The Outward Bound Trust of New Zealand

Financial Statements
For the year ended
30 June 2019

The Outward Bound Trust of New Zealand

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The Outward Bound Trust of New Zealand

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

	Note	2019	2018
Revenue from Non-Exchange Transactions			
Subsidised Course Fees - Attendee		390,727	357,454
Subsidised Course fees - Funder		2,911,937	2,827,447
Donations and Memberships		1,273,435	1,365,685
		4,576,099	4,550,586
Revenue from Exchange Transactions			
Course fees		2,588,874	2,448,136
Merchandise sales		86,744	75,233
Interest		2,848	2,951
Gain on disposal of assets		1,392	
Other income		113,989	102,862
		2,793,847	2,629,182
Total Revenue		7,369,946	7,179,768
Operating expenditure			
Staff and administration costs		5,627,539	5,277,344
Student costs		586,847	534,102
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 of Assets		432	8,321
Total Expenditure	4	6,727,349	6,334,413
Surplus/(Deficit) for the year		642,597	845,355
Other comprehensive revenue and expense		-	-
Total comprehensive revenue and expense for the year		642,597	845,355

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 accompanying notes form part of these financial statements

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

	Note	2019	2018
Current Assets			
Cash and cash equivalents	5	1,104,861	710,199
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
Total current assets		2,170,835	1,845,552
Non-current Assets			
Property plant and equipment	7	7,093,034	6,669,162
Intangible assets		11,824	13,777
Investments		14,009	14,513
Total non-current assets		7,118,867	6,697,452
Total Assets		**9,289,702**	**8,543,004**
Current Liabilities			
Trade creditors and other payables	8	653,101	529,060
Employee entitlements		213,578	159,598
Revenue in Advance for exchange transactions	9	1,115,355	895,737
Revenue in Advance for non-exchange transactions	9	376,183	669,721
Loans and borrowings	10	200,000	200,000
Total current liabilities		2,558,217	2,454,116
Total Liabilities		**2,558,217**	**2,454,116**
Total Net Assets		**6,731,485**	**6,088,888**
Equity			
Accumulated funds		2,131,467	1,960,417
Equity reserves	11	4,600,018	4,128,471
Total Equity		**6,731,485**	**6,088,888**

The accompanying notes form part of these financial statements

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The Outward Bound Trust of New Zealand

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

	Note	Accumulated funds	Equity reserves	Total equity
Balance 1 July 2017		1,460,981	3,782,552	5,243,533
Total comprehensive income for the year				
Surplus for the year		845,355	-	845,355
Other comprehensive income		-	-	-
Total comprehensive income for the year		845,355	-	845,535
Transfers between equity reserves	11	(345,919)	345,919	-
Balance 30 June 2018		1,960,417	4,128,471	6,088,888
Total comprehensive income for the year				
Surplus for the year		642,597	-	642,597
Other comprehensive income		-	-	-
Total comprehensive income for the year		642,597	-	642,597
Transfers between equity reserves	11	(471,547)	471,547	-
Balance 30 June 2019		**2,131,467**	**4,600,018**	**6,731,485**

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The Outward Bound Trust of New Zealand

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

	Note	2019	2018
Cash flows from Operating activities			
Receipts			
Receipts from Subsidised Course Fees		3,084,852	3,168,148
Receipts from Donations and Membership		1,273,436	1,289,491
Receipts from Course Fees		2,669,666	2,495,769
Receipts from Merchandise Sales		86,744	75,233
Interest Received		4,257	1,543
Receipts from Other Income		114,493	103,605
		7,233,448	7,133,789
Payments			
Payments to suppliers and employees		(6,134,176)	(5,970,154)
Interest paid		(5)	(142)
		(6,134,181)	(5,970,296)
Net cash flows from/ (used in) operating activities		1,099,267	1,163,493
Cash flows from investing activities			
Sale/(Purchase) of Investments		100,000	(100,000)
Property, plant and equipment additions		(805,996)	(870,663)
Proceeds from sale property, plant and equipment		1,391	6,826
Net cash flows from/ (used in) investing activities		(704,605)	(963,837)
Cash flows from financing activities			
Repayment of borrowings		-	(21,302)
Net cash flows from/ (used in) financing activities		-	(21,302)
Net increase/ (decrease) in cash and cash equivalents		394,662	178,354
Cash and cash equivalents at beginning of year		710,199	531,845
Cash and cash equivalents at end of year	5	1,104,861	710,199

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1 Reporting Entity

These financial statements comprise the separate financial statements of the Outward Bound Trust of New Zealand (the "Trust") for the year ended 30 June 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 Trust 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 Trust is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

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

(b) Basis of measurement

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

(c) Presentation currency

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

(d) Use of estimates and judgements

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The residual values and depreciation rates used for property, plant and equipment are based on judgements and estimates of appropriate values and rates.

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3 Significant accounting policies

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

(a) Cash and cash equivalents

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

(b) Trade debtors and other receivables

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

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

Receivables with a short duration are not discounted.

(c) Inventories

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

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

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

(d) Property, plant and equipment

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

Additions

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

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

Disposals

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

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

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

o Land	0%
o Boats	3-15 years
o Buildings	10–40 years
o Plant and equipment	4-40 years
o Office furniture and Computer equipment	1-5 years
o Training equipment	3-10 years
o Canoes	3 years
o Motor vehicles	5 years
o Rockface	10 years

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

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

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

o Computer software, Obtains and Web Development	3 years
o Documentary	5 years

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

(f) Investments
All investments are initially recognised at cost, being the fair value of the consideration given.

All investments disclosed in these financial statements have been classified as "fair value through surplus or deficit".

