,748</u>	<u>(2,539)</u>	<u>(132)</u>	<u>2</u>	<u>875</u>	<u>6,131</u>

Within the Restricted Bursary Funds is an amount received of £1,444 from Young Start, courtesy of The Big Lottery Scotland

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 trading subsidiary company as disclosed in note 14.

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

11 FUNDS (continued)

(d) 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	3,075	7,590	4,065	223	14,953
Investments	246	-	-	97	343
Net current (liabilities)/assets	(3,321)	-	3,632	5,811	6,122
Net assets	-	7,590	7,697	6,131	21,418

12 TRANSFERS BETWEEN FUNDS

During the year net transfers of £875,000 were made between Restricted & Unrestricted Funds, the main components of which are as follows:

Unrestricted Fund Transfers

- Net General Fund transfers out of £421,000 included £757,000 being net funds raised prior to the year end for the City Three Peaks event. Of these £395,000 were retained within Special and Capital Designated Funds and £362,000 transferred to the Restricted Capital Fund for the ongoing Ullswater redevelopment project.
- A transfer out of £231,000 to the Restricted Bursary Fund in respect of unrestricted bursary raised net of costs incurred.
- Transferred in was £215,000 from The Shard Designated Fund for a variety of supporting projects, and also the transfer in of £24,000 of funds from the Special & Capital Designated Fund for various small projects. These designated funds are now combined under the Special & Capital Designated Fund.
- A further transfer in of amortisation of £241,000 came from the Designated Property Funds.
- The General Fund also received a transfer of £81,000 from the Bursary Reserve Fund to make good the trading deficit produced during the year.
- A transfer of £300,000 has also been made from the Bursary reserve fund to the Pensions Reserve in anticipation of future costs of a pension deficit with The Pensions Trust

Restricted Fund Transfers

- The Restricted Bursary Fund transfers in are dealt with above. There was also a small transfer out of £6,000 in respect of donations received to cover evaluation costs to the General Fund.
- The transfer to Restricted Capital Funds of £650,000 represents transfers from City Three Peaks event (£362,000) and Special & Capital Designated Funds (£288,000) towards the ongoing Ullswater Development project.

13 RELATED PARTY TRANSACTIONS

During the year under review seven Trustees made donations totalling £232,833 (2014: £144,750).

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

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

14 SUBSIDIARY UNDERTAKINGS

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

Outward Bound Corporate Limited runs learning and development programmes for corporate clients. Costs of £2,215,000 (2014: £1,947,000) were charged by the parent charity to Outward Bound Corporate Limited, representing the costs incurred by The Trust in connection with the employment of all staff formerly employed through Outward Bound Corporate Limited and an allocation of the costs of running apprentice courses in young people centres and of Head Office support services.

Outward Bound Trading Limited is now dormant.

Both companies, when appropriate, 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 Head Office at Hackthorpe.

(a) Profit and loss accounts for the year ended 30 September 2015:

	Outward Bound Corporate Limited		Outward Bound Trading Limited	
	2015	2014	2015	2014
	£000	£000	£000	£000
Turnover	2,902	2,617	-	-
Cost of sales and administration costs	(2,748)	(2,439)	(-)	(-)
Operating profit for the year	154	178	-	-
Covenanted to the parent charity	(154)	(178)	(-)	(-)
Retained in subsidiary	-	-	-	-
Average number of employees including part timers during the year	-	-	-	-

No employees in either company received emoluments in excess of £50,000 (2014: Nil Employees).

The Directors received no emoluments or expenses (2014: £ nil).

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

14 SUBSIDIARY UNDERTAKINGS (continued)

(b) Summarised balance sheets at 30 September 2015:

	Outward Bound Corporate Limited		Outward Bound Trading Limited	
	2015	2014	2015	2014
	£000	£000	£000	£000
Tangible fixed assets	42	50	-	-
Current assets	924	1,101	1	1
Current liabilities	(966)	(1,151)	(1)	(1)
Net current liabilities	(42)	(50)	-	-
Net liabilities	-	-	-	-
Called up share capital and profit and loss account	-	-	-	-

15 OPERATING LEASES

At 30 September 2015 there were annual commitments under operating leases expiring as follows:

	Group				Charity			
	Land & buildings		Equipment		Land & buildings		Equipment	
	2015	2014	2015	2014	2015	2014	2015	2014
	£000	£000	£000	£000	£000	£000	£000	£000
Expiring:								
Up to 1 year	4	-	75	5	4	-	65	5
Between 1 and 2 years	35	-	46	2	35	-	46	2
Between 2 and 5 years	35	70	19	127	35	70	19	118
	<u>74</u>	<u>70</u>	<u>140</u>	<u>134</u>	<u>74</u>	<u>70</u>	<u>130</u>	<u>125</u>

