

The Outward Bound Trust of New Zealand Group

**Consolidated Financial Statements for the year ended
30 June 2022**

The Outward Bound Trust of New Zealand Group

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The Outward Bound Trust of New Zealand Group

Directory of Information

Directors

Grant Faber *Chairperson*
Tim Watts *Deputy Chairperson*

Andrew Smith
Roz Mexted
Hilary Sumpter
Amy Murphy
Cheewei Kwan

Steve Hall
Jo Robinson
Iaeen Cranwell
Sarah Scott (*resigned 27/11/21*)

Registered Office

3 Queens Wharf
Wellington
6011

Charity Registration Number

CC34682

Bankers Westpac Banking Corporation

Auditors Grant Thornton New Zealand
Audit Limited, Wellington

Nature of Business

To create a better New Zealand through improvement of the individual character by providing lifelong learning experiences, particularly to youth, which add value to the individual's life and instill values important to New Zealand's culture such as honesty, reliability, individual responsibility, pride in performance, respect for others, fairness and compassion. To provide education and character, physical, mental and spiritual training for all people in New Zealand of all races and creeds with a particular emphasis on youth

To provide education and character, physical, mental and spiritual training for all people in New Zealand of all races and creeds with a particular emphasis on youth

The Outward Bound Trust of New Zealand Group

Consolidated Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2022

In New Zealand Dollars

	Note	2022	2021
Revenue from Non-Exchange Transactions			
Subsidised Course Fees - Attendee		198,733	249,290
Subsidised Course fees - Funder		2,204,689	2,666,558
Government Grant Income		476,461	365,371
General donations and memberships		1,043,716	792,028
		3,923,600	4,073,247
Revenue from Exchange Transactions			
Course fees		2,142,159	2,684,686
Merchandise sales		82,869	108,909
Revenue from interest and investments		(962,004)	2,050,832
Dividends		186,875	172,500
Net gains/(losses) on financial assets at fair value through surplus and deficit		253,125	300,000
Gain on disposal of assets		-	2,945
Other income		158,638	121,084
		1,861,662	5,440,956
Total Revenue		5,785,262	9,514,203
Operating expenditure			
	4		
Staff and administration costs		5,981,839	5,784,869
Student costs and financial assistance		858,968	1,053,353
Merchandise costs		56,950	73,061
Premises rental		99,320	96,325
Depreciation		384,672	390,742
Amortisation		6,892	4,257
Bad Debts written off		-	-
Total operating expenditure		7,388,641	7,402,607
Surplus/(Deficit) for the year		(1,603,379)	2,111,596
Other comprehensive revenue and expense		-	-
Total comprehensive income for the year		(1,603,379)	2,111,596

These financial statements were approved by the Board of Directors on 12 October 2022

For and on behalf of the Trust:



Grant Faber
Chair
12 October 2022



Tim Watts
Trustee
12 October 2022



The accompanying notes form part of these consolidated financial statements

The Outward Bound Trust of New Zealand Group

Consolidated Statement of Financial Position
As at 30 June 2022
In New Zealand Dollars

	Note	2022	2021
Current Assets			
Cash and cash equivalents	5	888,532	1,122,517
Receivables from exchange transactions	6	2,029,880	1,949,531
Receivables from non-exchange transactions	6	685,259	172,948
Prepayments		55,715	67,145
Inventories		81,430	77,733
Total current assets		3,740,816	3,389,874
Non-current Assets			
Property plant and equipment	7	7,832,728	7,916,967
Intangible assets		14,644	17,918
Investments	8	18,351,321	19,461,242
Total non-current assets		26,198,693	27,396,127
Total Assets		29,939,509	30,786,001
Current Liabilities			
Trade creditors and other payables	9	734,632	676,193
Employee entitlements		328,017	306,303
Revenue in advance for exchange transactions	10	2,494,506	2,192,598
Revenue in advance for non-exchange transactions	10	1,059,001	684,175
Total current liabilities		4,616,157	3,859,270
Total Liabilities		4,616,157	3,859,270
Total Net Assets		25,323,352	26,926,731
Equity			
Accumulated funds		1,200,805	2,263,002
Equity reserves	11	24,122,547	24,663,729
Total equity		25,323,352	26,926,731

