

THE OUTWARD BOUND TRUST

(COMPANY LIMITED BY GUARANTEE)

Trustees' Report and Financial Statements for the year ended 30 September 2021

Company Number: 6748835

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



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

All our major donors
All our dedicated challenge event participants
All our generous alumni supporters
All our volunteer Outward Bound Associations
All supporters of our Scotland's Next Generation project
All supporters of the Mark Scott Leadership for Life Award
All supporters who remembered the Trust in their wills
All trusts and foundations supporters
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The Derek Raphael Charitable Trust
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The Taylor Charitable Trust
The Thompson Family Charitable Trust
The Constance Travis Charitable Trust
Trendsetter Home Furnishings Ltd
The 29th May 1961 Charitable Trust
U-POL Ltd
The Vardy Foundation
VF International SAGL (The North Face)
The Jo Walters Trust
The Waterloo Foundation
The Watson Foundation
Welsh Government
Wide Horizons Outdoor Education Trust

THE OUTWARD BOUND TRUST FOR THE YEAR ENDED 30 SEPTEMBER 2021

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THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2021

REFERENCE AND ADMINISTRATIVE DETAILS

BACKGROUND and STATUS:	The Outward Bound Trust was established as a charity in 1941 and incorporated as a company limited by guarantee on 27 February 1946. Following a reorganisation of the group in April 2009 the assets and liabilities of The Trust were transferred to a new company which was incorporated on 13 November 2008 and registered as a charity on 14 February 2009. At the date of the transfer the new company was renamed The Outward Bound Trust and the preceding company became Outward Bound Global.		
GOVERNING DOCUMENT:	The Trust was established under a Memorandum and Articles of Association which includes the objects and powers of the charitable company		
COMPANY NUMBER:	6748835		
CHARITY NUMBER:	1128090 and in Scotland SC040341		
REGISTERED AND OPERATING OFFICE:	Hackthorpe Hall Hackthorpe Penrith Cumbria, CA10 2HX	Website: outwardbound.org.uk Email: enquiries@outwardbound.org.uk Telephone: 01931 740000 Fax: 01931 740001	
DEPUTY PATRONS:	The Lord Kirkham CVO Sir Chris Bonington CVO CBE		
TRUSTEES:	Charles Philipps – Chairman ** Her Royal Highness Princess Beatrice of York Ian Ashman * Andrew Cartwright Nick Gair MBE *** Youlande Harrowell (Appointed 21 June 2021) Leo Houlding Philippa Kramer ** Jonathan Lewis * Fasha Mahjoor Louise Makin DBE * (Resigned 21 September 2021) Colin Maund ** Terence Mordaunt (Resigned 21 June 2021) Nick Sanderson* (Appointed 21 September 2021) Paul Voller Christine Walker *** Guy Williams ***		
			* Member of the Audit Committee ** Member of the Remuneration and Nominations Committee *** Member of the Operational Risk Management Committee
SENIOR EXECUTIVES:	Nick Barrett Alan Bolchover Martin Cooper Martin Davidson Natalie Harling Kim Parry LVO	Chief Executive Director of Fundraising Director of Learning and Adventure Director, Scotland and Innovation Director of Business Development Director of Finance and Resources	
COMPANY SECRETARY:	Kim Parry LVO		
AUDITORS:	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG	BANKERS:	Barclays Bank Plc Level 27 1 Churchill Place London, E14 5HP

THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2021

OBJECTIVES AND ACTIVITIES

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

The Outward Bound Trust mission:

To inspire young people to defy their limitations so they become strong, resilient and curious, ready for the challenges of life.

The Outward Bound Trust core values:

- A belief that we all have undiscovered potential. We aim to create moments when everyone can see and believe in themselves as never before and to translate such moments into lessons for everyday life..
- A belief in the power and intensity of learning through adventure. A means of bringing out the best in people.
- A deep appreciation of the balance between risk, reward and responsibility. We want people to have intense experiences with real consequences and powerful, positive and memorable outcomes.
- A spirit of respect and compassion. We aim to stretch people both physically and mentally. In doing so we act with care, concern and generosity towards people and the natural environment.

The year under review was massively affected by the continuing Covid pandemic. The year began with the charity sending its instructors to work on a non-residential programme of work with schools local to our centres. As Covid tightened its grip over the late autumn and winter of 2020/21, the Trust ran two Voluntary Redundancy programmes and an Adventure Sabbatical Scheme which were all aimed at reducing both permanent and short-term costs. The Trust effectively "hunkered down" as much as possible during the second Covid wave and third national lockdown making full use of the government furlough scheme before emerging in the Spring to run a very effective non-residential set of bespoke programmes with schools right across the UK as far apart as Kent and the Isle of Skye. All residential centres re-opened in time for the summer holidays to run a variety of Summer Adventure courses of between five and nineteen days in duration. From the start of the 2021/22 academic year the Trust welcomed school groups back into its residential centres for the first time since March 2020.

In normal times all Outward Bound® courses share the same distinctive features. These can be characterised as follows:

The mountains, sea, rivers and lakes

The Trust sets out to provide direct and dramatic experiences in inspiring and unfamiliar settings. Our competence lies in using the mountains, seas, rivers and lakes as the classroom.

The Outward Bound instructor

The Trust's instructors have the technical skills to take young people into the wild. However, of paramount importance are the facilitation and mentoring skills that enable an instructor to translate the events of an adventure into lessons for life.

Experiential learning

People learn best by reflecting on an experience, planning to do better the next time and then acting on that plan. Over the years we have evolved a standard pedagogy which we call What It Means to Be Outward Bound, and it is the essential development tool we use with participants on courses.

"Impelling" into experience

The Trust sets out to encourage people to go out and do things they at first believe to be impossible.

Journey

The concept of a journey is fundamental to the Outward Bound experience and the journeying metaphor is important to us. Courses involve physical journeys but are also journeys of development and discovery for the individual and the team.

The individual, the team and the environment

Anyone attending an Outward Bound course participates as an individual and also as a team member, working alongside the same instructor for the duration of the course. The Trust's courses focus on the development of the individual, the team and the interface of both with the natural environment.

Even before one considers the impact of the pandemic, the world had changed hugely since The Trust was founded during the Second World War with a view to teaching physical and mental survival skills to young merchant seaman about to serve as part of the North Atlantic convoys. However, in today's world, the pressures on young people and the issues they face are as intense and varied as ever, albeit markedly different to those of nearly 80 years ago. Emerging research suggests that Covid19 is having a huge additional impact on the life prospects and well-being of young people. Everything has been amplified by the pandemic. The Trust's work has and will make a significant contribution to the personal development of young people, helping to build their confidence and resilience to equip them to meet the challenges they face both now and in the future.

