



## **AGENDA**

### **Annual General Meeting and Members Council Meeting of the Outward Bound Trust of New Zealand**

**To be held at Hotel de Brett, 2 High Street, Auckland on Saturday 9  
November 9am – 12pm**

1. Welcome
2. Apologies
3. Confirmation of the minutes of the 27 October 2018 Annual General Meeting
4. Address by Chair and Chief Executive
5. Adoption of the Annual Report
6. Adoption of the Financial Statements with Auditor's Report
7. Confirmation of Auditor
8. Special business:
  - a. Adoption of new constitution
  - b. Election of Guardians
9. General business
  - a. Kurt Hahn Award

10.30am to 11.15 Morning Tea – Opening of Levene Lodge

**MINUTES OF ANNUAL GENERAL MEETING OF  
THE OUTWARD BOUND TRUST OF NEW ZEALAND  
HELD AT SIMPSON GRIERSON, 88 SHORTLAND STREET, AUCKLAND ON  
SATURDAY, 27 OCTOBER 2018 AT 8.45AM**

The President, Glenys Coughlan, welcomed everyone to the 2018 Annual General Meeting and thanked everyone for making the journey to Auckland.

**Present:**

Anne Beex, Bonnie Bolton-Roger, Brandon McCarthy, Claire Anderson, Dick Hubbard, Gerald Lanning, Glenys Coughlan, Grant Faber, Helen Fletcher, Hilary Sumpter, Howie Barnes, John Patterson, Lloyd East, Marg Robinson, Marina Adams, Mark Porath, Sharon McLeod, Shelley Clark, Tim Watts, Tracey Hancock

Staff: V Klap (CEO) T van Dijk (Commercial Manager)

**Apologies:**

Alister Scott, Andrew Smith, Archie Park, Brien Mahoney, Dave Tibby, David Montgomerie, Elaine Lunken, Fiona Mackenzie, Ivan Emirali, Keith Douglas Hitchon, Mike Harding, Paul Wymer, Paul Chapman, Rachael Cassaidy, Richard Fraser Ross Bishop, Richard Worth, Russell Leonard Garland, Steve Cole, William Day.

The apologies be accepted.

Moved: C Anderson / Seconded: G Lanning  
Carried

**Confirmation of the minutes of the last meeting on 28 October 2017:**

The minutes of the meeting of 29 October 2016 be accepted as a true and correct record of the proceedings.

Moved: G Faber / Seconded: T Watts  
Carried.

**Presidents Report:**

The President addressed the AGM. G Coughlan noted 2018 has been a busy year and the management team and staff have been performing at a high level. Again, it has been a challenging year however the team have created a stable financial situation over 2018. G Coughlan thanked the management team and staff.

G Coughlan thanked all board members for their engagement and support during the year. In particular she noted thanks to D Hubbard for chairing Project Refresh Anakiwa; G Faber for leading the governance review supported by T Watts, D Hubbard and S Cole; T Watts for chairing the finance committee; and D Hubbard for chairing ESAC.

G Coughlan noted that in the last 6 months the board has been involved in developing the strategy for 2020 and beyond. This strategy is based on the shared belief that Outward Bound is as relevant in society today as it always has been, but it has become increasingly difficult to get cut through with busier lifestyles and a fragmented media environment. G Coughlan advised that a brief presentation of the draft strategy would be provided during the Member's Council meeting.

Finally, G Coughlan thanked C Anderson and G Lanning for their role as Chair and Deputy Chair of the members council.

### **CEO Report:**

V Klap addressed the meeting. He noted it is a privilege to be CEO of Outward Bound and today to be with many of those people who have been involved with the organisation for many years.

V Klap noted the first two years of strategic plan the organisation had outperformed expectations. The 2017/18 year was an excellent year for Outward Bound with operating deficit of \$250k which was \$150k better than budget. The 2019 year is shaping up to be more difficult to grow revenue, maintain expenditure levels and deal with increased screening requirements due to the higher incidence of mental health challenges in youth today. The management team are ever vigilant of the financial situation.

V Klap stated that he remained positive and optimistic about the future of Outward Bound, noting the challenge of improving levels of understanding of the depth and breadth of what we provide at the school. A number of trial courses have been undertaken during 2018 including the seven-day explorer course for 14 and 15 year old's, women in leadership and wellbeing course. While youth will remain the focus, every New Zealander has opportunity to attend Outward Bound and part of our goal is telling the story about the breadth of our offerings.

Since joining the organisation Victor noted that has met a number of very humble and generous people who are prepared to give some of their wealth to Outward Bound. He reinforced the extent to which we are reliant on donors, trusts and foundations to support the activities and capital requirements of Outward Bound. Some of these generous donors attended the new watch houses function in September and he thanked Andrew and Jenny Smith for their generous donation to get the watch house built.

V Klap updated the meeting on the strategy planning process noting he had asked board to lead and own the process. He said it was fantastic to have the board take on this opportunity as it has and that the board are fully engaged in this process.

### **Adoption of the Annual Report:**

That the 2018 Annual Report be accepted.

Moved: H Fletcher / H Sumpter Seconded:  
Carried.

### **Adoption of 2018 Financial Statements with the Auditor's Report:**

That the 2018 Financial Statements with the Auditor's Report be accepted.

Moved: T Watts / G Faber Seconded:  
Carried.

### **Confirmation of Auditor:**

That Grant Thornton be reappointed for the 2019 year.

Moved: H Sumpter / D Hubbard Seconded:  
Carried.

## **Special Business**

### **Appointment of Councilors:**

That the following are appointed to the Members Council: Anne Beex, Bonnie Bolton-Roger, Brandon McCarthy, Claire Anderson, David Montgomerie, Gerald Lanning, Grant Faber, Howie Barnes, Marina Adams, Rachel Cassaidy, Tim Watts, Tracey Hancock, William Day

Moved: J Patterson /M Robinson Seconded:  
Carried.

It was confirmed they are all financial members of the Trust in accordance with the Trust Deed. The Chairperson congratulated those that had been appointed to Members Council.

### **Other Business:**

#### **Governance Review:**

G Faber spoke to the governance process that has been ongoing for six months. The two main recommendations from the consultation was that the members council be reformed as an alumni group noting there was a desire to maintain the involvement of committed and experienced members. The other recommendation was to form a group of guardians who would uphold the ethos of Outward Bound. Both those proposals were accepted at mid-year member's council meeting. G Faber then requested John Patterson to rewrite the constitution.

John Patterson spoke to the changes he has made to the draft constitution. These include recognising the alumni body, the composition of the guardians council and the election process, and the nominating procedure for board.

The next steps in the review process is to circulate widely the draft constitution and discussion paper including to past presidents, members and member's council. Feedback will be required by 31 January. G Faber hoped to have a final constitution to be confirmed at the mid-year council meeting, or if the work was completed earlier and it made sense to advance things more quickly, a special general meeting would be called.

#### **Project Refresh Anakiwa**

D Hubbard updated group on Project Refresh Anakiwa noting that \$3m had been raised. With the completion of the new watch house, the next project will be staff accommodation block. M Robinson noted it was more cost efficient to build new staff accommodation than refurbish current buildings because of the compliance codes for buildings and fire.

The group formally thanked D Hubbard for role played in getting Project Refresh underway.

Meeting closed at 9.50am.

