

The Outward Bound Trust of New Zealand

**Financial Statements
For the year ended
30 June 2018**

The Outward Bound Trust of New Zealand

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The Outward Bound Trust of New Zealand

**Statement of Comprehensive Revenue and Expense
For the year ended 30 June 2018
In New Zealand Dollars**

	Note	2018	2017
Revenue from Non-Exchange Transactions			
Subsidised Course Fees - Attendee		357,454	327,867
Subsidised Course fees - Funder		2,827,447	2,542,053
Donations and Memberships		1,365,685	549,422
		4,550,586	3,419,342
Revenue from Exchange Transactions			
Course fees		2,448,136	2,500,478
Merchandise sales		75,233	72,679
Interest		2,951	1,810
Other income		102,862	112,014
		2,629,182	2,686,981
Total Revenue		7,179,768	6,106,323
Operating expenditure			
Staff and administration costs		5,277,344	5,018,157
Student costs		534,102	519,064
Merchandise costs		45,803	41,853
Premises rental		87,638	85,885
Depreciation	7	369,261	383,073
Amortisation		11,944	38,739
Loss on Disposal of Assets		8,321	-
Total Expenditure	4	6,334,413	6,086,771
Surplus/(Deficit) for the year		845,355	19,552
Other comprehensive revenue and expense		-	-
Total comprehensive revenue and expense for the year		845,355	19,552

These financial statements were approved by the Board of Directors on 23 August 2018.

For and on behalf of the Trust:



Glenys Coughlan
President
23 August 2018



Tim Watts
Chair of Finance Committee
23 August 2018



The Outward Bound Trust of New Zealand

**Statement of Financial Position
As at 30 June 2018
In New Zealand Dollars**

	Note	2018	2017
Current Assets			
Cash and cash equivalents	5	710,199	531,845
Investments		101,409	-
Receivables from exchange transactions	6	631,175	738,569
Receivables from non-exchange transactions	6	265,788	247,391
Prepayments		60,342	52,854
Inventories		76,639	61,980
Total current assets		1,845,552	1,632,639
Non-current Assets			
Property plant and equipment	7	6,669,162	6,114,037
Intangible assets		13,777	25,720
Investments		14,513	15,256
Total non-current assets		6,697,452	6,155,013
Total Assets		8,543,004	7,787,652
Current Liabilities			
Trade creditors and other payables	8	529,060	537,022
Employee entitlements		159,598	162,220
Revenue in Advance for exchange transactions	9	895,737	955,499
Revenue in Advance for non-exchange transactions	9	669,721	668,077
Loans and borrowings	10	200,000	221,301
Total current liabilities		2,454,116	2,544,119
Total Liabilities		2,454,116	2,544,119
Total Net Assets		6,088,888	5,243,533
Equity			
Accumulated funds		1,960,417	1,460,981
Equity reserves	11	4,128,471	3,782,552
Total Equity		6,088,888	5,243,533



The Outward Bound Trust of New Zealand

**Statement of Changes in Equity
For the year ended 30 June 2018
In New Zealand Dollars**

	Note	Accumulated funds	Equity reserves	Total equity
Balance 1 July 2016		1,704,925	3,519,056	5,223,981
Total comprehensive income for the year				
Surplus for the year		19,552	-	19,552
Other comprehensive income		-	-	-
Total comprehensive income for the year		19,552	-	19,552
Transfers between equity reserves	11	(263,496)	263,496	-
Balance 30 June 2017		1,460,981	3,782,552	5,243,533
Total comprehensive income for the year				
Surplus for the year		845,355	-	845,355
Other comprehensive income		-	-	-
Total comprehensive income for the year		845,355	-	845,535
Transfers between equity reserves	11	(345,919)	345,919	-
Balance 30 June 2018		1,960,417	4,128,471	6,088,888