® Outward Bound and the compass rose device are each registered trademarks of The Outward Bound Trust..

THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENT

The Governing document of The Trust is its Memorandum and Articles of Association. The Trust's charitable objectives, as described in the Memorandum, are "to promote for the public benefit the personal development of young people by education and instruction through participation in a wide variety of activities with special emphasis on physical endeavour in the outdoors". In 1994 the Trustees agreed with the Charity Commission that in this context young people mean those under the age of 25.

In setting our objectives and planning our activities The Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. This is borne out by our commitment to provide a first class Outward Bound experience to as wide a range of young people as possible, irrespective of their financial circumstances. 80% of young people who came to our centres from schools this year were awarded bursary funding that enabled them to attend.

Trustees

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

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

During the year under review Terence Mordaunt and Dame Louise Makin retired as Trustees, and Youlande Harrowell and Nick Sanderson were appointed.

All new Trustees undergo an induction programme that includes a visit to one of the centres operated by The Trust and meetings with existing Trustees, senior executives and other key members of staff.

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

In a "normal" year one of these Board of Trustees meetings is held at a centre, preceded by an afternoon of activities and observation at the centre and an evening of informal planning and discussion. This closer engagement with the work of The Trust consolidates the working knowledge of the Trustees and helps build a better understanding between the Trustees and the staff.

In the year under review, The Trust has adapted its governance arrangements to best manage the impact of the pandemic. Virtual Board meetings via "Teams" have been held at more regular intervals, the Audit Committee has met by the same method on a very regular basis and there has been much closer communication between the Chairman and the Chief Executive and the Director of Finance and the Audit Committee. The first face to face Board meeting (since December 2019) was held in London on September 21st, 2021.

The Trustees have considered The Trust's governance practices in the light of the Charity Governance Code. The Trustees believe that governance practices at The Trust substantially conform to those best practices advocated within the Charity Governance Code. In 2018 Trustees completed a Board Effectiveness Survey and a gap analysis was conducted with reference to the Code. A 23 point action plan was produced and in the course of 2019 this was fully implemented and then reviewed again in September 2019. The Board Effectiveness Survey was re-run in October 2020 and the results of this were analysed at the Board meeting in December 2020. A further review of Board effectiveness was coordinated by the Chairman during the autumn of 2021 for Board consideration in December 2021.

COMPANIES ACT, SECTION 172 STATEMENT

Director's duties under Section 172(1) of the Companies Act require that a director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and in doing so have regard to:

- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, parents, the community and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct
- the need to act fairly between members of the company

All Directors of the Company have acted in good faith in a manner most likely to achieve the long-term success of The Trust in achieving its charitable objectives as described in the objects, aims objectives and activities section of this report.

THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

COMPANIES ACT, SECTION 172 STATEMENT (CONTINUED)

The Trustees have specific regard to the employees' interests as described in the Statement of Engagement with Employees. The Board also pays close attention to the relationships that are formed with our suppliers, customers, donors and wider community stakeholders, and these are described in the Statement of Engagement with Suppliers, Customers, Donors and the Community. These two statements are provided within this Report of the Trustees.

The Directors have considered the impact of the Charity on the community in complying with public benefit requirements as described in the objectives and activities section of this report. The Directors have also considered the Charity's impact on the environment as outlined in the Carbon and Energy Reporting Statement on page 11 of this report

The primary objective of the Trust is to deliver residential outdoor learning of the highest quality and of the greatest impact for participants. This is reflected in the achievements of The Trust throughout the year, in spite of the extremely difficult circumstances that have been encountered since March 2020. The Trust has worked hard to adapt and innovate the ways in which it delivers its mission during the Covid19 pandemic, as detailed elsewhere in this report.

The Directors recognise the importance of acting in good faith and fairly between Directors and other stakeholders of The Trust.

STATEMENT OF ENGAGEMENT WITH SUPPLIERS, CUSTOMERS, THE COMMUNITY AND OTHERS

The Trustees are committed to building positive long-term relationships with all suppliers, customers, donors and the wider communities within which we operate. The Trust has worked hard to establish open and honest communication with all of our key stakeholder groups, building trust and mutual respect wherever possible:

- With suppliers we have continued to apply our normal, timely payment processes throughout the pandemic, enabling strong relationships to be maintained.
- With customers we have worked closely to re-organise and re-schedule their programmes with the Trust, ensuring that the needs of the young people in question remain central to our planning for the future.
- With donors we have stayed in constant contact and have organised some specific briefing engagement events
- And with our communities we have been careful to consider the local impact of our activities during the pandemic and have run a number of funded programmes for young people from key worker families
- More broadly we aim to work positively and constructively as part of the wider community, taking our responsibilities seriously in this domain

STATEMENT OF ENGAGEMENT WITH EMPLOYEES

The Trustees also pay very close attention to the well-being and interests of all Trust employees, meeting regularly with the Senior Management Team and attending events at centres and offices throughout the year, when possible, to meet with staff. The Board is provided with regular updates on staff matters, including the results from regular staff surveys. As a result of the Covid19 pandemic, the Trustees have been particularly focussed on supporting staff to be able to make an effective return to work after their extended periods of furlough leave.

Organisation

The Trust owns four residential centres in the United Kingdom: Aberdovey in Snowdonia and Ullswater, Howtown and Eskdale in the Lake District. In addition, The Trust leases a fifth centre at Loch Eil in the Highlands of Scotland and a sixth centre at Ogwen Cottage in Snowdonia, which is operated in partnership with the National Trust. The Trust also operates the Mark Scott Leadership for Life Award from a base in Glasgow; this is a non-residential operation working with young people from the central belt area of Scotland.

A subsidiary company, Outward Bound Corporate Limited, is used to run experiential outdoor learning and development programmes for apprentices and graduates. Profits from this company are transferred to The Trust under a gift aid payment.

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

In March 2020, when lockdown was introduced and it became evident that schools would be unable to send their students on our residential courses, The Trust furloughed 90% of its staff. For most of the year under review the remainder have worked mostly from home to maintain communications with our stakeholders, manage staff morale, safeguard our assets and ensure robust financial management and planning. Towards the end of the year more work has been conducted face to face and the administrative and fundraising offices were officially re-opened on October 1st 2021. As soon as it became possible to run courses once again, The Trust has brought back instructors and other staff from furlough to deliver a range of non-residential and then residential programmes..

THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

OUR ACCESS AND BURSARY POLICIES

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

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

The Trust is committed to safeguarding and promoting the welfare of our participants and expects all staff and volunteers to share this commitment. We always provide customer feedback questionnaires at the end of all courses for completion by participants and visiting members of staff from the participants' schools and employers. The comments received are taken very seriously and all questionnaires are reviewed centrally. We are constantly striving to make sure that our courses are linked to relevant objectives and provide genuine educational benefits for participants.

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

The Trust has a three person Evaluation Team dedicated to monitoring the learning outcomes achieved on our courses. Every three years we produce a comprehensive Social Impact Report that brings together the internal and external research related to The Trust's effectiveness in delivering its mission.

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

The bursary awards range in scale from just 10% through to 100% remission of fees depending on the nature of the specific funding stream and the financial circumstances of the young people in question. Further details of our bursary policy and how to apply are available on our website, www.outwardbound.org.uk, and movements in our bursary funds are set out in note 14(c) to the accounts.

RELATED PARTIES AND ORGANISATIONS

Volunteer Outward Bound Associations

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

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE OVER THE YEAR

In June 2020, The Board of Trustees approved Outward Bound's Covid19 strategy. This had two principal objectives:

To adapt and innovate Outward Bound's work so as to be able to work with young people during the pandemic, even though when our residential centres were closed

To do everything possible to ensure Outward Bound emerges at the other end of the crisis able to continue to deliver its mission at scale.

During the course of 2020/21:

- We ran a "Local Schools" programme of non-residential courses in schools local to our residential centres in Cumbria, Gwynedd and Lochaber. This work started in the summer of 2020, continued in the autumn and winter of 2020/21 and concluded in the spring of 2021. In this capacity we worked with **2,062 young people in 2020/21**.
- ran a "UK Schools" programme based on the idea that "if you can't come to Outward Bound, Outward Bound will come to you". This initiative began in the spring of 2021 and saw us sending instructors across the UK to run non-residential programmes working in **206 schools and working with 9,547 young people**.
- We re-opened all our centres for residential courses in time for the summer holidays and worked with 406 young people over this summer period on courses from five to nineteen days in length.
- We produced two Social Impact Reports detailing the impact of both the Local Schools and UK Schools initiatives on the lives of young people during the pandemic
- We ran a full-strength Mark Scott Leadership for Life programme in Scotland

THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2021

STRATEGIC REPORT (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE OVER THE YEAR (CONTINUED)

Participants on our courses received bursary support of £1,232,000 in line with The Trust's belief that young people, irrespective of their financial circumstances, should be able to benefit from an Outward Bound course, whether this in residential or non-residential.

We ran our apprentice based residential courses at Eskdale throughout 20/21 when national lockdown restrictions were not in place. (These courses were not impacted by the same Department for Education guidelines that saw our other centres closed).

We have maintained a dialogue with our donors and "course buyers" to ensure they fully understand what is happening and what we are doing.

We have placed a high premium on maintaining excellent relationships with all our stakeholders.

We have carried out a variety of successful fundraising initiatives and have raised just over £4.9 million during the year under review.

Strict cash-flow management has been observed, costs have been cut back and capital expenditure projects put on hold, all to help ensure the preservation of financial resources for both survival and future operational purposes.

We have made full use of the Coronavirus Job Retention Scheme (CJRS) with as many as 90% of our staff on furlough at times during the pandemic. As we got busier delivering courses to young people, we have brought staff on and off furlough.

We have built up a Resilience Fund through the release (with Charity Commission approval when required) of endowments and by seeking donor permission to re-purpose some donations and the re-designation of certain reserves held by the charity.

The Trustees have recently turned their attention to the development of a medium term strategy focused on fully utilising and then growing the capacity of the Trust to meet the needs of young people as and when conditions permit.

FINANCIAL REVIEW

FINANCIAL RESULTS

Our main financial objective, during this second very challenging year, has been to ensure that The Trust has continued to have access to adequate levels of unrestricted reserves and cashflow, so that the organisation was able to demonstrate sufficient financial resilience to withstand the uncertainties and difficulties presented by the pandemic. To achieve this level of resilience we have continued to receive outstanding support from our donors, and we are very grateful for their commitment and generosity. The Trust has again taken full advantage of the financial assistance offered under the Government's 'Job Retention Scheme', and the funding from this source has played a significant role during the year under review.

At the balance sheet date, The Trust held significant unrestricted cash balances as a result of the support from donors, the Government and also due to the further re-structuring of restricted reserves. The Trust also drew down a £3m medium term loan facility during the year to increase resilience during the pandemic. These various elements provide the Trust with a strong opening cash position for the 2021-22 financial year, giving us good confidence for the year ahead based on our scenario planning and projections. Having said this, we are still facing ongoing uncertainty in 2021/22, in particular due to the emergence of the new Omicron variant, and as a result we will be moving forwards with caution during the next financial year.

The Consolidated Statement of Financial Activities for the year ended 30 September 2021 shows a deficit of £976,000 (2020: deficit of £460,000), which is made up of a deficit of £2,183,000 in Unrestricted Fund activities and a surplus of £1,207,000 in Restricted Fund movements. Within the Unrestricted Funds, a deficit of £1,935,000 was recorded within the General Fund; a much improved result when compared with the original deficit budget of £4,100,000, due almost entirely to increased levels of course fee income from the re-start of our residential courses. The surplus in Restricted Funds results almost entirely from bursary donation income in excess of the value of bursary awards allocated during the year. The details of these fund movements and transfers are provided at note 14 to the Financial Statements.

Net assets at 30th September were £26.5m (2020: £27.5m), with net current assets of £12.9m (2020: £10.6m) and cash balances of £13.6m (2020: £11.3m). Of the total year end cash balance, £8.9m related to unrestricted general funds. Overall, the balance sheet has held up well to the ongoing effects of the pandemic, with a reduction in net assets of £976,000 for the year, a position that is considerably stronger than we had initially anticipated.

THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2021

FINANCIAL REVIEW (CONTINUED)

FINANCIAL RESULTS (CONTINUED)

In summary, 2020-21 has been another difficult year for The Trust, not least in financial terms. However, the work done in the previous financial year, to de-restrict and re-purpose funds, has served us well and provided a solid starting point for the new financial year. The ongoing generosity of donors, together with the support and flexibility of our customer schools and companies, has then resulted in a more positive 2020-21 than we had initially expected. These factors combine to put us in a robust position at the start of the new financial year as we continue to increase our operating capacity in the coming months, while managing our ongoing risks with care and in particular being vigilant about any further Covid19 disruption.