**CERTIFIED AS BEING A TRUE AND CORRECT RECORD.**

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**CHAIRPERSON**

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**DATE**

**The Outward Bound Trust of New Zealand Group**

**Consolidated Financial Statements  
For the year ended  
30 June 2019**

# The Outward Bound Trust of New Zealand Group

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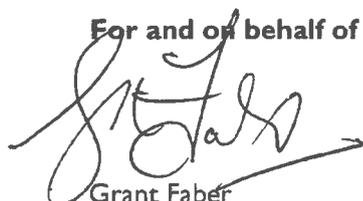
**The Outward Bound Trust of New Zealand Group**

**Consolidated Statement of Comprehensive Revenue and Expense  
For the year ended 30 June 2019  
In New Zealand Dollars**

|   | Note | 2019             | 2018             |
|---|------|------------------|------------------|
| <b>Revenue from Non-Exchange Transactions</b>                           |      |                  |                  |
| Subsidised Course Fees - Attendee                                       |      | 390,727          | 357,454          |
| Subsidised Course fees - Funder   |      | 2,911,937        | 2,827,447        |
| General donations and memberships                                       |      | 1,362,304        | 1,390,194        |
|   |      | <b>4,664,968</b> | <b>4,575,095</b> |
| <b>Revenue from Exchange Transactions</b>                               |      |                  |                  |
| Course fees   |      | 2,588,874        | 2,448,136        |
| Merchandise sales   |      | 86,744           | 75,233           |
| Revenue from interest and investments                                   |      | 902,395          | 1,180,109        |
| Dividends   |      | 173,045          | 173,066          |
| Net gains on financial assets at fair value through surplus and deficit |      | 373,125          | 321,250          |
| Gain on disposal of assets  |      | 1,392            | -                |
| Other income  |      | 113,989          | 102,862          |
|   |      | <b>4,239,564</b> | <b>4,300,656</b> |
| <b>Total Revenue</b>  |      | <b>8,904,531</b> | <b>8,875,751</b> |
| <b>Operating expenditure</b>  |      |                  |                  |
| Staff and administration costs  |      | 5,696,436        | 5,348,281        |
| Student costs and financial assistance                                  |      | 1,425,545        | 1,600,526        |
| Merchandise costs   |      | 56,236           | 45,803           |
| Premises rental   |      | 72,649           | 87,638           |
| Depreciation  | 7    | 371,009          | 369,261          |
| Amortisation  |      | 12,637           | 11,944           |
| Loss on Disposal  |      | 432              | 8,321            |
| <b>Total operating expenditure</b>                                      | 4    | <b>7,634,944</b> | <b>7,471,774</b> |
| <b>Net operating surplus</b>  |      | <b>1,269,587</b> | <b>1,403,977</b> |
| Other comprehensive revenue and expense                                 |      | -                | -                |
| <b>Total comprehensive income for the year</b>                          |      | <b>1,269,587</b> | <b>1,403,977</b> |

These financial statements were approved by the Board of Directors on 21 August 2019.

**For and on behalf of the Trust:**



Grant Faber  
President  
21 August 2019



Tim Watts  
Chair of Finance Committee  
21 August 2019



**The Outward Bound Trust of New Zealand Group**

**Consolidated Statement of Financial Position  
As at 30 June 2019  
In New Zealand Dollars**

|  | Note | 2019              | 2018              |
|--|------|-------------------|-------------------|
| <b>Current Assets</b>                            |      |                   |                   |
| Cash and cash equivalents                        | 5    | 1,328,895         | 874,331           |
| Investments                                      |      | -                 | 101,409           |
| Receivables from exchange transactions           | 6    | 770,000           | 631,175           |
| Receivables from non-exchange transactions       | 6    | 190,061           | 265,788           |
| Prepayments                                      |      | 42,264            | 60,342            |
| Inventories                                      |      | 63,649            | 76,639            |
| <b>Total current assets</b>                      |      | <b>2,394,869</b>  | <b>2,009,684</b>  |
| <b>Non-current Assets</b>                        |      |                   |                   |
| Property plant and equipment                     | 7    | 7,093,034         | 6,669,162         |
| Intangible assets                                |      | 11,824            | 13,777            |
| Investments                                      | 8    | 17,514,596        | 17,053,747        |
| <b>Total non-current assets</b>                  |      | <b>24,619,454</b> | <b>23,736,686</b> |
| <b>Total Assets</b>                              |      | <b>27,014,323</b> | <b>25,746,370</b> |
| <b>Current Liabilities</b>                       |      |                   |                   |
| Trade creditors and other payables               | 9    | 459,147           | 440,840           |
| Employee entitlements                            |      | 213,578           | 159,598           |
| Revenue in advance for exchange transactions     | 10   | 1,115,355         | 895,737           |
| Revenue in advance for non-exchange transactions | 10   | 376,183           | 669,721           |
| <b>Total current liabilities</b>                 |      | <b>2,164,263</b>  | <b>2,165,896</b>  |
| <b>Total Liabilities</b>                         |      | <b>2,164,263</b>  | <b>2,165,896</b>  |
| <b>Total Net Assets</b>                          |      | <b>24,850,060</b> | <b>23,580,474</b> |
| <b>Equity</b>                                    |      |                   |                   |
| Accumulated funds                                |      | 2,078,455         | 1,913,198         |
| Equity reserves                                  | 11   | 22,771,605        | 21,667,276        |
| <b>Total equity</b>                              |      | <b>24,850,060</b> | <b>23,580,474</b> |



**The Outward Bound Trust of New Zealand Group**

**Consolidated Statement of Changes in Equity**  
**For the year ended 30 June 2019**  
*In New Zealand Dollars*

|  | Note | Accumulated<br>funds | Equity<br>reserves | Total<br>equity   |
|--|------|----------------------|--------------------|-------------------|
| Balance 1 July 2017                            |      | 1,419,392            | 20,757,105         | 22,176,497        |
| <b>Total comprehensive income for the year</b> |      |                      |                    |                   |
| Surplus for the year                           |      | 1,403,977            | -                  | 1,403,977         |
| Other comprehensive income                     |      | -                    | -                  | -                 |
| Total comprehensive income for the year        |      | 1,403,977            | -                  | 1,403,977         |
| Transfers between equity reserves              | 11   | (910,171)            | 910,171            | -                 |
| <b>Balance 30 June 2018</b>                    |      | <b>1,913,198</b>     | <b>21,667,276</b>  | <b>23,580,474</b> |
| <b>Total comprehensive income for the year</b> |      |                      |                    |                   |
| Surplus for the year                           |      | 1,269,587            | -                  | 1,269,587         |
| Other comprehensive income                     |      | -                    | -                  | -                 |
| Total comprehensive income for the year        |      | 1,269,587            | -                  | 1,269,587         |
| Transfers between equity reserves              | 11   | (1,104,329)          | 1,104,329          | -                 |
| <b>Balance 30 June 2019</b>                    |      | <b>2,078,455</b>     | <b>22,771,605</b>  | <b>24,850,060</b> |