The Outward Bound Trust of New Zealand

Statement of Cash Flows
For the year ended 30 June 2018
In New Zealand Dollars

	Note	2018	2017
Cash flows from Operating activities			
Receipts			
Receipts from Subsidised Course Fees		3,168,148	2,915,166
Receipts from Donations and Membership		1,289,491	543,526
Receipts from Course Fees		2,495,769	2,592,267
Receipts from Merchandise Sales		75,233	72,679
Interest Received		1,543	1,810
Receipts from Other Income		103,605	112,728
		7,133,789	6,238,176
Payments			
Payments to suppliers and employees		(5,970,154)	(5,824,304)
Interest paid		(142)	(1,499)
		(5,970,296)	(5,825,803)
Net cash flows from/ (used in) operating activities		1,163,493	412,373
Cash flows from investing activities			
Purchase of Investments		(100,000)	-
Property, plant and equipment additions		(870,663)	(257,873)
Proceeds from sale property, plant and equipment		6,826	-
Net cash flows from/ (used in) investing activities		(963,837)	(257,873)
Cash flows from financing activities			
Repayment of borrowings		(21,302)	(55,060)
Net cash flows from/ (used in) financing activities		(21,302)	(55,060)
Net increase/ (decrease) in cash and cash equivalents		178,354	99,440
Cash and cash equivalents at beginning of year		531,845	432,405
Cash and cash equivalents at end of year	5	710,199	531,845



The Outward Bound Trust of New Zealand
Notes to the financial statements
In New Zealand dollars

1 Reporting Entity

These financial statements comprise the separate financial statements of the Outward Bound Trust of New Zealand (the "Trust") for the year ended 30 June 2018.

The Trust was incorporated under the Charitable Trust Act 1957, is registered under the Charities Act 2005, and is domiciled in New Zealand.

The principal activity of the Trust is to provide experiential education courses. The financial statements were authorised for issue by the Board of Trustees on 24 August 2018.

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 Trust 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 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.

(c) Presentation currency

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

(d) 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 Outward Bound Trust of New Zealand
Notes to the financial statements
In New Zealand dollars

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 Trust 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.

(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 Trust 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.



The Outward Bound Trust of New Zealand
Notes to the financial statements
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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	3-15 years
○ Buildings	10-40 years
○ Plant and equipment	4-40 years
○ Office furniture and Computer equipment	1-5 years
○ Training equipment	3-10 years
○ Canoes	3 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 Trust, 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
○ Documentary	5 years

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

(f) 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, investments, which are classed as "fair value through surplus or deficit", are recognised at fair value less any impairment. Any movement in the fair value or impairment is recognised in the Statement of Comprehensive Revenue and Expense.

(g) Impairment

The carrying amounts of Trust 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 Outward Bound Trust of New Zealand
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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 Trust 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.

(h) Trade creditors and other payables

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

(i) Employee entitlements

Short term benefits

Employee benefits that the Trust 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, and annual leave earned, but not yet taken at balance date.

The Trust 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.

Long-term benefits

The Trust provides a one-off long service leave equivalent to five (5) working days, to employees serving more than 10 years of service, and has not entered into any defined benefit/contribution pension plans.

(j) 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 Trust held no derivative financial instruments (i.e. hedging instruments) in the years reported.

The Trust has no off-balance sheet financial instruments.

Recognition and de-recognition of financial assets and liabilities

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



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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 Trust 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 Trust 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.

(k) **Revenue**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Trust 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
Notes to the 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 Trust 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.

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

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.

(l) 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.

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

(m) 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.



The Outward Bound Trust of New Zealand
Notes to the financial statements
In New Zealand dollars

(n) Income Tax

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

(o) 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 Outward Bound Trust of New Zealand
Notes to the financial statements
In New Zealand dollars

4 Other expenses

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

	2018	2017
General overheads		
Audit fees for financial statement audit	18,400	14,300
Employee remuneration		
Wages and salaries	3,487,112	3,252,756
Increase/(decrease) in employee entitlements	(2,622)	36,152
Finance costs include:		
Interest on borrowings	142	1,499
Bank fees	25,623	23,005

5 Cash and cash equivalents

	2018	2017
Cash at bank and in hand	100,533	55,375
Call deposits	609,666	476,470
Total	710,199	531,845

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

Cash at bank and call deposits earn interest at floating rates based on daily deposit balances.

6 Receivables

	2018	2017
Receivables from exchange transactions	631,175	738,569
Receivables from non-exchange transactions	265,788	247,391
Total	896,963	985,960

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.