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

16 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

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

	2015 £000	2014 £000
Net income	1,424	343
Adjustments:		
Items not involving the movement of funds:		
Depreciation charge	420	416
Depreciation due to impairment charge	-	-
Profit on sale of tangible fixed assets	(46)	(1)
Interest receivable	(40)	(22)
Changes in working capital:		
Decrease in current asset investment	-	400
Increase in stocks	(20)	(21)
(Increase)/Decrease in debtors	(204)	138
Increase/(Decrease) in creditors	612	(117)
Net cash inflow from operating activities	<u>2,146</u>	<u>1,136</u>

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

	2015 £000	2014 £000
Increase in cash in the year	924	810
Change in net funds	<u>924</u>	<u>810</u>

(c) Analysis of the change in net funds:

	1 Oct 2014 £000	Cash flow £000	30 Sept 2015 £000
Net cash:			
Cash at bank and in hand	6,029	944	6,973
Cash held locally by Outward Bound Associations (see note below)	125	(20)	105
Change in net funds	<u>6,154</u>	<u>924</u>	<u>7,078</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.

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

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

17 PENSIONS

(a) The Pensions Trust

The Outward Bound Trust participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

Contributions paid into the 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 Plan or by the purchase of an annuity.

The rules of the 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 Plan every three 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 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 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 Outward Bound Trust paid contributions at the rate of 5 or 10% during the accounting period. Members paid contributions at the rate of 0% during the accounting period.

As at the balance sheet date there were no active members of the Plan employed by The Outward Bound Trust and has closed the Plan to new entrants.

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. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total 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 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore, revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

17 PENSIONS (continued)

(a) The Pensions Trust (continued)

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% p.a.
Rate of return pre retirement	4.9
Rate of return post retirement:	
Active/Deferred	4.2
Pensioners	4.2
Bonuses on accrued benefits	0.0
Inflation: Retail Prices Index (RPI)	2.9
Inflation: Consumer Prices Index (CPI)	2.4

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.

The Scheme Actuary is currently finalising the 2014 valuation and results will be communicated in due course. At 30 September 2013, the market value of the Plan's assets was £772 million and the Plan's Technical Provisions (i.e. past service liabilities) was £927 million. The update, therefore, revealed a shortfall of assets compared with the value of liabilities of £155 million, equivalent to a funding level of 83%.

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.

The Pensions 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 Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.

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 and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. 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 buy-out 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 liability attributable to employment with the leaving employer compared to the total amount of the Plan's 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. Therefore, the amounts of debt can be volatile over time.

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

17 PENSIONS (continued)

(a) The Pensions Trust (continued)

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). Due to a change in the definition of money purchase contained in the Pensions Act 2011 the calculation basis that applies to the Growth Plan will be amended to include Series 3 liabilities in the calculation of an employer's debt on withdrawal.

The Growth Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore, jointly and severally liable for the deficit in the Growth Plan.

The Outward Bound Trust has partially provided for the potential employer debt on withdrawal from the Plan. The designated fund contains £500,000 set aside towards the expected liability on withdrawal. The Outward Bound Trust had not made the final decision to close the plan at the year end.

(b) The Teachers' Pension Scheme

The Charity participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £4,196 (2014: £4,148) and at the year-end £509 (2014 - £557) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. This report confirmed that the employer contribution rate for the TPS will increase from 14.1% to 16.4% although, recognising that teaching establishments work on an academic and not financial year, the Government has deferred the implementation of this increase to 1 September 2015. Employers will in addition from 1 September 2015 pay a scheme administration levy of 0.08% of the employers' salary costs which will increase the total employer payment rate from 16.4% to 16.48%.

The next revision to the employer contribution rate is not expected to take effect until 1 April 2019. This will follow on from the next actuarial valuation which is due at 31 March 2016. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

(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 year to 30 September 2015 were £28,875 (2014: £27,583).

A new scheme was opened with Standard Life as a defined contribution scheme in line with NEST. On 1 April 2014 the majority of employees who were in The Pensions Trust scheme transferred to the new Standard Life scheme. Two employees remain members of the Pensions Trust scheme.

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

18 CONTINGENT ASSET

The Trust has received \$1million of a restricted donation of \$3 million (£1.847million) the balance will be paid over the next two years. The donation is to fund bursary for a planned growth in The Trust's delivery of courses for young people as outlined in the plans for future years in our strategic framework Each Adventure a New Beginning. The funding recognised in the accounts reflects the extent to which the funding requirements have been met.

19 CAPITAL COMMITMENTS

There is a commitment in for the Ullswater redevelopment of £398,050 at the year end in respect of work completed and certified by the surveyor since the year end

20 FIXED ASSETS RESTATED

The restated values within the fixed asset note reflect the removal of a fully depreciated asset.