RESERVES POLICY

The reserves policy, which is reviewed and approved by the Board on an annual basis, sets out an assessment of an appropriate level of free reserves after designations. In recent years the Trustees have considered an amount of £2m of General Fund reserves to be appropriate. In more normal times this amount represented approximately two months of operating costs, and the Trustees felt that this level of reserves was appropriate given the other risk mitigations that were a feature of The Trust's pre-pandemic financial model.

In the current and ongoing circumstances, The Trustees have re-considered the minimum level of free reserves to be maintained, for the duration of the pandemic at least. In considering an appropriate level of free reserves, the Trustees will take account of the significant risk to The Trust's client and donor income, and the scale of the potential deficits if the pandemic persists. The Trustees consider that the practices adopted by the Board, Committees and the Senior Executive Team in planning and evaluating ongoing operational and financial performance are appropriate for monitoring and maintaining this revised reserves policy.

Total Reserves, excluding those associated with The Trust's properties, were £13.4m at 30 September. Of these, £8.5m are now General Funds, after the re-structuring and de-restricting of reserves during the previous year. The remaining £5.0m are Restricted Funds, which include Bursary Funds and Other Restricted Funds held for future use.

The Trustees are of the view that the current level of General Fund Reserve is appropriate given the ongoing nature of the Covid19 pandemic, taking account of the medium-term uncertainties and the fact risk that deficits in excess of £5m may still be incurred in the next two to three year period. The Trustees plan to review the reserves policy on an ongoing basis throughout the pandemic and will look to increase or reduce the value of the General Fund reserve as circumstances change over time.

PAY POLICY FOR SENIOR STAFF

The Trustees consider that the Board of Trustees and the Senior Executive Team comprise the key management personnel of the charity, in charge of directing and controlling, running and operating the Charity on a day to day basis.

The pay of the Senior Executive Team and all staff is reviewed annually and normally increased in accordance with average earnings to reflect a cost of living adjustment. In view of the nature of the organisation, the Trustees benchmark against pay levels in other charities. The remuneration bench-mark is in the upper quartile of the range paid for similar roles in similar charities and sizes.

All Trustees give of their time freely, and other than as specified in note 7 of the financial statements, no Trustee received remuneration in the year.

The charity undertakes fundraising activity with its supporters via direct mail, telephone and email in line with the Fundraising Code of Practice set by Fundraising Regulator. Below is our fundraising promise, (which is available on our website to reassure supporters of our approach)..

THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2021

FINANCIAL REVIEW (CONTINUED)

FUNDRAISING APPROACH AND PERFORMANCE

When you support us, you can be sure of the following:

- We will never sell your contact details to anyone.
- We will only contact you if you have expressed an interest in our work.
- If we phone you, we will always check you are happy to take the call.
- If you ask us to change how we communicate with you, or stop, we will respect that.
- We do not engage in cold-calling, door to door or street fundraising.
- We try hard to ensure no one ever feels pressurised to support our work.
- We are registered with the Fundraising Regulator and adhere to the Fundraising Code of Practice.
- All our activities are open, fair, honest and legal.

We have a training programme for all our fundraising staff to regularly reinforce our fundraising promise.

Charity supporters registered on the Telephone Preference Service are only called with an appeal if they have agreed to receive such calls. Callers are thoroughly trained and updated on the charity's work and calls are regularly monitored.

No complaints about fundraising activity were received in the year.

Our overall fundraising performance generated net funds of £4.4m from donations and legacies.

CARBON & ENERGY REPORTING

ENERGY EFFICIENCY AND EMISSIONS REDUCTIONS MEASURES UNDERTAKEN IN THIS FINANCIAL YEAR

The Covid19 pandemic meant no residential courses were delivered at our centres for large parts of the reporting year, significantly reducing gross consumption and emissions.

This is the first full reporting year since the bulk of our electricity supply switched to zero carbon tariffs in April 2020. We attribute 110t CO2 of the year-on-year drop in our Scope 2 emissions to this change.

Options are being actively explored for the replacement of the oil-fired heating system at Eskdale..

	2021	2020	
UK energy use kWh	2,114,367	3,183,451	Gas, oil, electricity and fuel
Associated greenhouse gas emissions Tonnes CO2 equivalent	286.1 tonnes	531.0 tonnes	
Intensity ratio Emissions per Group Activity Day* 3,715 (2020: 4,917)	0.077 tonnes	0.108 tonnes	The intensity ratio measures energy usage compared with an appropriate business metric.

*The Group Activity Day used in the intensity ratio is one day of delivered activity to one group of young people, as recorded in our booking system.

THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2021

PLANS FOR FUTURE YEARS

Prior to the pandemic, The Trust was adhering to its agreed strategy fully described in a document entitled *The Mountains are Calling*. The strategy defined our belief, mission and core values and identified a set of priorities around growth, improvements in impact and quality, internal capacity building and certain specific areas of innovation. The strategy identified fourteen specific and measurable targets.

Since March 2020 the pursuit of the strategy outlined above has been suspended as a result of the Covid19 pandemic, The Trust has been focussed on more immediate goals, most particularly adapting our programmes to work with young people during the pandemic and to take the actions necessary to ensure the survival of the organisation so that it can deliver its mission for young people at scale into the future.

The Trust has set itself the following success criteria which it is aiming to meet by September 2022

- To work with 15,000 young people across a range of residential programmes
- To deliver a deficit not exceeding £2m in the year to September 2022, with unrestricted cash reserves more than £8m at September 2022
- More than 25,000 young people due to attend Outward Bound courses in 2022/23
- A General Fund surplus budget set for 2022/23
- A feeling of positivity and energy across the whole organisation
- The production of a post Covid strategy for the organisation

Beyond September 2022, The Trust aims to grow its capacity to meet the needs of young people

PRINCIPAL RISKS AND UNCERTAINTIES

RISK MANAGEMENT

The Chief Executive, who reports directly to the Trustees, is responsible for the overall management of The Trust's operations and activities and any associated risks.

For the foreseeable future the principal risks and uncertainties facing The Trust relate to the Covid19 pandemic. These risks are wide ranging from the potential for avoidable disease transmission within The Trust's operations to the existential ongoing threat posed to the organisation through an inability to earn both client and donor revenue. These risks are being managed and mitigated by a Senior Executive Team that is meeting at least weekly and by regular Board meetings, Audit Committee meetings, Operational Risk Management Committee meetings and extensive dialogue between senior staff and Trustees.