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

7 Property Plant and Equipment

Property Plant and Equipment by class:

	Cost	Accumulated depreciation	Carrying amount
	30 June 18	30 June 18	30 June 18
Land	2,694,970	-	2,694,970
Buildings	6,296,768	2,982,462	3,314,306
Boats	1,478,852	1,049,151	429,701
Motor vehicles	728,981	656,345	72,636
Plant and equipment	493,094	462,820	30,274
Furniture and computer equipment	116,480	111,528	4,952
Training equipment	627,316	504,993	122,323
Total	12,436,461	5,767,299	6,669,162

	Cost	Accumulated depreciation	Carrying amount
	30 June 17	30 June 17	30 June 17
Land	2,700,000	-	2,700,000
Buildings	5,563,335	2,841,308	2,722,027
Boats	1,475,602	1,006,065	469,537
Motor vehicles	707,967	628,700	79,268
Plant and equipment	490,930	456,513	34,417
Furniture and computer equipment	137,231	128,918	8,313
Training equipment	629,033	528,557	100,475
Total	11,704,098	5,590,061	6,114,037

Depreciation by class is as follows:

	2018	2017
Buildings	141,154	137,977
Boats	87,091	84,529
Motor vehicles	44,241	37,024
Plant and equipment	18,401	20,975
Furniture and computer equipment	4,324	7,925
Training equipment	74,050	94,644
Total	369,261	383,073



The Outward Bound Trust of New Zealand
Notes to the financial statements
In New Zealand dollars

8 Trade creditors and other payables

	2018	2017
Trade creditors	94,796	107,185
Outward Bound Foundation	93,757	111,270
Accrued expenses	279,274	163,388
GST and PAYE payable	61,233	155,179
Total	529,060	537,022

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.

9 Revenue in advance

	2018	2017
Revenue in Advance for exchange transactions	895,737	955,499
Revenue in Advance for non-exchange transactions	655,182	657,747
Grant Revenue	14,539	10,330
Total	1,565,458	1,623,576

10 Loans and borrowings

	2018	2017
Rata Foundation loan	-	21,301
Loan balance with Outward Bound Trust of New Zealand Foundation	200,000	200,000
Total	200,000	221,301
Less balance payable within 12 months (current borrowings)	200,000	221,301
Non-current borrowings	-	-

(a) Rata Foundation loan

On 21 November 2007 the Trust received an advance of \$400,000 from the Rata Foundation (formerly known as Canterbury Community Trust) for building improvements. A further advance of \$75,000 was received on 29 May 2009. Interest is charged at 3% per annum and the loan is repayable over 8.5 years. The loan was fully repaid on 7 November 2017.

(b) Outward Bound Trust of New Zealand Foundation

On 30 April 2015 the Trust received a \$200,000 advance from the Outward Bound Trust of New Zealand Foundation, to support its operational costs. The loan is repayable on demand with an interest rate charged at 0%. The terms of the loan are reviewed on a six-monthly basis.



The Outward Bound Trust of New Zealand
Notes to the 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 Equity.

<i>2018 - transfers between equity reserves</i>	Opening	Transfer from/ (to) retained earnings	Closing
Endowment funds	33,030	-	33,030
Sponsorship funds	1,098,628	(1,971)	1,096,657
Special funds	2,584,182	(20,712)	2,563,470
Capital Replacement Reserve	66,712	368,602	435,314
Total	3,782,552	345,919	4,128,471

<i>2017 - transfers between equity reserves</i>	Opening	Transfer from/ (to) retained earnings	Closing
Endowment funds	33,030	-	33,030
Sponsorship funds	1,026,601	72,027	1,098,628
Special funds	2,447,013	137,169	2,584,182
Capital Replacement Reserve	12,412	54,300	66,712
Total	3,519,056	263,496	3,782,552

(a) Endowment funds

Endowment funds are bequests whereby the principal donation is preserved and only income earned being expended on student scholarships.

(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 has been renamed from the Tortuga Replacement Reserve as this project includes the Tortuga Launch replacement.



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Notes to the financial statements
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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 Trust.

(a) Parent and ultimate controlling party

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

(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 seven trustees of the Foundation are also members of the governing body of the Trust. Separate consolidated financial statements have been prepared.

(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 (2017: \$nil).

On 30 April 2015 the Trust received a \$200,000 loan to the Outward Bound Trust of New Zealand Foundation, to support its operational costs. The loan is repayable on demand with an interest rate charged at 0%. The terms of the loan are reviewed on a six-monthly basis.