The accompanying notes form part of these consolidated financial statements



The Outward Bound Trust of New Zealand Group

Consolidated Statement of Changes in Net Assets For the year ended 30 June 2022

In New Zealand Dollars

	Note	Equity Reserves				Capital Replacement Reserve	Total Equity
		Accumulated funds	Endowment Funds	Sponsorship Funds	Special Funds		
Balance 30 June 2020		2,044,359	18,053,647	2,243,134	2,008,534	465,462	24,815,136
Total comprehensive income for the year							
Surplus for the year		2,111,595	-	-	-	-	2,111,595
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		2,111,595	-	-	-	-	2,111,595
Transfers between equity reserves	11	(1,892,952)	2,290,246	(174,173)	27,182	215,159	-
Balance 30 June 2021		2,263,002	20,343,893	2,068,961	2,035,716	215,159	26,926,731
Total comprehensive income for the year							
Surplus for the year		(1,603,379)	-	-	-	-	(1,603,379)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		(1,603,379)	-	-	-	-	(1,603,379)
Transfers between equity reserves	11	541,182	(910,314)	483,501	(1,874)	(112,495)	-
Balance 30 June 2022		1,200,805	19,433,579	2,552,462	2,033,842	102,664	25,323,352



The Outward Bound Trust of New Zealand Group

Statement of Consolidated Cash Flows For the year ended 30 June 2022 In New Zealand Dollars

	Note	2022	2021
Cash flows from Operating activities			
Receipts			
Receipts from Subsidised Course Fees		2,494,869	2,320,524
Receipts from Donations and Membership		861,573	709,608
Receipts from Government Grants		476,461	365,371
Receipts from Course Fees		2,374,557	2,784,175
Receipts from Merchandise Sales		82,869	108,909
Receipts from Other Income		393,787	120,723
Receipts from Investments		173,232	71,992
		6,857,348	6,481,303
Payments to suppliers and employees		(7,247,972)	(6,655,253)
Interest paid		-	-
		(7,247,972)	(6,655,253)
Net cash flows from/ (used in) operating activities		(390,624)	(173,950)
Cash flows from investing activities			
Withdrawal of investments		331,692	-
Purchase of investments		-	(388,406)
Proceeds from sale of property, plant and equipment		-	11,500
Property, plant and equipment additions		(175,052)	(314,337)
Net cash flows from/ (used in) investing activities		156,640	(691,243)
Net increase/ (decrease) in cash and cash equivalents		(233,984)	(865,193)
Cash and cash equivalents at beginning of year		1,122,517	1,987,710
Cash and cash equivalents at end of year	5	888,532	1,122,517



The Outward Bound Trust of New Zealand Group
Notes to the consolidated financial statements
In New Zealand Dollars

1 Reporting Entity

These financial statements comprise the consolidated financial statements of the Outward Bound Trust of New Zealand (the “Group”) for the year ended 30 June 2022.

The Trust was incorporated under the Charitable Trust Act 1957, is registered under the Charities Act 2019, and is domiciled in New Zealand.

The principal activity of the Group is to provide experiential education courses.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). They comply with Public Benefit Entity International Public Sector Accounting Standards (“PBE IPSAS”) and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Group is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Board of Trustees has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime (“RDR”) disclosure concessions.

(b) Basis of consolidation

The Group financial statements consolidated those of the Parent, being the Outward Bound Trust of New Zealand (the “Trust”) and its 100% controlled subsidiary – The Outward Bound Trust of New Zealand Foundation (the “Foundation”).

The Group financial statements consolidate the financial statements of the Trust and all entities over which the Trust has the power to control the financial reporting and operating policies. Control is obtained through ownership of more than half the voting rights or the subsidiary governing body members also being members of the Parent governing body.

The purchase method is used to prepare the consolidated financial statements, which involves adding together like terms of asset assets, liabilities, income and expenses on a line-by-line basis. All significant inter-group balances are eliminated on consolidation of group results, position and cash flows.

All subsidiaries have a 30 June 2022 reporting date and consistent accounting policies are applied.

(c) Basis of measurement

The financial statements have been prepared on a historical costs basis, except for financial assets and liabilities that have been measured at fair value. The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

(d) Presentation currency

The financial statements are presented in New Zealand dollars (\$), which is the Group’s functional currency. The financial statements are rounded to the nearest dollar.