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

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

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

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

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

(h) Trade creditors and other payables

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

(i) Employee entitlements

Short term benefits

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

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

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

Long-term benefits

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

(j) Financial instruments

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

The Trust has no off-balance sheet financial instruments.

Recognition and de-recognition of financial assets and liabilities

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

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

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

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

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

The Trust currently holds financial assets in two classifications:

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

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

(iii) Impairment
All financial assets are subject to review for impairment at least once each reporting date. Accounts receivable are reviewed for impairment when accounts are past due or when other objective evidence is received that a specific counterparty will default.

Impairment of trade receivables are presented in the Statement of Comprehensive Revenue and Expense, within expenses.

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

(k) Revenue
Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Trust and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received.
The following specific recognition criteria must be met before revenue is recognised.

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Revenue from non-exchange transactions

Donations and Grants

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

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

Subsidised Course Fees

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

Revenue from Exchange transactions

Course Fees

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

Sale of goods

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

Interest

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

(l) Borrowing costs

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

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

(m) Operating lease payments

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

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(n) Income Tax

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

(o) GST

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

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

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4 Other expenses

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

	2019	2018
General overheads		
Audit fees for financial statement audit	17,500	17,000
Employee remuneration		
Wages and salaries	3,652,701	3,487,112
Increase/(decrease) in employee entitlements	53,980	(2,622)
Finance costs include:		
Interest on borrowings	5	142
Bank fees	26,471	25,623

5 Cash and cash equivalents

	2019	2018
Cash at bank and in hand	73,111	100,533
Call deposits	1,031,750	609,666
Total	**1,104,861**	**710,199**

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

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

6 Receivables

	2019	2018
Receivables from exchange transactions	770,000	631,175
Receivables from non-exchange transactions	190,061	265,788
Total	**960,061**	**896,963**

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.

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7 Property Plant and Equipment

Movement 2019	Cost 1 July 18	Additions	Disposals	Cost 30 June 19	Accumulated depreciation 1 July 18	Depreciation written back	Current year depreciation	Accumulated depreciation 30 June 19	Carrying amount 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
Total	**12,436,461**	**795,312**	**20,630**	**13,211,143**	**5,767,299**	**20,198**	**371,008**	**6,118,109**	**7,093,034**

Movement 2018	Cost 1 July 17	Additions	Disposals	Cost 30 June 18	Accumulated depreciation 1 July 17	Depreciation written back	Current year depreciation	Accumulated depreciation 30 June 18	Carrying amount 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
Total	**11,704,098**	**939,532**	**207,169**	**12,436,461**	**5,590,061**	**192,023**	**369,261**	**5,767,299**	**6,669,162**

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8 Trade creditors and other payables

	2019	2018
Trade creditors	135,611	94,796
Outward Bound Foundation	199,647	93,757
Accrued expenses	246,328	279,274
GST and PAYE payable	71,515	61,233
Total	**653,101**	**529,060**

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

9 Revenue in advance

	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
Total	**1,491,538**	**1,565,458**

10 Loans and borrowings

	2019	2018
Loan balance with Outward Bound Trust of New Zealand Foundation	200,000	200,000
Total	**200,000**	**200,000**
Less balance payable within 12 months (current borrowings)	200,000	200,000
Non-current borrowings	-	-

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

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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.

2019 - transfers between equity reserves	Opening	Transfer from/ (to) retained earnings	Closing
Endowment funds	33,030	-	33,030
Sponsorship funds	1,096,657	239,761	1,336,418
Special funds	2,563,470	(36,369)	2,527,101
Capital Replacement Reserve	435,314	268,155	703,469
Total	**4,128,471**	**471,547**	**4,600,018**

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

(a) Endowment funds

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

(b) Sponsorship Funds

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

(c) Special Funds

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

(d) Capital Replacement Reserve

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

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12 Related party transactions

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

(a) Parent and ultimate controlling party

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

(b) Related parties

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

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

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

(c) Related party transactions

No provision has been required, nor any expense recognised for impairment for any loans or other receivable balance to related parties (2018: $nil).

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

	2019	2018
Loan balance owed to Outward Bound Trust of New Zealand Foundation	200,000	200,000
Carrying value in balance sheet	**200,000**	**200,000**

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

Foundation Current Account

	2019	2018
Opening balance	(93,757)	(111,270)
Financial assistance receivable	838,700	1,066,425
Foundation expenditure paid directly by the Trust	57,960	30,688
Cash received from the Foundation	(1,002,550)	(1,079,600)
Closing balance	**(199,647)**	**(93,757)**

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(d) Key management personnel

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

Key management personnel compensation	2019	2018
Salaries and other short-term employee benefits	243,577	232,452

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.

(e) 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).

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
Financial Assets		
Financial assets at fair value through surplus or deficit		
Investments	14,009	115,922
Loans and receivables		
Cash and cash equivalents	1,104,861	710,199
Receivables from exchange transactions	770,000	631,175
Receivables from non-exchange transactions	190,061	265,788
Total	**2,078,931**	**1,723,084**

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Financial Liabilities	**2019**	**2018**
At amortised cost		
Trade creditors and accrued expenses	581,586	467,827
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
Loans and borrowings	200,000	200,000
Total	**2,486,702**	**2,392,883**

14 Operating Leases

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

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 Trust 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.

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Independent Auditor's Report

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To the Trustees of The Outward Bound Trust of New Zealand

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Outward Bound Trust of New Zealand (the "Trust") on pages 1 to 18 which comprise the statement of financial position as at 30 June 2019, and the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 30 June 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 Financial Statements* section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Trustees' Responsibilities for the Financial Statements

The Trustees are responsible on behalf of the Trust for the preparation and fair presentation of these financial statements in accordance with Public Benefit 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: https://www.xrb.govt.nz/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 Trust 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

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B Smith
Partner
Wellington

21 August 2019