	2018	2017
Loan balance owed to Outward Bound Trust of New Zealand Foundation	200,000	200,000
Carrying value in balance sheet	200,000	200,000

All transactions between the Foundation and Trust are reflected in the Foundation Current Account.

Foundation Current Account

	2018	2017
Opening balance	(111,270)	(197,077)
Financial assistance receivable	1,066,425	722,816
Foundation expenditure paid directly by the Trust	30,688	67,991
Cash received from the Foundation	(1,079,600)	(705,000)
Closing balance	(93,757)	(111,270)



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(d) Key management personnel

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

<i>Key management personnel compensation</i>	2018	2017
Salaries and other short-term employee benefits	232,452	211,948

There were no fees paid to the members of the Trust Board in the years reported.

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.

(e) Other related party transactions

Dick Hubbard – Outward Bound Trust Director and Chairman of Hubbard Foods.

The Trust receives royalty payments from Hubbard Foods for use of Outward Bound's name.

The royalty payments received in the year were \$30,000 (2017: \$40,000).

The Trust received \$25,000 in donations in the 2018 financial year from Dick Hubbard to underwrite the OB Champions Fundraising Programme. (2017: \$25,000)

Andrew Smith – Outward Bound Trust Director

The Trust received donations of \$nil for the 2018 financial year to assist with operational costs (2017: \$50,000) and \$400,000 to assist with capital expenditure (2017: \$160,000).

Grant Faber – Outward Bound Trust Director

The Trust received donations of \$50,000 for the 2018 financial year to assist with capital expenditure (2017: \$nil).

There were no other related party transactions in the 2017 and 2018 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:

	2018	2017
Financial Assets		
<i>Financial assets at fair value through surplus or deficit</i>		
Investments	115,922	15,256
<i>Loans and receivables</i>		
Cash and cash equivalents	710,199	531,845
Receivables from exchange transactions	631,175	738,569
Receivables from non-exchange transactions	265,788	247,391
Total	1,723,084	1,533,061



The Outward Bound Trust of New Zealand
Notes to the financial statements
In New Zealand dollars

	2018	2017
Financial Liabilities		
<i>At amortised cost</i>		
Trade creditors and accrued expenses	467,827	381,843
Employee entitlements	159,598	162,220
Revenue in Advance for exchange transactions	895,737	955,499
Revenue in Advance for non-exchange transactions	669,721	668,077
Loans and borrowings	200,000	221,301
Total	2,392,883	2,388,940

14 Operating Leases

	2018	2017
<i>Non-cancellable operating leases are payable as follows:</i>		
Less than one year	95,082	108,220
Between one and five years	14,639	107,535
More than five years	-	-
Closing balance	109,721	215,755

Operating leases are held in relation to computer equipment and premises at 3 Queens Wharf, Wellington.

15 Capital commitments

The Trust has a contract to build a new watch house for \$784,994. The Trust has paid \$424,739 on this contract at year end. (2017: Deposits on property, plant and equipment of \$35,440).

16 Contingent liabilities

The Trust has no contingent liabilities as at balance date (2017: \$Nil).

17 Subsequent events

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



Independent Auditor's Report

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To the Trustees of The Outward Bound Trust of New Zealand

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Outward Bound Trust of New Zealand (the "Trust") on pages 1 to 18 which comprise the statement of financial position as at 30 June 2018, and the statement of comprehensive revenue and expense, statement of changes in equity and 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 financial statements present fairly, in all material respects, the financial position of the Trust as at 30 June 2018 and of its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity International Public Sector Accounting Standards (Not-for-profit) Reduced Disclosure Regime 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 Financial Statements* section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* 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.

Other than in our capacity as auditor we have no relationship with, or interests in, the Trust.

Trustees' Responsibilities for the Financial Statements

The Trustees are responsible on behalf of the Trust for the preparation and fair presentation of these financial statements in accordance with Public Benefit Entity International Public Sector Accounting Standards (Not-for-profit) Reduced Disclosure Regime 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, those charged with governance are responsible for assessing the Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (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 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/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

Restriction on use of our report

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

Grant Thornton New Zealand Audit Partnership



B Smith
Partner
Wellington

23 August 2018