Under more normal circumstances, a summary of the major risks to The Trust and their mitigating controls is held on a risk register, and this is reviewed annually by the Board. These risks are derived from an internal exercise which is led by the Chief Executive and the senior managers across the organisation, with mitigation plans owned and managed by specific members of senior staff.

Example of key risks and their mitigation plans include the following:

Operational safety failure or accident risk

Managed through detailed scrutiny, review and reporting through the Operational Risk Management Committee.

Child protection or safeguarding failure

Mitigation plans involve Trust-wide staff induction, on-going training and briefings, and whistle-blowing policies.

Client or donor income shortfall

Two year rolling income projections are maintained and reviewed regularly. High risk clients and income streams are monitored closely and there is a focus on high quality relationship management. The reserves policy also helps address this risk.

IT system failure or cyber security risk

These risks are managed in partnership with key third party partners and suppliers, alongside a specific cyber risk management strategy.

In addition, The Trust has an Operational Risk Management Committee, which is chaired by Dr Nick Gair, who is also a Trustee. The Chief Executive sits on this Committee, as do a range of external experts and senior operational staff, and it considers and reviews the operational working practices of The Trust's day to day activities and considers in detail any reported incidents. This Committee reports formally to the main Trustee Board twice a year. Since 2020 this Committee also meets annually with the Audit Committee to help ensure that all aspects of risk to which The Trust might be exposed are being attended to.

FINANCIAL RISK MANAGEMENT

The following statements summarise The Trust's position on managing identified forms of financial risk:

Price risk

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

Credit risk

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

Liquidity risk

The availability of cash resources has continued to be a key focus throughout the year as a result of the Covid19 pandemic. As a result of last year's re-structuring of reserves The Trust is now in an improved position in terms of liquidity risk, based on our current financial projections and assumptions and having drawn down a £3million loan facility in April 2021 to further improve our financial resilience.

Interest rate cash flow risk

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

INVESTMENT POWERS AND POLICY

There are no restrictions on the charity's power to invest. The Trust's investments continue to be managed by our Investment Managers, who manage our portfolios in accordance with the approved investment policy.

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

THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year and not approve the financial statements unless they are satisfied that the financial statements give a true and fair view of the state of the affairs of the Charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the year then ended. In preparing the financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue on that basis.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Each of the directors, who held office at the date of approval of this Trustees' Report, has confirmed that there is no information of which they are aware which is relevant to the audit but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are made aware of such information.

AUDITORS

Haysmacintyre LLP have expressed their willingness to continue in office as auditors. A resolution proposing that Haysmacintyre LLP be reappointed as auditors of the charitable company for the forthcoming year will be put to members at the Annual General Meeting.

By order of the Board



Jonathan Lewis, Trustee
13 December 2021

THE OUTWARD BOUND TRUST REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OUTWARD BOUND TRUST

Opinion

We have audited the financial statements of The Outward Bound Trust for the year ended 30 September 2021 which comprise the Consolidated Statement of Financial Activities, the Group and charity Balance Sheet, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 30 September 2021 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charity Accounts (Scotland) Regulations (as amended) require us to report to you if, in our opinion:

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

THE OUTWARD BOUND TRUST FOR THE YEAR ENDED 30 SEPTEMBER 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OUTWARD BOUND TRUST (CONTINUED)

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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, the trustees are responsible for assessing the group's and the parent charitable company'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 the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Health & Safety regulations, safeguarding, fundraising regulations, GDPR, compliance with government social distancing regulations for Covid19 and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and income tax, payroll tax and sales tax regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Review of trustee meeting minutes for discussion of non-compliance with laws and regulations.
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates relating to income recognition and valuation of assets held for sale.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Weaver (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
13 January 2022

10 Queen Street Place
London
EC4R 1AG

THE OUTWARD BOUND TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the income and expenditure account)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Note	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Income:					
Donations, grants and legacies	2	3,254	3,459	6,713	7,358
Income from charitable activities:					
Outward Bound young people courses					
Net course fee income	3	975	-	975	3,764
Income from other trading activities:					
Activities for generating funds	4	1,844	-	1,844	2,000
Other Income:					
Investment Income		30	3	33	71
Total income		6,103	3,462	9,565	13,193
Expenditure:					
Raising donation, grants and legacies		(1,415)	(11)	(1,426)	(1,514)
Expenditure on charitable activities:					
Outward Bound young people courses		(7,695)	-	(7,695)	(9,830)
Expenditure on other trading activities:					
Activities for generating funds		(1,952)	-	(1,952)	(2,262)
Bank Interest paid		(35)	-	(35)	-
Total Expenditure	5	(11,097)	(11)	(11,108)	(13,606)
Net income/expenditure		(4,994)	3,451	(1,543)	(413)
Other recognised gains/(losses)					
Realised gains/losses on investment assets	9	(1)	-	(1)	(20)
Unrealised gains on investment assets	9	60	158	218	(27)
Revaluation Adjustment	8	350	-	350	-
Net movement of funds in year before transfers		(4,585)	3,609	(976)	(460)
Bursary funds transfer	3	1,232	(1,232)	-	-
Transfers between other funds	15	1,170	(1,170)	-	-
Net movement of funds in year		(2,183)	1,207	(976)	(460)
Total fund balances at 1 October 2020		23,741	3,760	27,501	27,961
Total fund balances at 30 September 2021		21,558	4,967	26,525	27,501

The notes on pages 18 to 32 form part of these accounts.

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

**THE OUTWARD BOUND TRUST
BALANCE SHEETS
AT 30 SEPTEMBER 2021**

COMPANY REG NO: 6748835

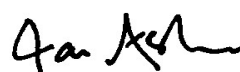
	Note	2021 £000	Group 2020 £000	2021 £000	Charity 2020 £000
FIXED ASSETS					
Tangible assets	8	14,889	15,405	14,860	15,383
Investments	9	1,658	1,445	1,658	1,445
		<u>16,547</u>	<u>16,850</u>	<u>16,518</u>	<u>16,828</u>
CURRENT ASSETS					
Asset held for resale		550	-	550	-
Stocks	10	162	148	157	142
Debtors	11	1,543	1,814	2,400	1,811
Cash at bank and in hand	20	6,841	2,484	5,644	2,170
Short term cash deposits		6,820	8,820	6,820	8,820
		<u>15,916</u>	<u>13,266</u>	<u>15,571</u>	<u>12,943</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(2,969)	(2,615)	(2,595)	(2,270)
NET CURRENT ASSETS		<u>12,947</u>	<u>10,651</u>	<u>12,976</u>	<u>10,673</u>
CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	13	(2,969)	-	(2,969)	-
NET ASSETS		<u>26,525</u>	<u>27,501</u>	<u>26,525</u>	<u>27,501</u>
FUNDS					
Unrestricted					
General Fund Reserves		8,521	10,456	8,521	10,456
Designated Property Funds		13,037	13,285	13,037	13,285
		<u>21,558</u>	<u>23,741</u>	<u>21,558</u>	<u>23,741</u>
Restricted and Endowment					
Restricted Bursary Funds		3,979	2,807	3,979	2,807
Other Restricted Funds		890	867	890	867
Endowment Funds		98	86	98	86
		<u>4,967</u>	<u>3,760</u>	<u>4,967</u>	<u>3,760</u>
TOTAL FUNDS	14	<u>26,525</u>	<u>27,501</u>	<u>26,525</u>	<u>27,501</u>