The accompanying notes form part of these consolidated financial statements



**The Outward Bound Trust of New Zealand Group**

**Statement of Consolidated Cash Flows**  
**For the year ended 30 June 2019**  
**In New Zealand Dollars**

|  | Note | 2019               | 2018               |
|--|------|--------------------|--------------------|
| <b>Cash flows from Operating activities</b>                  |      |                    |                    |
| <b>Receipts</b>  |      |                    |                    |
| Receipts from Subsidised Course Fees                         |      | 3,084,852          | 3,168,148          |
| Receipts from Donations and Membership                       |      | 1,362,305          | 1,314,001          |
| Receipts from Course Fees                                    |      | 2,669,666          | 2,495,769          |
| Receipts from Merchandise Sales                              |      | 86,744             | 75,233             |
| Receipts from Other Income                                   |      | 114,493            | 103,605            |
| Income from Investments                                      |      | 176,843            | 174,113            |
|  |      | <b>7,494,903</b>   | <b>7,330,869</b>   |
| Payments to suppliers and employees                          |      | (7,085,729)        | (7,026,400)        |
| Interest paid  |      | (5)                | -                  |
|  |      | <b>(7,085,734)</b> | <b>(7,026,400)</b> |
| <b>Net cash flows from/ (used in) operating activities</b>   |      | <b>409,169</b>     | <b>304,469</b>     |
| <b>Cash flows from investing activities</b>                  |      |                    |                    |
| Proceeds on sale of investments                              |      | 850,000            | 1,026,385          |
| Purchase of investments                                      |      | -                  | (250,000)          |
| Proceeds from sale of property, plant and equipment          |      | 1,391              | 6,826              |
| Property, plant and equipment additions                      |      | (805,996)          | (870,663)          |
| <b>Net cash flows from/ (used in) investing activities</b>   |      | <b>45,395</b>      | <b>(87,452)</b>    |
| <b>Cash flows from financing activities</b>                  |      |                    |                    |
| Repayment of borrowings                                      |      | -                  | (21,302)           |
| <b>Net cash flows from/ (used in) financing activities</b>   |      | <b>-</b>           | <b>(21,302)</b>    |
| <b>Net increase/ (decrease) in cash and cash equivalents</b> |      | <b>454,564</b>     | <b>195,715</b>     |
| Cash and cash equivalents at beginning of year               |      | 874,331            | 678,616            |
| Cash and cash equivalents at end of year                     | 5    | <b>1,328,895</b>   | <b>874,331</b>     |

The accompanying notes form part of these consolidated financial statements



**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 2019.

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 Group is to provide experiential education courses. The financial statements were authorised for issue by the Board of Trustees on 21 August 2019.

**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 2019 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.

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

**(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.

**(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.

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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 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                                   | 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 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
- Documentary 5 years



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**Notes to the consolidated financial statements**  
*In New Zealand Dollars*

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

**(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, and sick leave.

The Group recognises a liability for sick leave. The amount is calculated based on the unused sick leave entitlements that can be carried forward at balance date, to the extent that the Group anticipates that it will be used by staff to cover those future absences.

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.



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

**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.

**(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.

**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.



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

**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.

**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.



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

**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.

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.



**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:

|   | <b>2019</b> | <b>2018</b> |
|---|-------------|-------------|
| <b>General overheads</b>                      |             |             |
| Audit fees for financial statement audit      | 23,000      | 22,350      |
| <b>Employee remuneration</b>                  |             |             |
| Wages and salaries                            | 3,652,701   | 3,487,112   |
| Increase/ (decrease) in employee entitlements | 53,980      | (2,622)     |
| <b>Finance costs include:</b>                 |             |             |
| Interest on borrowings                        | 5           | 142         |
| Bank fees                                     | 26,471      | 25,623      |

**5 Cash and cash equivalents**

|                          | <b>2019</b>      | <b>2018</b>    |
|--------------------------|------------------|----------------|
| Cash at bank and in hand | 297,145          | 264,665        |
| Call deposits            | 1,031,750        | 609,666        |
| <b>Total</b>             | <b>1,328,895</b> | <b>874,331</b> |

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

**6 Receivables**

|  | <b>2019</b>    | <b>2018</b>    |
|--|----------------|----------------|
| Receivables from exchange transactions     | 770,000        | 631,175        |
| Receivables from non-exchange transactions | 190,061        | 265,788        |
| <b>Total</b>                               | <b>960,061</b> | <b>896,963</b> |

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 Group**  
**Notes to the consolidated financial statements**  
*In New Zealand Dollars*

**7 Property Plant and Equipment**

| <b>Movement 2019</b>             | <b>Cost</b><br>1 July 18 | <b>Additions</b> | <b>Disposals</b> | <b>Cost</b><br>30 June 19 | <b>Accumulated depreciation</b><br>1 July 18 | <b>Depreciation written back</b> | <b>Current year depreciation</b> | <b>Accumulated depreciation</b><br>30 June 19 | <b>Carrying amount</b><br>30 June 19 |
|----------------------------------|--------------------------|------------------|------------------|---------------------------|--|----------------------------------|----------------------------------|---|--------------------------------------|
| Land                             | 2,694,970                | -                | -                | 2,694,970                 | -  | -                                | -                                | -   | 2,694,970                            |
| Buildings                        | 6,296,768                | 672,081          | -                | 6,968,849                 | 2,982,462                                    | -                                | 157,836                          | 3,140,298                                     | 3,828,551                            |
| Boats                            | 1,478,852                | 24,438           | -                | 1,503,290                 | 1,049,151                                    | -                                | 88,577                           | 1,137,728                                     | 365,562                              |
| Motor vehicles                   | 728,981                  | -                | 1,333            | 727,648                   | 656,345                                      | 1,333                            | 32,890                           | 687,902                                       | 39,747                               |
| Plant and equipment              | 493,094                  | 47,747           | 16,908           | 523,933                   | 462,820                                      | 16,476                           | 16,111                           | 462,455                                       | 61,478                               |
| Furniture and computer equipment | 116,480                  | 20,757           | 2,389            | 134,848                   | 111,528                                      | 2,389                            | 6,457                            | 115,596                                       | 19,252                               |
| Training equipment               | 627,316                  | 30,289           | -                | 657,605                   | 504,993                                      | -                                | 69,138                           | 574,131                                       | 83,474                               |
| <b>Total</b>                     | <b>12,436,461</b>        | <b>795,312</b>   | <b>20,630</b>    | <b>13,211,143</b>         | <b>5,767,299</b>                             | <b>20,198</b>                    | <b>371,008</b>                   | <b>6,118,109</b>                              | <b>7,093,034</b>                     |

| <b>Movement 2018</b>             | <b>Cost</b><br>1 July 17 | <b>Additions</b> | <b>Disposals</b> | <b>Cost</b><br>30 June 18 | <b>Accumulated depreciation</b><br>1 July 17 | <b>Depreciation written back</b> | <b>Current year depreciation</b> | <b>Accumulated depreciation</b><br>30 June 18 | <b>Carrying amount</b><br>30 June 18 |
|----------------------------------|--------------------------|------------------|------------------|---------------------------|--|----------------------------------|----------------------------------|---|--------------------------------------|
| Land                             | 2,700,000                | -                | 5,030            | 2,694,970                 | -  | -                                | -                                | -   | 2,694,970                            |
| Buildings                        | 5,563,335                | 733,433          | -                | 6,296,768                 | 2,841,308                                    | -                                | 141,154                          | 2,982,462                                     | 3,314,306                            |
| Boats                            | 1,475,602                | 57,372           | 54,122           | 1,478,852                 | 1,006,065                                    | 44,005                           | 87,091                           | 1,049,151                                     | 429,701                              |
| Motor vehicles                   | 707,967                  | 37,609           | 16,595           | 728,981                   | 628,700                                      | 16,596                           | 44,241                           | 656,345                                       | 72,636                               |
| Plant and equipment              | 490,930                  | 14,258           | 12,094           | 493,094                   | 456,513                                      | 12,094                           | 18,401                           | 462,820                                       | 30,274                               |
| Furniture and computer equipment | 137,231                  | 963              | 21,714           | 116,480                   | 128,918                                      | 21,714                           | 4,324                            | 111,528                                       | 4,952                                |
| Training equipment               | 629,033                  | 95,897           | 97,614           | 627,316                   | 528,557                                      | 97,614                           | 74,050                           | 504,993                                       | 122,323                              |
| <b>Total</b>                     | <b>11,704,098</b>        | <b>939,532</b>   | <b>207,169</b>   | <b>12,436,461</b>         | <b>5,590,061</b>                             | <b>192,023</b>                   | <b>369,261</b>                   | <b>5,767,299</b>                              | <b>6,669,162</b>                     |