The Outward Bound Trust of New Zealand Group
Notes to the consolidated financial statements
In New Zealand Dollars

(e) Use of estimates and judgements

The preparation of financial statements in conformity with PBE IPSAS RDR requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant assumptions is provided in the relevant accounting policy or will be provided in the relevant note.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The residual values and depreciation rates used for property, plant and equipment are based on judgements and estimates of appropriate values and rates. The AMP Capital fund includes cash which has been classified as investments due to the cash being part of the total investment portfolio.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(b) Trade debtors and other receivables

Trade debtors and other receivables are measured at amortised cost using the effective interest method less any impairment losses.

An allowance for impairment is established where there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable.

Receivables with a short duration are not discounted.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of the business, less the estimated costs of completion and selling expenses after making due allowance for any damaged and obsolete stock.

Cost is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Any write down in the cost of inventory to net realisable value is recognised in the Statement of Comprehensive Revenue and Expense.



The Outward Bound Trust of New Zealand Group
Notes to the consolidated financial statements
In New Zealand Dollars

(d) Property, plant and equipment

Property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the Group and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement Comprehensive of Revenue and Expense.

Depreciation

Depreciation is charged on a straight- line basis on all property, plant and equipment, other than land, over the estimated useful life of the asset. Depreciation is charged to the surplus or deficit in the Statement of Comprehensive Revenue and Expense.

The following depreciation rates have been applied at each class of property, plant and equipment:

○ Land	0%
○ Boats	5-12 years
○ Buildings	10-67 years
○ Plant and equipment	4-33 years
○ Office furniture and Computer equipment	3-14 years
○ Training equipment	1.5-12 years
○ Canoes	7 years
○ Motor vehicles	5 years
○ Rockface	10 years

The residual value of property, plant and equipment is reassessed annually.

(e) Intangible assets

Intangible assets acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised in the Statement of Comprehensive Revenue and Expense on a straight-line basis over the estimated useful life of the intangible asset, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- Computer software, Obtains and Web Development 3 years

Acquired computer software licenses are capitalised on the basis of the cost incurred to acquire and bring to use the specific software.



The Outward Bound Trust of New Zealand Group
Notes to the consolidated financial statements
In New Zealand Dollars

(f) Impairment

The carrying amounts of Group assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Revenue and Expense.

The estimated recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting to its present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indicators exist, the Group estimates the asset's recoverable amount, to measure the reversal of any previous period impairment charges. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversals of impairment are recognised in the Statement of Comprehensive Revenue and Expense.

(g) Trade creditors and other payables

Trade creditors and other payables are measured at amortised cost using the effective interest method.

(h) Employee Entitlements

Short term benefits

Employee benefits that the Group expects to be settled within 12 months of balance date are measured at nominal value based on accrued entitlements at current rate of pays.

These include salaries and wages accrued up to balance date, annual leave earned, but not yet taken at balance date.

The Group recognises a liability and expense for bonuses where they are contractually obliged or where there is a past practice that has created a constructive obligation.

(i) Financial Instruments

Financial instruments are comprised of trade debtors and other receivables, cash and cash equivalents, investments, trade creditors and other payables and borrowings. The Group held no derivative financial instruments (i.e. hedging instruments) in the years reported.

The Group has no off-balance sheet financial instruments.



The Outward Bound Trust of New Zealand Group
Notes to the consolidated financial statements
In New Zealand Dollars

Recognition and de-recognition of financial assets and liabilities

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for those carried at fair value through surplus or deficit, which are measured at fair value.

Subsequent measurement of financial assets

The subsequent measurement of financial assets depends on their classification. The classification depends on the purpose for which financial assets were acquired. Management determines the classification of financial assets at initial recognition and re-evaluates this designation at each reporting date.

The Group currently holds financial assets in two classifications:

(i) Loans and receivables

Financial assets that are non-derivative with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

(ii) Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include investments, which were designated upon initial recognition at fair value through surplus or deficit. Financial assets at fair value through surplus or deficit are carried in the Statement of Financial Position at fair value with changes in fair value recognised in the Statement of Comprehensive Revenue and Expense.