The deficit of the parent charity was £976,000 (2020: £460,000 deficit). The notes on pages 18 to 32 form part of these accounts.

The financial statements were approved and authorised for issue by the Board of the Trustees on 13th December 2021 and were signed below on its behalf by:



Jonathan Lewis, Trustee



Ian Ashman, Trustee

THE OUTWARD BOUND TRUST

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Note	Group 2021 £000	2020 £000	Charity 2021 £000	2020 £000
Cash flows from operating activities	20	(662)	574	(1,563)	421
Cash flows from investing activities					
Interest income		33	71	33	71
Purchase of tangible fixed assets		(27)	(98)	(10)	(95)
Purchase of Investments		(304)	(317)	(304)	(317)
Sale of Investments		308	319	308	319
Sale of tangible fixed assets		9	-	10	-
Loan received		3,000	-	3,000	-
(Decrease)/Increase in cash and cash equivalents in the year		2,357	549	1,474	399
Cash at bank and in hand		2,484	1,935	2,170	1,771
Short term cash deposits		8,820	8,820	8,820	8,820
Cash and cash equivalents at the beginning of the year		11,304	10,755	10,990	10,591
Cash at bank and in hand		6,841	2,484	5,644	2,170
Short term cash deposits		6,820	8,820	6,820	8,820
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		13,661	11,304	12,464	10,990

The notes on pages 18 to 32 form part of these accounts.

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition effective 1 January 2020) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Outward Bound Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of accounts on a going concern basis

The Trustees have given very careful consideration to the Charity's ability to continue as a going concern.

Throughout the year the Trustees and Senior Executive Team have been working closely to develop a detailed rolling review of the trading and cashflow projections for the period ahead. This work initially led to the re-structuring and re-purposing of reserves, in order to create a more robust unrestricted cashflow, and then on to the securing of a medium term loan facility to be drawn-down in 2020-21. The Trustees have also worked with the Senior Team to reduce costs wherever possible, to maximise the value of available Government funding and to work with donors and clients to generate income from the delivery of non-residential work with young people.

As a result of this work, the Charity now holds sufficient unrestricted cash reserves at the balance sheet date, with further funds available from the medium-term debt facility to be drawn down in 2021. Based on a range of possible scenarios and projections for the next three-year period, the Trustees are confident that the charity remains a going concern for the foreseeable future assuming ongoing support from our donors and clients.

Group accounts

The financial statements consolidate the results of the charity and its two wholly owned subsidiaries, Outward Bound Corporate Ltd and Outward Bound Trading Ltd, on a line-by-line basis.

A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

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

Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Income recognition

All income is recognised once the charity has entitlement to income, it is probable that income will be received, and the amount of income receivable can be measured reliably.

Donations and legacies

Donations and legacies are included in full in the Statement of Financial Activities when there is entitlement, probability of receipt and the amount of income receivable can be measured reliably.

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 ACCOUNTING POLICIES (CONTINUED)

Gifts in kind

Gifts in kind represent assets donated for distribution or use by the charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the charity would otherwise have paid for the assets.

Grants

Grants are recognised in full in the statement of financial activities in the year in which the charity has entitlement to the income, the amount of income receivable can be measured reliably and there is probability of receipt.

Income from charitable activities

Income from charitable activities is recognised as earned as the related services are provided, that is the total value invoiced to customers of Outward Bound courses which have a start date falling in the financial year. This income includes the value of bursary assistance provided by The Trust towards course fees. Income from other trading activities is recognised as earned as the related goods are provided.

Investment income

Investment income is recognised on a receivable basis once the amounts can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprises the costs of the London and Glasgow based fundraising teams and associated costs along with an allocation of overheads.
- Expenditure on charitable activities comprises the costs of providing the courses that we run at our centres along with an allocation of overheads.
- Other trading expenditure represents the costs of our fundraising events and the provision of our Outward Bound Corporate work, our apprentice training courses.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned based on staff time attributable to each activity.

Allocation of costs

Staff costs are allocated between direct charitable expenditure and support costs based on the time spent on these activities. Other costs are allocated directly to the relevant heading.

Operating leases

Rental charges are charged on a straight line basis over the life of the lease.

Investments

Investments are a form of basic financial instrument and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 ACCOUNTING POLICIES (CONTINUED)

Fixed assets

Fixed assets are stated at cost or deemed cost (donated valuation at estimated fair value) less accumulated depreciation and impairment losses. Assets costing more than £500 are capitalised.

Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows, all straight line:

Freehold buildings	2% per annum
Listed freehold buildings	1% per annum
Capital improvements to leasehold buildings	Over the remaining term of the lease
Other equipment	10% to 33% per annum as appropriate
Leasehold improvements	Life of lease

When property is redeveloped all costs are capitalised, the property is then valued and written down to the market value at completion. The property then continues to be written down in the normal way over the life of the asset.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Stock

Stocks are valued at the lower of cost and net realisable value and are used on a first in first out basis.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Deferred income

Deferred income represents the value of courses invoiced to customers before the year end with start dates after the year end and income received prior to 30 September 2021 for fundraising events being run after the year end.

Financial instruments

The group and charity only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Financial assets				
Financial assets measured at fair value through profit or loss and debt	1,658	1,445	1,658	1,445
Cash and cash equivalents	13,661	11,304	12,464	10,990
Financial assets measured at amortised cost	1,270	1,466	2,134	1,470
	<u>16,589</u>	<u>14,215</u>	<u>16,256</u>	<u>13,905</u>
Financial liabilities				
Financial liabilities measured at amortised cost	4,044	808	3,990	783
	<u>4,044</u>	<u>808</u>	<u>3,990</u>	<u>783</u>

Financial assets measured at fair value through profit or loss comprise fixed asset investments

Financial assets measured at amortised cost comprise of trade debtors, other debtors and amounts due from subsidiary undertakings.