**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 AMP Capital investment portfolio 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 available for sale.

|   | 2019              | 2018              |
|---|-------------------|-------------------|
| Rangatira shares                        | 3,665,625         | 3,292,500         |
| AMP Capital                             | 13,834,962        | 13,746,734        |
| Foodstuffs redeemable preference shares | 14,009            | 14,513            |
| <b>Total</b>                            | <b>17,514,596</b> | <b>17,053,747</b> |

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 \$789,337 (2018: \$1,380,485)

**9 Trade creditors and other payables**

|                      | 2019           | 2018           |
|----------------------|----------------|----------------|
| Trade creditors      | 135,611        | 94,796         |
| Accrued expenses     | 252,021        | 284,811        |
| GST and PAYE payable | 71,515         | 61,233         |
| <b>Total</b>         | <b>459,147</b> | <b>440,840</b> |

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**

|  | 2019             | 2018             |
|--|------------------|------------------|
| Revenue in Advance for exchange transactions     | 1,115,355        | 895,737          |
| Revenue in Advance for non-exchange transactions | 364,838          | 655,182          |
| Grant Revenue                                    | 11,345           | 14,539           |
| <b>Total</b>                                     | <b>1,491,538</b> | <b>1,565,458</b> |



**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 Equity.

| <i>2019 - transfers between equity reserves</i> | <b>Opening</b>    | <b>Transfer from/ (to) retained earnings</b> | <b>Closing</b>    |
|---|-------------------|--|-------------------|
| Endowment funds                                 | 18,134,705        | 594,052                                      | 18,728,757        |
| Sponsorship funds                               | 1,096,657         | 239,761                                      | 1,336,418         |
| Special funds                                   | 2,000,600         | 2,361  | 2,002,961         |
| Capital Replacement Reserve                     | 435,314           | 268,155                                      | 703,469           |
| <b>Total</b>                                    | <b>21,667,276</b> | <b>1,104,329</b>                             | <b>22,771,605</b> |

| <i>2018 - transfers between equity reserves</i> | <b>Opening</b>    | <b>Transfer from/ (to) retained earnings</b> | <b>Closing</b>    |
|---|-------------------|--|-------------------|
| Endowment funds                                 | 17,614,104        | 520,601                                      | 18,134,705        |
| Sponsorship funds                               | 1,098,628         | (1,971)                                      | 1,096,657         |
| Special funds                                   | 1,977,661         | 22,939                                       | 2,000,600         |
| Capital Replacement Reserve                     | 66,712            | 368,602                                      | 435,314           |
| <b>Total</b>                                    | <b>20,757,105</b> | <b>910,171</b>                               | <b>21,667,276</b> |

**(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 the Project Refresh Anakiwa Capital Campaign. This reserve has been renamed from the Tortuga Replacement Reserve as this project includes the Tortuga Launch replacement.

**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.



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

**(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.

**(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.

Three of the seven trustees of the Foundation are also members of the governing body of the Trust.

**(c) Related party transactions**

Transactions with related parties are priced on an arm's length basis. No provision has been required, nor any expense recognised for impairment of any loans or other receivable balance to related parties (2018: \$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>    | <b>2019</b>    | <b>2018</b>    |
| Salaries and other short-term employee benefits | <b>243,577</b> | <b>232,452</b> |

This total remuneration is for one employee (2018: One)

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.

**(d) Other related party transactions**

*Dick Hubbard – Outward Bound Trust Director (until 21 February 2019)*

The Trust received \$25,000 in donations in the 2019 financial year from Dick Hubbard to assist with capital expenditure. (2018: \$25,000)

*Glenys Coughlan – Outward Bound Trust Director (until 21 December 2018)*

The Trust received donations of \$1,500 for the 2019 financial year for a student scholarship (2018: \$nil).

*Andrew Smith – Outward Bound Trust Director*

The Trust received donations of \$50,000 for the 2019 financial year to assist with operational costs (2018: \$nil) and \$350,000 to assist with capital expenditure (2018: \$400,000).

*Grant Faber – Outward Bound Trust Director*

The Trust received donations of \$nil for the 2019 financial year to assist with capital expenditure (2018: \$50,000).



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

There were no other related party transactions in the 2018 and 2019 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:

|  | 2019              | 2018              |
|--|-------------------|-------------------|
| <b>Financial Assets</b>  |                   |                   |
| <i>Financial assets at fair value through surplus or deficit</i> |                   |                   |
| Investments  | 17,514,596        | 17,155,156        |
| <i>Loans and receivables</i>                                     |                   |                   |
| Cash and cash equivalents  | 1,328,895         | 874,331           |
| Receivables from exchange transactions                           | 770,000           | 631,175           |
| Receivables from non-exchange transactions                       | 190,061           | 265,788           |
| <b>Total</b>   | <b>19,803,552</b> | <b>18,926,450</b> |

|  | 2019             | 2018             |
|--|------------------|------------------|
| <b>Financial Liabilities</b>                     |                  |                  |
| <i>At amortised cost</i>                         |                  |                  |
| Trade creditors and accrued expenses             | 387,632          | 379,607          |
| Employee entitlements                            | 213,578          | 159,598          |
| Revenue in Advance for exchange transactions     | 1,115,355        | 895,737          |
| Revenue in Advance for non-exchange transactions | 376,183          | 669,721          |
| <b>Total</b>                                     | <b>2,092,748</b> | <b>2,104,663</b> |

**14 Operating leases**

| <i>Non-cancellable operating leases are payable as follows:</i> | 2019           | 2018           |
|---|----------------|----------------|
| Less than one year  | 105,881        | 95,082         |
| Between one and five years                                      | 221,342        | 14,639         |
| More than five years  | -              | -              |
| <b>Closing balance</b>  | <b>327,223</b> | <b>109,721</b> |

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 staff accommodation for \$789,695. The Trust has paid \$100,000 on this contract at year end. (2018: Deposits on property, plant and equipment of \$424,739).

**16 Contingent Liabilities**

The Group has no contingent liabilities as at balance date (2018: \$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 Group

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of The Outward Bound Trust of New Zealand Group (the "Group") on pages 1 to 17 which comprise the consolidated statement of financial position as at 30 June 2019, and the consolidated statement of comprehensive revenue and expense, 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 2019 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 (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 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/audit-report-7/>

#### 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 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 Partnership



**B Smith**  
Partner  
**Wellington**

**21 August 2019**

# CONSTITUTION

Outward Bound Trust of New  
Zealand



**OUTWARD BOUND**

— EST. ANAKIWA NZ 1962 —

# CONSTITUTION

## Outward Bound Trust of New Zealand

Date 2019

The following is the Constitution of Outward Bound Trust of New Zealand

### 1. General

- 1.1 Outward Bound Trust of New Zealand has since November 1997 been incorporated as a Board under the Charitable Trusts Act 1957.
- 1.2 The specific purposes and objectives upon which the Trust assets shall be held are those set out in Schedule A.
- 1.3 The powers of the Trust shall be those set out in Schedule B.
- 1.4 The management of the Trust shall be in accordance with the clauses set out in Schedule C.