(iii) Impairment

All financial assets are subject to review for impairment at least once each reporting date. Accounts receivable are reviewed for impairment when accounts are past due or when other objective evidence is received that a specific counterparty will default. Impairment of trade receivables are presented in the Statement of Comprehensive Revenue and Expense, within expenses.

Subsequent measurement of financial liabilities

All financial liabilities held by the Group are designated as “loans and advances”, being non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method

(j) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received.

The following specific recognition criteria must be met before revenue is recognised.



The Outward Bound Trust of New Zealand Group
Notes to the consolidated financial statements
In New Zealand Dollars

Revenue from non-exchange transactions

Donations and Grants

Donations and grants are recognised in the Statement of Comprehensive Revenue and Expense when received unless a use or return condition exists. Where donations and grants have such a condition, they are held as revenue in advance until such time as the condition is satisfied at which at which point the balance is recognised within the Statement of Comprehensive Revenue and Expense.

Donated assets are recorded at their fair value at the date of donation. Like many other charitable organisations, the Group often receives the benefit of people's time and service carried out free of charge. This type of donation cannot be readily quantified and hence is not recorded in the financial statements.

Bequests

Endowment fund bequests are recognised as revenue in the Statement of Comprehensive Revenue and Expense when received. Endowment bequests received are first recognised in surplus/deficit for the year and then transferred in the Statement of Changes in Equity from accumulated funds to the endowment funds equity reserve. This treatment recognises that endowment fund bequests are preserved in investments carried forward and only income earned from investments is used to fund student scholarships.

Subsidised Course Fees

Subsidised course fees are recognised as income when the course commences. When the course has been provided to the student the donation for course fees is recognised. Any fees invoiced at year-end for courses, which students intend to attend at a future date is recognised as revenue in advance for non-exchange transactions.

Revenue from Exchange transactions

Course Fees from Exchange transactions

Course fees are recognised as income when the course commences. Any fees invoiced at year-end for courses, which students intend to attend at a future date is recognised as revenue in advance for exchange transactions.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Interest

Revenue is recognised as it accrues, using the effective interest method.

Dividend Income

Dividend income is recognised on the date that the Group's rights to receive payment are established, which in the case of quoted securities is the ex-dividend date.

(k) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and are expensed in the period they occur.



The Outward Bound Trust of New Zealand Group
Notes to the consolidated financial statements
In New Zealand Dollars

Interest expenses comprise interest expenses charged on borrowings and the unwinding of discounts used to measure the fair value of borrowed funds.

(l) Operating lease payments

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(m) Income Tax

Due to its charitable status, the Group is exempt from liability to income tax.

(n) GST

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The Foundation is not registered for Goods & Services Tax.

(o) Nature and purpose of reserves

The Group creates and maintains reserves in terms of specific requirements. These are explained in detail in notes 11a to d.



The Outward Bound Trust of New Zealand Group
Notes to the consolidated financial statements
In New Zealand Dollars

4 Other Expenses

Expenditure disclosed in the Statement of Comprehensive Revenue and Expense includes:

	2022	2021
General overheads		
Audit fees for financial statement audit	27,482	27,626
Other professional fees paid to Grant Thornton	22,058	53,890
Employee remuneration		
Wages and salaries	4,083,894	3,770,197
Increase/ (decrease) in employee entitlements	21,714	(273,601)
Finance costs include:		
Interest on borrowings	-	-
Bank charges	15,624	21,606

5 Cash and cash equivalents

	2022	2021
Cash at bank and in hand	223,778	352,917
Call deposits	664,754	769,600
Total	888,532	1,122,517

The carrying amount of cash and cash equivalents and call deposits approximates their fair value.

6 Receivables

	2022	2021
Receivables from exchange transactions	2,029,880	1,949,531
Receivables from non-exchange transactions	685,259	172,948
Total	2,715,139	2,122,479

Trade debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms. Therefore, the carrying value of receivables approximates their fair value.

Each year overdue receivable balances are assessed for impairment and appropriate allowances applied. All trade receivables are subject to credit risk exposure. There is no concentration of credit risk with respect to receivables outside the entity, as the entity has a large number of customers.

There is no allowance for impairment as no receivables are overdue or considered uncollectable.