Cash and cash equivalents comprise cash at bank and in hand and short term deposits.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, and other creditors

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 ACCOUNTING POLICIES (CONTINUED)

Funds

Unrestricted funds are donations and other income receivable or generated for the objects of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust.

Endowment funds are those where the capital is held in perpetuity to generate income for bursaries.

Employee benefits

Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

2 DONATIONS AND LEGACIES

	2021 £000	2020 £000
Donations for bursaries and general expenditure	4,123	3,462
Grants for specific projects	217	146
Legacies	27	1,196
CIRS Government Support	2,346	2,554
	<u>6,713</u>	<u>7,358</u>

Donations for bursaries and general expenditure include intangible income of £17,450 (2020: £10,250) resulting from gifts in kind received from supporters. These gifts relate to legal and professional fees, materials for centre improvements and gifts for fundraising events.

3 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2021 £000	2020 £000
Outward Bound courses for young people, gross course fees	2,207	5,705
Less: bursary fund contributions from restricted funds	(1,232)	(1,941)
	<u>975</u>	<u>3,764</u>

4 ACTIVITIES FOR GENERATING FUNDS

	2021 £000	2020 £000
Fundraising events	509	75
Corporate learning and development income	1,335	1,925
	<u>1,844</u>	<u>2,000</u>

THE OUTWARD BOUND TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

5 ANALYSIS OF GROUP EXPENDITURE

	Staff Costs £000	Other Costs £000	Support Costs £000	Depreciation £000	2021 Total £000
Donations & legacies	1,055	291	78	2	1,426
Course delivery costs	5,401	1,671	324	299	7,695
Activities for generating funds:					
Fundraising events	-	149	33	-	182
Corporate learning and development	1,317	342	71	40	1,770
Bank interest paid	-	35	-	-	35
	<u>7,773</u>	<u>2,488</u>	<u>506</u>	<u>341</u>	<u>11,108</u>
Prior year comparatives					2020 Total £000
	Staff Costs £000	Other Costs £000	Support Costs £000	Depreciation £000	
Donations & legacies	1,222	209	80	3	1,514
Course delivery costs	6,939	2,182	351	358	9,830
Activities for generating funds:					
Fundraising events	-	60	22	-	82
Corporate learning and development	1,727	308	105	40	2,180
	<u>9,888</u>	<u>2,759</u>	<u>558</u>	<u>401</u>	<u>13,606</u>

6 ANALYSIS OF SUPPORT COSTS

	Donations & Legacies £000	Course Delivery Costs £000	Activities for generating funds £000	2021 Total £000
Management	12	27	9	48
Sales and Marketing	3	62	17	82
Finance	16	75	30	121
Resources	47	160	48	255
	<u>78</u>	<u>324</u>	<u>104</u>	<u>506</u>
Prior year comparatives				2020 Total £000
	Donations & Legacies £000	Course Delivery Costs £000	Activities for generating funds £000	
Management	15	32	11	58
Sales and Marketing	8	106	34	148
Finance	16	91	34	141
Resources	41	122	48	211
	<u>80</u>	<u>351</u>	<u>127</u>	<u>558</u>

Resources includes costs of IT, premises and evaluation

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

6 ANALYSIS OF SUPPORT COSTS (CONTINUED)

	2021 £000	2020 £000
Staff costs	7,773	9,888
Auditors' remuneration - charity	20	17
- subsidiary	9	8
- other services	2	3
Depreciation	341	401
Operating leases - equipment hire	174	198
- rent payable	74	85

7 STAFF COSTS AND NUMBERS

Staff costs were as follows:	2021 £000	2020 £000
Wages and salaries	6,552	8,264
National Insurance costs	523	679
Pension costs	419	508
Other staff benefits and costs	279	437
	7,773	9,888

The mean average number of employees during the year were:	2021	2020
Charitable activities	206	234
Corporate training and development	35	40
Fundraising	14	16
Management and administration	7	7
	262	297

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

	2021	2020
£60,001 - £70,000	1	1
£70,001 - £80,000	2	1
£80,001 - £90,000	1	4
£90,001 - £100,000	1	1
£100,001 - £110,000	-	1
£120,001 - £130,000	1	-
£130,001 - £140,000	1	1

The total employee benefits of the key management personnel of the Group were £632,000 (2020: £645,000). The key management personnel of The Trust are considered to be the Senior Executive Team which comprise the Chief Executive and five senior executives. Management remuneration includes a bonus paid in respect of performance during the year under review.

Pension contributions in respect of these six employees totalled £50,730 in the year (2020: six employees £54,911).

No Trustee received remuneration in the year of £nil (2020: £ 14,667). No Trustees received expenses for travelling expenses and accommodation (2020: A Trustee received expenses totalling £88).

During the year redundancy and termination payments totalling £134,000 (2020: £289,000) as ratified by the Trustees were made to thirteen employees.

THE OUTWARD BOUND TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

8 TANGIBLE FIXED ASSETS - GROUP

	Land & Buildings £000	Short Leasehold Improvements £000	Fixtures, Fittings & Equipment £000	Group Total £000
Cost or valuation				
At 1 October 2020	14,519	2,607	2,558	19,684
Additions	-	-	27	27
Transfer to current assets	(200)	-	-	(200)
Disposals	-	-	(28)	(28)
At 30 September 2021	14,319	2,607	2,557	19,483
Depreciation				
At 1 October 2020	1,537	679	2,063	4,279
Charge for the year	152	84	105	341
Disposals	-	-	(26)	(26)
At 30 September 2021	1,689	763	2,142	4,594
Net Book Value				
At 30 September 2021	12,630	1,844	415	14,889
At 30 September 2020	12,982	1,928	495	15,405

TANGIBLE FIXED ASSETS - CHARITY

	Land & Buildings £000	Short Leasehold Improvements £000	Fixtures, Fittings & Equipment £000	Charity Total £000
Cost or valuation				
At 1 October 2020	14,519	2,607	2,293	19,419
Additions	-	-	10	10
Transfer to current assets	(200)	-	-	(200)
Disposals	-	-	(23)	(23)
At 30 September 2021	14,319	2,607	2,280	19,206
Depreciation				
At 1 October 2020	1,537	679	1,820	4,036
Charge for the year	152	84	95	331
Disposals	-	-	(21)	(21)
At 30 September 2021	1,689	763	1,894	4,346
Net Book Value				
At 30 September 2021	12,630	1,844	386	14,860
At 30 September 2020	12,982	1,928	473	15,383

The fixed assets have been adjusted in accordance with FRS102. The opening balance of land and buildings have been amended to the deemed cost as at 30 September 2014 (see note 1 in the accounts). The valuation was provided by Hyde Harrington.