### 2. Definitions and Interpretation

- 2.1 In this Deed including all attached schedules:

"**AGM**" means annual general meeting in accordance with clause 3 of Schedule C.

"**Alumni**" means any person who has participated in an Outward Bound course and meets such other requirements as the Board may determine from time to time.

"**Board**" means the Board of Directors appointed pursuant to clause 7.6 of Schedule C.

"**Chair**" means the person chosen as Chair by the Board pursuant to clause 9 of Schedule C.

"**Charitable Purposes**" means the purposes set out in Schedule A and any other similar charitable purposes **PROVIDED HOWEVER** that if by reason of any alteration in the law relating to income tax or other taxes, it is at any time necessary to amend such purposes in order to preserve the right to exemption from income tax, goods and services tax or other taxes, the Charitable Purposes shall be deemed to be amended to the extent necessary to retain such exemption.

"**Chief Executive**" means the person who is appointed by the Board to be Chief Executive of the Trust.

"**Director**" means any person elected to the Board of Directors pursuant to clause 7.6 of Schedule C.

"**Guardians**" means the Outward Bound Guardians of Members being the body appointed pursuant to clause 5.2 of Schedule C.

"**Member**" means any person who is a member pursuant to clause 1 of Schedule C.

"**Nominating Procedure**" means the procedure set out in clause 8 of Schedule C.

"**Outward Bound Foundation**" means the Outward Bound of New Zealand Foundation, a body incorporated under the Charitable Trusts Act 1957.

"**Person**" includes any individual, company, or other body corporate, recognised as a legal entity.

**"Special Resolution"** means a resolution of the Guardians or of a General Meeting of the Trust, as the case may be, in respect of which:

- (a) At least 10 Working Days' notice in writing is given specifying the business to be voted upon; and
- (b) Is passed by a majority of 75% of those present and entitled to vote.

**"Trust"** means the Outward Bound Trust of New Zealand being a Trust incorporated as a Board under the Charitable Trusts Act 1957.

**"Trust Fund"** the income and property owned or under the Trust's control.

**"Working Day"** means any day that is not a Saturday, Sunday or statutory holiday in the place where the Trust has its principal administrative office.

## **2.2 Amended legislation**

Where any reference is made to any enactment and the enactment is varied or substituted then the reference shall be deemed to mean the enactment as varied or substituted as far as that is possible.

## **2.3 Construction**

Any reference to:

- (a) The singular shall include the plural and vice versa; and
- (b) One gender shall include the other gender.

## SCHEDULE A

### Charitable Purposes

The Charitable Purposes for which the Trust is established are:

1. 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.
2. 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.
3. The objects or purposes of this Trust are or shall be charitable under section 5 of the Charities Act 2005 and shall be deemed not to include or extend to any matter or thing which is or shall be held or determined to be non-charitable and the powers and purposes of the Board and trusts hereby created shall be so restricted.

## SCHEDULE B

### Powers of the Trust

1. Subject to the express terms of this Deed (and without limiting the generality), the Trust shall have, in relation to the property owned or under its control, the Trust Fund and the income arising from the Trust Fund, all the same powers as a natural person acting as a beneficial owner of the property from time to time comprising the Trust Fund and such powers shall not be restricted by any principle of construction or rule of law except to the extent that such is obligatory, **PROVIDED THAT** the Trust shall not have power to do any act:
  - (a) Which returns to any Member or Director of the Trust any property or benefit other than is specifically allowed for in this Deed; or
  - (b) Which detracts from the Charitable Purposes, or that adversely affects the Trust's standing as a charitable trust or removes its standing as a body entitled to take advantage of the taxation and other exemptions afforded to charitable bodies.
  
2. Without limiting the generality of the preceding paragraph nor the powers expressly or impliedly given to the Trust by law and, merely by way of example, the Trust shall have the powers set out below which may be exercised either alone or jointly with any other person:
  - (a) To purchase or otherwise acquire and take over all or any part which the Trust may lawfully acquire or take over, of the property, assets, liabilities and engagements of any one or more companies, societies, associations or bodies having the same objects as those of the Trust or objects corresponding with the objects of the Trust, and to amalgamate with any such companies or bodies.
  - (b) To promote research in all types of character training, and to make grants or donations for such purposes.
  - (c) To establish, form or maintain camps and schools, for shorter or longer periods, and to promote, establish, manage, finance, or in any way assist with any school, camp, training establishment, short course, club or similar organisation having the same objects as or objects corresponding to those of the Trust and to establish, subsidise, promote, amalgamate, cooperate or federate with, affiliate or become affiliated to, act as trustee or agent for or manage or lend money or assistance to any association, society, company or other body, whether or not incorporated, whose objects are the same as or correspond with those of the Trust but so that none of the funds of the Trust shall be paid to any federated, affiliated or co-operative association, society or other body which does not prohibit the distribution of its income and property among its Members to an extent at least as great as is imposed on the Trust by this Deed.
  - (d) To form, assist or maintain establishments designed to train leaders for any youth organisation or scheme having purely educational objects and establishments for short courses or short term schools to provide, particularly youth, with courses of education, including physical and athletic training, conducive to the objects of the Trust.
  - (e) To establish, undertake the supervision of, administer and contribute to any fund established for the purpose of making donations or advances to deserving persons in necessitous circumstances, who have been engaged in or connected with pursuits or occupations within the scope of the objects of the Trust.
  - (f) To purchase, lease or otherwise acquire and hold any real and personal property, and any rights or privileges necessary, convenient or desirable for the purposes of the objects of the

Trust, and to construct, alter and maintain any houses or buildings required for such purposes.

- (g) For the purposes aforesaid to sell, improve and develop, lease, let on hire, mortgage, dispose of or otherwise deal with all or any of such property, rights or privileges.
  - (h) To borrow or raise and secure the payment of money for the purposes aforesaid in such manner as may be considered expedient and to issue debentures, debenture stock and other securities and for the purpose of securing any debt or other obligation of the Trust to mortgage or charge all or any part of the property of the Trust.
  - (i) To invest and deal with any moneys of the Trust not immediately required for the furthering of the objects of the Trust in such manner and upon such securities as may be deemed expedient and to place any such moneys on deposit with bankers and others.
  - (j) To promote or concur in promoting and to do all lawful things incidental or conducive to the attainment of all or any of the objects of the Trust or to the preservation and maintenance of the property of the Trust in any part of New Zealand as may seem expedient.
  - (k) To effect insurance in the widest possible terms:
    - (i) over the assets and undertaking, and business of the Trust and in respect of all claims which may be made against the Trust;
    - (ii) in respect of claims or prosecutions of all types which may be made against the Trust's Directors, managers or employees, arising from their actions carried out in the course of their service to or employment with the Trust, including statutory liability insurance where appropriate, but in no case to cover such persons in respect of their individual positive criminal acts or dishonesty.
3. The Trust Fund shall be applied solely towards the promotion of the objects of the Trust and no portion of the Trust Fund shall be paid or transferred, directly or indirectly, by way of dividend, bonus or similar by way of profit to the Members. Provided that nothing in this Deed shall prevent the payment in good faith of reasonable remuneration to any officer or employee of the Trust, or to any Member, in return for any services actually rendered to the Trust, nor prevent the payment of interest at current rates on money lent or reasonable and proper rent for premises demised or let by any Member; but so that no member of the Guardians or governing body of the Trust shall be appointed to any salaried office of the Trust or any office of the Trust paid by fees and that no remuneration or other benefit in money or money's worth shall be given by the Trust to any member of such Guardians or governing body except repayment of out-of-pocket expenses and interest at the current rate on money lent or reasonable and proper rent for premises demised or let to the Trust.