The Outward Bound Trust of New Zealand Group
Notes to the consolidated financial statements
In New Zealand Dollars

7 Property Plant and Equipment

Movement 2022	Cost 1-Jul-21	Additions	Disposals	Cost 30-Jun-22	Accumulated depreciation 1-Jul-21	Depreciation written back	Current year depreciation	Accumulated depreciation 30-Jun-22	Carrying amount 30-Jun-22
Land	2,694,970	-	-	2,694,970	-	-	-	-	2,694,970
Buildings	7,884,136	22,679	-	7,906,814	3,510,639	-	190,867	3,701,506	4,205,309
Boats	1,874,463	88,135	-	1,962,598	1,275,955	-	86,616	1,362,571	600,027
Motor vehicles	724,088	129,649	-	853,737	713,524	-	11,422	724,946	128,791
Plant and equipment	600,688	14,847	(1,025)	614,509	504,121	(1,025)	29,843	532,938	81,572
Furniture and computer equipment	156,351	30,019	(40,705)	145,665	132,314	(40,705)	14,969	106,578	39,087
Training equipment	705,990	15,319	(257,848)	463,461	587,166	(257,848)	51,092	380,409	82,972
Total	14,640,686	300,648	(299,579)	14,641,755	6,723,718	(299,579)	384,808	6,808,947	7,832,728

Movement 2021	Cost 1-Jul-20	Additions	Disposals	Cost 30-Jun-21	Accumulated depreciation 1-Jul-20	Depreciation written back	Current year depreciation	Accumulated depreciation 30-Jun-21	Carrying amount 30-Jun-21
Land	2,694,970	-	-	2,694,970	-	-	-	-	2,694,970
Buildings	7,787,982	96,153	-	7,884,136	3,312,174	-	198,464	3,510,639	4,373,497
Boats	1,697,648	191,933	(15,118)	1,874,463	1,201,159	(8,063)	82,859	1,275,955	598,508
Motor vehicles	724,088	-	-	724,088	704,082	-	9,442	713,524	10,564
Plant and equipment	571,583	29,105	-	600,688	478,967	-	25,153	504,121	96,568
Furniture and computer equipment	135,927	20,424	-	156,351	121,441	-	10,873	132,314	24,037
Training equipment	632,111	73,879	-	705,990	523,215	-	63,950	587,166	118,824
Total	14,244,309	411,494	(15,118)	14,640,686	6,341,039	(8,063)	390,742	6,723,718	7,916,967

FY22 Capital work in progress wastewater plant work and a set of sails. They are recognised at cost less impairment and are not depreciated. The cost of assets within work in progress is transferred to the relevant asset class when the asset is in the location and condition necessary for its intended use.



The Outward Bound Trust of New Zealand Group
Notes to the consolidated financial statements
In New Zealand Dollars

8 Investments

All investments are initially recognised at cost, being the fair value of the consideration given. All investments disclosed in these financial statements have been classified as "fair value through surplus or deficit".

After initial recognition for investments classed as "fair value through surplus or deficit", any movement in the fair value or impairment is recognised in the Statement of Comprehensive Revenue and Expense.

The Groups FCNZ and Macquarie Asset Management (MAM) capital investment portfolios and other equity investments are classified as "fair value through surplus or deficit", because investments held are part of a portfolio of investments, that are managed together to generate short-term profits. The policy of the Foundation is to hold investments for the long-term, but if conditions change the investments are readily able to be sold.

	2022	2021
Rangatira shares	3,787,500	3,534,375
Macquarie Asset Management (MAM)	14,551,370	15,911,712
Foodstuffs redeemable preference shares	12,451	15,155
Total	18,351,321	19,461,242

All investments are carried at fair value with movements recognised in the Statement of Comprehensive Revenue and Expense. Investments are considered to be long-term by nature and therefore are classified as non-current assets. Cash funds held within the investment portfolio at balance date were \$903,653 (2021: \$896,491).

9 Trade creditors and other payables

	2022	2021
Trade creditors	127,472	170,449
Accrued expenses	314,959	181,591
GST and PAYE payable	292,202	324,153
Total	734,632	676,193

Trade creditors and other payables are non-interest bearing and are normally settled on 30- day terms; therefore the carrying value of trade creditors and other payables approximates their fair value.

10 Revenue in advance

	2022	2021
Revenue in Advance for exchange transactions	2,494,506	2,192,598
Revenue in Advance for non-exchange transactions	1,059,001	684,175
Grant Revenue	-	-
Total	3,553,506	2,876,773



The Outward Bound Trust of New Zealand Group
Notes to the consolidated financial statements
In New Zealand Dollars

11 Equity reserves

All income and expenditure is recognised in the Statement of Comprehensive Revenue and Expense and the surplus for the year taken to accumulated funds. Transfers between accumulated funds and equity reserves are disclosed in the Statement of Changes in Net Assets.

<i>2022- transfers between equity reserves</i>	Opening	Transfer from/ (to) retained earnings	Closing
Endowment funds	20,343,893	(910,314)	19,433,579
Sponsorship funds	2,068,961	483,501	2,552,462
Special funds	2,035,716	(1,874)	2,033,842
Capital Replacement Reserve	215,159	(112,495)	102,664
Total	24,663,729	(541,182)	24,122,547

<i>2021- transfers between equity reserves</i>	Opening	Transfer from/ (to) retained earnings	Closing
Endowment funds	18,053,647	2,290,246	20,343,893
Sponsorship funds	2,243,134	(174,173)	2,068,961
Special funds	2,008,534	27,182	2,035,716
Capital Replacement Reserve	465,462	(250,303)	215,159
Total	22,770,777	1,892,952	24,663,729

(a) Endowment Funds

Endowment funds are bequests whereby the principal donation is preserved and only income earned being expended on student scholarships. Endowment fund bequests are recognised as income when received in the Statement of Comprehensive Revenue and Expense and transferred to the Endowment Funds equity reserve from Accumulated Funds.

(b) Sponsorship Funds

Sponsorship funds includes surplus unexpended donations received targeted towards student scholarships.

(c) Special Funds

Special funds includes surplus funds targeted for operation funding other than non-operational expenditure and student scholarships.

(d) Capital Replacement Reserve

Capital replacement reserve includes donations received for Project Refresh Anakiwa Capital Campaign. This reserve was renamed the Tortuga Replacement Reserve as this project included the Tortuga Launch replacement (finished June 22). Remaining Funds will now be repurposed towards the Wastewater Plant upgrade

12 Related party transactions

Related parties arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the Group.

(a) Parent and ultimate controlling party

The Outward Bound Trust of New Zealand (the "Trust") is the ultimate controlling party and is not a subsidiary of any other entity, nor controlled by any other party.



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(b) Related parties

The Trust is related to the Outward Bound Trust of New Zealand Foundation (the “Foundation”)

The Board of the Trust resolved to set up the Foundation as a separate organisation, to be run in parallel to the Outward Bound Trust, and dedicated to providing funds for long term sustainability of the Outward Bound Trust. The Foundation came into effect 1 July 2001.

Two of the Ten trustees of the Trust are also members of the governing body of the Foundation.

(c) Related party transactions

No provision has been required, nor any expense recognised for impairment for any loans or other receivable balance to related parties (2021: \$Nil).

Key management personnel

The Group has a related party relationship with members of the Trust Board, executive officers, and other key management personnel.

<i>Key management personnel compensation</i>	2022	2021
Salaries and other short-term employee benefits (2022: 1 person, 2021: 1 person)	229,115	65,462

Total remuneration paid to key management personnel is made up of short –term employee benefits and no other post-employment benefits, termination benefits or long-term benefit arrangements have been expensed in the years reported.

There we no remuneration or compensation payments to close family members of key management personnel in the years reported.

(d) Other related party transactions

Grant Faber – Outward Bound Trust Director

The Trust received donations of \$7,500 for the 2022 financial year to assist with operational costs (2021: \$8,000).

Andrew Smith – Outward Bound Trust Director

The Trust received donations of \$15,000 for the 2022 financial year to assist with operational costs (2021: \$75,000) and \$100,000 to assist with capital expenditure (2021: nil).

Hilary Sumpter – Outward Bound Trust Director

The Trust received donations of \$240 for the 2022 financial year (2021: \$240).