## SCHEDULE C

### Membership, Management and Elections of the Trust

#### 1. Members

- 1.1 Any person shall become a Life Member of the Trust who shall give to the Trust a minimum sum which shall be set by the Board from time to time or make such other provisions for the Trust as in the opinion of the Board is not less beneficial to the Trust than a payment of that sum.
- 1.2 Any person shall be become an Ordinary Member of the Trust who shall subscribe the yearly sum of such amount as the Board from time to time sets for Ordinary Members.
- 1.3 The Board may from time to time establish other classes of Members as it thinks fit.
- 1.4 Upon any person becoming a Member, the Chief Executive shall enter the name of the such person on the records of the Trust as a member of the relevant class as the class may be.
- 1.5 Any Member who wishes to retire shall signify such desire in writing to the Chief Executive and thereupon that Member's name shall be removed from the list of Members and that Member shall be deemed to have retired. Any Ordinary Member of the Trust who neglects and fails to pay their yearly subscription for six (6) months after it has become due, shall have that Member's name removed from the list of Members and as the membership of the Trust shall determine. For the purposes of this clause, all subscriptions shall be deemed to become due on the first (1<sup>st</sup>) of July in each year, save as regards to the first subscription of the Member which is payable on the Member being admitted to membership.
- 1.6 No unincorporated society or body may, as such, become a Member, but if any such society or body should desire to obtain the advantages of membership, it shall nominate a person to act as its representative, apply in its name for membership and sign the application as its representative and exercise the rights of membership on its behalf. Any such unincorporated society or body may, by writing, remove any person so nominated and nominate another in that person's place. Every person so nominated may exercise and enjoy on behalf of such unincorporated society or body all the rights and privileges incidental to its membership so long as such membership continues and that person 's appointment is not determined.
- 1.7 No right or privilege of any Member shall be in any way transferable, but all such rights and privileges shall cease upon the Member ceasing to be such, whether by death, retirement or otherwise.

#### 2. Outstanding Service Award

The Trust may, from time to time at any General Meeting, award any person an award for outstanding service to the Trust, which is known as the "Kurt Hahn Award". Any such person shall be entitled, without cost, to all the privileges of membership and his or her name shall be recorded on a register kept by the Trust for this purpose. Before any such person is given such an award, they must be nominated in accordance with the Nominating Procedure being altered as necessary in the circumstances.

#### 3. Annual General Meeting of the Trust

- 3.1 AGMs of the Members of the Trust shall be held once in each year at such time and place as the Board may from time to time prescribe and not more than fifteen (15) months shall be allowed to elapse between any two such AGMs.

- 3.2 All the above-mentioned AGMs shall be called Ordinary Meetings and all other General Meetings shall be called Extraordinary Meetings.
- 3.3 The Guardians or the Board by resolution or the Chair of the Trust or the Deputy Chair of the Trust or any twenty (20) Members in writing, may requisition the holding of an Extraordinary Meeting and the Chief Executive shall issue the necessary notices accordingly.
- 3.4 Any requisition made by Members shall express the object of the meeting proposed to be called and shall be left at the registered office of the Trust.
- 3.5 Upon the receipt of such requisition, the Board shall forthwith proceed duly to convene an Extraordinary Meeting; if they do not proceed duly to convene the same within twenty-one (21) days from the date of deposit of the requisition, to be held within forty (40) days of the said date, the requisitionists may themselves convene the meeting and recover the cost of doing so from the Trust.
- 3.6 At least ten (10) working days before every AGM (exclusive of the day on which the notice is served or deemed to be served and exclusive of the day for which the notice is given) a notice in writing specifying the place, the day and hour of meeting and, in case of special business the general nature of such business, shall be given to all the Members in the manner hereinafter mentioned or in such other manner (if any) as may be prescribed by the Trust in the AGM; but the accidental omission to send such notice or the non-receipt of such notice by any Member shall not invalidate the proceedings at any AGM.
- 3.7 All business shall be deemed special that is transacted at an AGM, with the exception of the consideration of the accounts and balance sheets and ordinary report of the Guardians and Board.
- 3.8 The Chair of every AGM of the Trust shall be, in order of availability, the Chair and Deputy Chair or accordingly, by agreement, a Director of the Trust.
- 3.9 In the absence of the officers listed in clause 3.8, Members present at such meetings shall choose one of their number to be Chair of such meeting.

#### **4. Patron**

- 4.1 The Guardians may invite any person to become the Patron of the Trust.
- 4.2 The Patron shall ex officio be a Director and entitled to all the rights of a Director.

#### **5. Guardians**

##### *5.1 Role of Guardians*

- (a) The Guardians shall be responsible for the protection of the ethos and philosophy of Outward Bound, but at the same time have due regard to the economic viability of the Trust.
- (b) The Guardians shall be responsible for approving recommendations as they see fit to nominate to the Board pursuant to clause 7 of Schedule C.

##### *5.2 Election of the Guardians*

- (a) Those persons eligible to be appointed Guardians shall comprise:
- (i) the current and past four Chair's;
  - (ii) the Patron;
  - (iii) any person appointed as Guardian under previous clauses;

- (iv) a representative appointed by the Outward Bound Foundation; and
  - (v) all Kurt Hahn awardees.
- (b) Not more than four (4) Directors of the Trust can sit on the Guardians at any one time.
- (c) New Guardians shall be elected at an AGM of the Trust.

### 5.3 *Vacation of Guardian's Position*

- (a) A Guardian's position shall be vacated by any Guardian:
- (i) if a receiving order is made against a Guardian or if the Guardian makes any arrangement or composition with that Guardian's creditors;
  - (ii) if a manager is appointed to manage all or any of the property of the Guardian member pursuant to the Protection of Personal and Property Rights Act 1988;
  - (iii) if a Guardian ceases to be a Member of Outward Bound;
  - (iv) if the Guardians resolve by way of Special Resolution that the Guardian is unfit to continue in office; or
  - (v) if by notice in writing, the Guardian resigns from office.
- (b) Any casual vacancy on the Guardians, arising for any reason, may be filled by a person appointed by the Guardians.

### 5.4 *Chair*

- (a) The Chair shall be the current Patron or Patron's nominee. In case there is no Patron to cover the Patron's absence at any meetings, immediately following the AGM at which the Guardians have been appointed, the Guardians shall elect one of their number to be Chair during the absence of the Patron. The Chair may not be a Director of the Trust.
- (b) Guardians may, if they wish, also appoint a Deputy Chair who can carry out the Chair's role in the absence of the Chair and such other officers as it thinks fit.
- (c) The Chair shall hold office for a term of two (2) years and may be re-elected for one (1) further term of two (2) years.

### 5.5 *Role of the Chair*

- (a) The Chair may appoint such committees as the Chair thinks fit and, in conjunction with any such committees, shall monitor the effectiveness of the Guardians and recommend to the Guardians initiatives and actions to improve this effectiveness.
- (b) Receive nominations for members of the Guardians, the Board or other committees pursuant to the Nominating Procedure and enquire into such nominees and recommend nominees to the relevant body for election where required.
- (c) Endeavour to ensure that the Guardians' members have a clear understanding of the role and responsibilities of the Guardians; and

- (d) Develop and carry out initiatives as agreed with the Chief Executive Officer and/or the Board that utilise the skills available to the Trust from the Guardians' members, Members, past students and others that could be expected to support Outward Bound.