Fiona Mackenzie – Outward Bound Trust Director (resigned)

The Trust received donations of \$250 for the 2022 financial year (2021: \$80).

Roz Mexted – Outward Bound Trust Director

The Trust received donations of nil for the 2022 financial year (2021: \$80).

Gavin Schiller – Outward Bound Trust Director (resigned)

The Trust received donations of nil for the 2022 financial year (2021: \$80).



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There were no other related party transactions in the 2021 and 2022 financial reporting years.

13 Financial instruments

Categories of financial assets and liabilities

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

Financial Assets	2022	2021
<i>Financial assets at fair value through surplus or deficit</i>		
Investments	18,351,321	19,461,242
<i>Loans and receivables</i>		
Cash and cash equivalents	888,532	1,122,517
Receivables from exchange transactions	2,029,880	1,949,531
Receivables from non-exchange transactions	685,259	172,948
Total	21,954,991	22,706,238
Financial Liabilities	2022	2021
<i>At amortised cost</i>		
Trade creditors and accrued expenses	734,632	676,193
Employee entitlements	328,017	306,303
Revenue in Advance for exchange transactions	2,494,506	2,192,598
Revenue in Advance for non-exchange transactions	1,059,001	684,175
Total	4,616,157	3,859,270

14 Operating leases

<i>Non-cancellable operating leases are payable as follows:</i>	2022	2021
Less than one year	59,025	108,690
Between one and five years	135,159	25,378
More than five years	-	-
Closing balance	194,184	134,068

Operating leases are held in relation to an IT Server, a property lease at Ruakaka Bay and premises at 3 Queens Wharf, Wellington.

15 Capital Commitments

The Group has a no capital commitments as at balance date (2021: \$71,800).

16 Contingent Assets and Liabilities

The Group has no contingent assets or liabilities as at balance date (2021: \$Nil).



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17 Subsequent Events

There were no significant events after balance date requiring reporting or adjustment in these financial statements.

18 Covid-19 & Other External Pressures

In March 2020, the New Zealand Government issued its first epidemic notice to combat the threat of the Covid-19 pandemic. These lockdowns continued, at differing degrees of severity, through until April 2022. The results of was a substantial reduction of economic activity, especially for those that were classed as a non-essential business.

With the initial national & then extended Auckland lockdowns, compounded in early 2022 with government enforced capacities, Outward Bound experienced a decline of circa 450 students over the financial reporting period. This is evidenced in the almost 20% year on year reduction to both subsidised and self-paid course fees.

In February 2022, Russian commenced its invasion of the Ukraine. This added further pressure to global supply and therefore, the pricing of essential items.

Global market in FY21 surprisingly reacted positively to Covid and returned increasing gains when compared to the previous year. This growth continued into HY1, but the 2nd half of FY22 has seen increasing volatility with significant erosion of values across the Macquarie Asset Management investment portfolio * and this is reflected in the annual accounts of the Foundation.

** In March 2022, Macquarie Asset Management (MAM) reached a financial close on the acquisition of AMP Capital's Global Equities and Fixed Income business.*



Independent Auditor's Report

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To the Trustees of the Outward Bound Trust of New Zealand Group

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Outward Bound Trust of New Zealand Group (the "Group") on pages 2 to 19 which comprise the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of comprehensive revenue and expenses, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 30 June 2022 and of its financial performance and cash flows for the year then ended in accordance with Public Benefit Entities International Public Sector Accounting Standards Reduced Disclosure Regime (Not-for-Profit) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our firm carries out other assignments for Group in the area of advisory assistance. The firm has no other interest in the Group.

Trustees' Responsibilities for the Consolidated Financial Statements

The Trustees are responsible on behalf of the Group for the preparation and fair presentation of these consolidated financial statements in accordance with Public Benefit Entities International Public Sector Accounting Standards Reduced Disclosure Regime (Not-for-Profit) issued by the New Zealand Accounting Standards Board, and for such internal control as those charged with governance determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, those charged with governance are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/7>

Restriction on use of our report

This report is made solely to the Group's Trustees, as a body. Our audit work has been undertaken so that we might state to the Group's Trustees, as a body, those matters which 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 Group and its Trustees, as a body for our audit work, for this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Limited



B Kennerley

Partner

Wellington

12 October 2022