## **6. Meetings and Proceedings of the Guardians**

- 6.1 The Guardians shall have at least one (1) physical meeting each year.
- 6.2 The Guardians may otherwise meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 6.3 Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chair shall have a second or casting vote.
- 6.4 Any two (2) members of the Guardians may, and the Chief Executive on the requisition of the Guardians shall, at any time summon a meeting of the Guardians.
- 6.5 The quorum necessary for the transaction of the business of the Guardians may be fixed by the Guardians and, unless so fixed, shall be a majority of the Guardians.
- 6.6 The continuing Guardians may act notwithstanding any vacancy in their body.
- 6.7 Guardians shall receive at least ten (10) working days' written notice of a meeting of the Guardians specifying the business to be raised at that meeting.
- 6.8 The Guardians may, subject to any limit prescribed from time to time by the Chair after consultation with the Chair, be paid reasonable travelling, hotel and other expenses properly incurred in attending and returning from meetings of the Guardians or General Meetings of the Trust or in connection with the business of the Trust.
- 6.9 A resolution which has been notified to all Guardians may be determined without any meeting of the Guardians as long as it is evidenced in writing under the hands of 75% of the Guardians and shall be as valid and effectual as a resolution duly passed at a meeting of the Guardians.
- 6.10 The Guardians shall receive the Board papers and minutes from Board meetings.

## **7. The Board**

### *7.1 Role of the Board of Directors*

- (a) The Board shall be responsible for the economic viability of the Trust, but with due regard to ensuring that the ethos and philosophy of Outward Bound is continued.
- (b) The business and affairs of the Trust shall and must be managed by or under the direction or supervision of the Board.
- (c) The Board has all the powers necessary for managing, directing and supervising the management of the business and affairs of the Trust.
- (d) Without limiting the Board's powers in this Deed, the Board shall have power to appoint such staff and on such terms as it sees fit for the proper management of the Trust. Any staff so appointed shall not ex-officio be Directors of the Board, but the Board shall have power in its sole discretion to co-opt staff to the Board with full voting rights.
- (e) The Board of Directors will meet a minimum of four (4) times per year. Directors are expected to attend at least 75% of meetings in any calendar year and not miss more than two (2) consecutive meetings.

## 7.2 *Meetings of Directors and Quorum*

The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit and may determine the quorum necessary for the transaction of business. Unless otherwise determined, the quorum shall be three (3) Directors. No business shall be transacted at a meeting of Directors unless a quorum is present.

## 7.3 *Directors May Call Meeting of Board*

A Director may at any time, and the Chief Executive Officer upon the request of a Director shall, convene a meeting of the Board. It shall not be necessary to give notice of any such meeting to any Director for the time being absent from New Zealand. The validity of proceedings at any meeting of the Board shall not be called into question if any such notice was not in fact received by any Director.

## 7.4 *Voting at Board Meeting*

Questions arising at any Board meeting shall be decided by a majority of votes. In the case of any equality of votes, the Chair of such meeting shall have a second and casting vote.

## 7.5 *Size*

The Board shall consist of not less than eight (8) and no more than twelve (12) Directors (excluding any co-opted or ex officio directors), provided that at any time there are less than eight (8) Directors the person or persons having the power of appointment of Directors will increase the Directors to eight (8) as soon as is reasonably practicable and the remaining Directors will be entitled to act until the number of Directors is so increased and no act or decision of the Directors will be called into question on such account.

## 7.6 *Selection and Appointment*

- (a) Subject to compliance with the Nominating Procedure set out below, members of the Board for appointment for the next term of three (3) years shall be suggested by the Board in agreement with the Guardians' Chair. The Guardians shall confirm Directors to the Board at a Guardians' meeting called within 48 hours immediately following the Annual General Meeting of the Trust at which the Guardians were elected.
- (b) Any new Director to the Trust may initially be appointed for a one (1) year term, followed by three (3) year terms after that subject to mutual agreement to continue.

## 7.7 *Power of Directors to Fill Casual Vacancy to Appoint Additional Directors*

- (a) The Directors shall have power at any time to appoint any other qualified person as a Director, either to fill a casual vacancy or as an addition to the Board; and
- (b) Any Director so appointed shall retire at the next AGM of the Board but shall be eligible for reelection at that meeting.

## 7.8 *Consent to Act*

The appointment of a Director shall not take effect until the consent so to act in writing of the person appointed is received by the Trust.

## 7.9 *Rotation of Directors*

### **(a) Directors to Retire**

- (i) The Directors to retire in each year shall be those who have completed a three (3) year term.
- (ii) The length of time a Director has been in office shall be computed from that person's last election where such person has previously retired or vacated office. A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which such person retires.

### **(b) Exemption from Retirement**

The following Directors shall be exempt from the obligation to retire pursuant to clause 7.9(a) of Schedule C:

- (i) directors appointed by the Board, who are subject to re-election pursuant to clause 7.9(a)(i) of Schedule C; and
- (ii) one Executive Director (if any).

### **(c) Office May be Filled at Meeting at Which Directors Retire**

The Board, at any meeting at which any Directors retire in the manner aforesaid, may fill the vacated offices by electing a like number of persons to be Directors and, in default, a retiring Director if that Director offers themselves for re-election, shall be deemed to have been re-elected unless at that meeting it is expressly resolved not to fill the vacated office or unless a resolution for the re-election of that Director is put to the meeting and lost.

### **(d) Directors may be Removed by Special Resolution**

The Directors may, by Special Resolution, remove any Director before the expiration of that Director's period of office and may, by an Ordinary Resolution, appoint another person in such Director's place. The person so appointed shall be subject to retirement at the same time as if such person had become a Director on the date on which the Director in whose place such person is appointed was last elected a Director.

### **(e) Office of a Director Vacated in Certain Cases**

The office of a Director shall be vacated, if the Director:

- (i) becomes disqualified from being a Director by reason of any of the matters mentioned in Section 151(2) of the Companies Act 1993; or
- (ii) becomes mentally disordered, or of unsound mind; or
- (iii) becomes medically unfit; or
- (iv) becomes a protected person under the Protection of Personal and Property Rights Act 1988; or
- (v) resigns that person's office by notice in writing to the Trust; or
- (vi) is removed from office by a resolution passed under the provisions of clause 7.9(d) of Clause C.

## **8. Nominations Procedure**

### *8.1 Nominations*

No person, other than a Director who is appointed as a casual vacancy under clause 7.7 of Clause C, shall be nominated for or elected to a position on the Board, Guardians or any other body of the Trust whose members are appointed by the Board or the Guardians or Members, unless that person has been nominated in accordance with the following procedure.

### *8.2 Nomination of Members to the Board of the Trust and Directors of the Outward Bound Foundation*

- (a) The Chair shall advise and discuss with the Chair of the Guardians as to the required skill sets that it may from time to time require to fill any particular vacancy on the Board and/or as a Trustee for the Outward Bound Foundation.
- (b) Following that discussion, the Board shall seek suitable candidates with the required skill sets for that position and forward the curriculum vitae or other summary information sufficient to show the attributes of the person or persons being considered for appointment to the Board or as Trustee of the Outward Bound Foundation.
- (c) The Chair of the Guardians and/or any committee appointed for the purpose by the Guardians shall, in consultation with the Chair, consider the candidates or candidates being put up for appointment to the Board of the Trust and or as Trustee of the Outward Bound Foundation and, following such consideration, recommend or otherwise to the Guardians the appointment of the preferred candidate to the Board of the Trust or as a Trustee of the Outward Bound Foundation.

## **9. Appointment of Officers of the Outward Bound Trust Board**

- (a) The Chair shall call for Expressions of Interest from members of the Board in becoming Chair (Deputy Chair). Such call to be made not less than three (3) months before the AGM at which the Chair (Deputy Chair) shall retire.
- (b) Applicants shall meet with the nominations committee who may produce a short list if deemed required. The Chair shall be responsible for any follow-up discussion with the applicants and for obtaining the CEO's input.
- (c) Those standing shall present to the Board and answer any questions from Directors.
- (d) Nominations shall be called for those standing.
- (e) A closed vote of all Directors shall be held with returns to Chair. In event of a tied vote, the nominations committee will decide the outcome. Those persons standing shall not be eligible to vote.
- (f) Those elected will be nominees for the role until such time as formally appointed by a meeting of the Guardians which shall be held not more than 48 hours after the AGM.

### *9.1 Appointment Term*

- (a) The Chair and Deputy Chair shall be appointed for a term of three years.
- (b) The Deputy Chair appointment is made on the basis that they are likely to become Chair. While this is the general intent the appointment of the Chair shall be open to all eligible Board members.

- (c) Unless the Board decides otherwise, the Chair and the Deputy Chair shall not serve in those respective positions for more than one consecutive three (3) year term.

#### 9.2 *Review of effectiveness and continuity*

- (a) It shall be the responsibility of the Chair to review annually the effectiveness of the Deputy Chair and to determine their desire to continue in the role.
- (b) An annual evaluation of the Directors ' effectiveness will include that of the Chair and Deputy Chair.

#### 9.3 *Nominations committee*

The Nominations committee shall comprise the Chair and two suitable members of the Board. Board members who have put forward an expression of interest in the roles shall not be eligible. This committee will generally be made up from the standing nominations committee being a regular subcommittee of the Board.

### 10. **Committees of Board of Outward Bound**

- 10.1 The Board may delegate any of its powers to any committee or committees, consisting of such persons as they think fit and may from time to time revoke such delegation. In particular, the Board shall appoint a committee to oversee safety in the organisation. Such committee must include members who are not staff or officers of the Trust.
- 10.2 Any committee so formed will, in the exercise of the power so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.
- 10.3 The meetings and proceedings of any such committee, consisting of two (2) or more members, shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board, so far as the same are applicable thereto and are not superseded by any regulations made by the Board under this clause.
- 10.4 The Board may appoint a Chair and Deputy Chair of any committee and in the absence of any such appointment the committee may elect its own officers.

### 11. **Seal**

- 11.1 The Trust shall keep a common Seal in the custody of the Chief Executive in the form affixed to this Deed.
- 11.2 The seal of the Trust shall not be affixed to any instrument except by the authority of a resolution of the Board and in the presence of the Chair, one Director and the Chief Executive and in favour of any purchaser or person bona fide dealing with the Trust, such signature shall be conclusive evidence of the fact that the Seal has been properly fixed.

### 12. **Borrowing Powers**

The Board may raise or borrow for the purposes of the Trust business , such sums of money as it thinks fit and may secure the repayment of or raise any such sum as aforesaid by mortgage or charge upon any part of the property and assets of the Trust.

### 13. **Finance**

- 13.1 The Board shall keep true accounts of all sums of money received and expended by the Trust and of the matters in respect of which such receipts and expenditure take place and of all property, credits and liabilities of the Trust.

- 13.2 Subject to any reasonable restrictions that may from time to time be imposed by the Trust in a General Meeting, all the books of accounts of the Trust shall be open to the inspection of any Member at any time during business hours.
- 13.3 The Board shall at every Ordinary Meeting, except the first, lay before the Trust a statement of the income and expenditure of the Trust made up to a date not more than six (6) months before the date of the meeting and covering the period since the last account or, in the case of the first account, since the incorporation of the Trust and also a balance sheet covering the same period, together with a report of the Board as to the state and progress of the Trust.
- 13.4 Auditors shall be appointed and their duties regulated in accordance with the directives given from time to time by the Board.
- 13.5 All the subscriptions and pecuniary donations and legacies for the general purposes of the Trust and the income of investments and all other moneys from time to time forming part of the revenue of the Trust shall, on the same being received, be paid to the general account of the Trust at their bankers.
- 13.6 Subscriptions and pecuniary donations and legacies given for the purpose of being applied towards acquiring additional land or buildings for the purposes of the Trust or paying off any debts incurred for any of such purposes, shall, on being received, be paid to the bankers of the Trust, and shall be accounted for separately from the general funds.
- 13.7 If the Trust shall be wound up, the assets remaining after payment of the debts and liabilities of the Trust and the costs of liquidation shall be applied in the manner mentioned in clause 16.

#### **14. Variation of this Deed**

This Deed may only be varied by Special Resolution of a General Meeting of the Trust and in any event may not be varied:

- (a) So as to provide that any benefit shall be available to a Member; or
- (b) So as to alter the Trust's charitable status.

#### **15. Director Liability**

- 15.1 No Director shall be liable for:
- (a) Any loss not attributable to dishonesty of the Director or to the willful commission by the Director of an act known to the Director to be a breach of trust; or
  - (b) The neglect or default of any solicitor, bank, accountant, auditor, stockbroker, investment advisor or other agent employed in good faith by the Director.
- 15.2 No Director shall be bound to take any proceedings against a co-Director for any breach or alleged breach of trust committed by such co-Director.
- 15.3 Every member of the Guardians and/or Board and every officer for the time being of the Trust shall be indemnified out of the funds of the Trust against all losses and expenses incurred in the discharge of the Member or officer's duties and each shall be chargeable only for so much money or property as the Member or officer shall personally actually receive for or in the discharge of the member or officer's own acts, neglects or defaults and not for those of any other person's, nor for the insufficiency of any security for money invested or of title to any estate or property acquired, nor for any loss or damage which may happen in the discharge of duties. Provided always that the provisions of this clause shall only have effect in so far as they are not contrary to any legislation.

15.4 Notwithstanding the provisions of s13C of the Trustee Act 1956 and the likelihood that the Directors or members of the Guardians will from time to time include persons whose profession, employment or business is or includes acting as a trustee or investing money on behalf of others, the care, diligence and skill to be exercised by such persons in exercising any power of investment shall not be that required of such persons by s13C of the Trustee Act 1956, but shall at all times be the care, diligence and skill that a prudent person of business would exercise in managing the affairs of others.

#### **16. Distribution on Winding Up**

If, upon the winding up or dissolution of the Trust, there remains after the satisfaction of all its debts and liabilities any property, such property shall not be paid to or distributed among the Members, but shall be given or transferred to some other charitable institution or institutions within New Zealand having objects similar to the objects of the Trust, such institution or institutions to be determined by the Members at or before the time of dissolution or, in default of such, in the manner described by the Charitable Trusts Act 1957.

#### **17. Notices**

17.1 Any notice in writing required to be given under these clauses may be given to the intended recipient by any of the following methods:

- (a) By delivering it personally; or
- (b) By sending it through the post in a prepaid letter addressed to the intended recipient's last known place of abode or business address; or
- (c) By sending it by facsimile to the intended recipient's last known fax number; or
- (d) By sending it by email to the intended recipient's last known email address; or
- (e) By placing an advertisement in a newspaper circulating in the area where the intended recipient was last known to reside; or
- (f) By posting details on the Trust's website and drawing it to the attention of the intended recipient by any of the above methods.

17.2 Any notice, if served by post, shall be deemed to have been served at the time the letter containing the same would be delivered in the ordinary course of post and, in proving such service, it shall be sufficient to prove that the letter containing the notice was properly addressed, prepaid and posted.