There is a debenture held by Barclays Bank PLC from 2009 in respect of the Eskdale property.

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

8 TANGIBLE FIXED ASSETS (CONTINUED)

The Loch Eil centre is operated by The Trust under a repairing lease from The Dulverton Trust. A new lease commenced in 2021 and will expire in 2045, with an option to extend to 2070 subject to the landlord not requiring the property for redevelopment.

The centre is not valued in the balance sheet other than capital improvements to the buildings which at 30 September 2021 are shown at cost. The boathouse facility at Loch Eil, which has been capitalised, is disclosed within freehold land and buildings as these assets are located on a piece of freehold land which was gifted to the Trust in 2002.

The Trust's operational properties are held in the accounts at value in use, in line with the accounting policies on pages 19 & 21. The trustees are actively looking to sell the West Lodge property at the Ullswater site. The property has been disclosed as current assets held for sale at year end and revalued to market value in accordance with FRS 102.

All tangible fixed assets are held for charitable use, with the exception of land and buildings at Eskdale and also certain equipment having a net book value totalling £25,000 (2020: £25,000) which is held for operational use by The Trust's subsidiary, Outward Bound Corporate Limited.

9 FIXED ASSET INVESTMENTS

	Group and Charity	
	2021 £000	2020 £000
Listed UK Investments at market value		
Valuation at 1 October 2020	1,445	1,494
Additions in year	304	317
Disposals in year	(308)	(319)
Increase / (Decrease) in market value	217	(47)
Valuation at 30 September 2020	1,658	1,445
Historical cost (or market value at date of gift) of investments	1,198	1,198

No individual investments make up 5% or more of the total market value of Group investments:

Note 14(d) shows the allocation of the above investments between the different types of funds.

The charity also holds investments in its two wholly-owned subsidiaries, Outward Bound Trading Limited and Outward Bound Corporate Limited being two ordinary shares of £1 in each company (see also note 17).

10 STOCKS

	Group		Charity	
	2021 £000	2020 £000	2021 £000	2020 £000
Catering & equipment stock	162	148	157	142

Stock recognised in cost of sales during the year as an expense was £41,000 (2020: £136,000).

An impairment loss of £ nil (2020: £nil) was recognised in cost of sales against stock during the year due to slow- moving and obsolete stock.

THE OUTWARD BOUND TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

11 DEBTORS

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade debtors	1,069	899	304	648
Amounts due from subsidiary undertakings	-	-	1,629	270
Prepayments	273	348	266	341
Other debtors	201	567	201	552
	<u>1,543</u>	<u>1,814</u>	<u>2,400</u>	<u>1,811</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Deferred income	1,187	1,264	877	956
Trade creditors	684	322	630	297
Accruals	707	543	697	531
PAYE, National Insurance and VAT	288	298	288	298
Other creditors	103	188	103	188
	<u>2,969</u>	<u>2,615</u>	<u>2,595</u>	<u>2,270</u>

Deferred income

	Bal ance 1 Oct 20 £000	Deferred Income Released 2020-21 £000	New Deferred Income 2020-21 £000	Balance 30 Sep 21 £000
Deferred income	1,264	(464)	387	1,187

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £000	2020 £000	2021 £000	2020 £000
Bank Loan	<u>2,969</u>	<u>-</u>	<u>2,969</u>	<u>-</u>

A £3m medium term loan facility, provided by Barclays Bank plc, was drawn down in April 2021 to provide further resilience to the cash flows of The Trust. This facility has an initial one year capital repayment holiday, with repayments calculated over a 20 year term starting in June 2021 and with a final bullet repayment at the maturity date in March 2024.

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

14 FUNDS

(a) Types of Funds

- (i) Unrestricted Funds
 - The General Reserve Fund is an unrestricted fund which is used for all activities of The Trust which are not designated or restricted.
- (ii) Unrestricted Designated Funds
 - The Designated Property Funds represent funding for capital projects that have been fully completed, with the funds raised for the project in question transferred across from Restricted Funds. The fund is amortised over the life of the asset to which it relates, matching the depreciation charge in the accounts in the General Fund.
- (iii) Restricted Bursary Funds
 - The Restricted Bursary Fund holds donations from corporate and individual donors and provides bursaries for young people to attend Outward Bound courses. Also included in this fund are Trust, Foundation and Statutory Funds gifted specifically to fund young people attending Outward Bound courses.
 - There are also other Restricted Funds relating to projects with specific objectives which have been funded by supporters and other agencies, and also the investment income earned from the Endowment Fund investments intended for future use as bursaries.
- (iv) Endowment Bursary Fund
 - The Endowment Fund holds specific legacies and donations which are to be retained in perpetuity in the form of investments to provide income for bursaries.
- (v) Restricted Capital Funds
 - These Funds related to funding that is to be spent on the acquisition and development of new centres, the refurbishment of our existing centres and the purchase of equipment.
 - The Boathouse Fund is a restricted fund which holds the value of the grant received from the Sport England Lottery Fund in 1999 for the redevelopment of the boathouse at Ullswater. The grant may be repayable in full or in part if The Trust disposes of the boathouse within 21 years of the grant being received or uses the boathouse for non-charitable activities within that period.

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

(b) Movements in Unrestricted Funds:

	Balance 1 Oct 2020 £000	Income £000	Bursary Allocation £000	Expenditure Gains and Losses £000	Amortisation £000	Fund Transfers £000	Balance 30 Sept 2021 £000
General Fund Reserves	10,456	6,103	1,232	(10,688)	248	1,170	8,521
Designated Funds							
Property Designations							
Property Funds	13,285	-	-	-	(248)	-	13,037
Total Designated Funds	13,285	-	-	-	(248)	-	13,037
	23,741	6,103	1,232	(10,688)	-	1,170	21,558

THE OUTWARD BOUND TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

14 FUNDS (CONTINUED)

(c) Movements in Restricted and Endowment Funds:

	Balance 1 Oct 2020 £000	Income £000	Bursary Allocation £000	Expenditure Gains and Losses £000	Unrealised Gains on Revaluation £000	Transfers Between Funds £000	Balance 30 Sept 2021 £000
Restricted Bursary Funds	2,807	3,245	(1,232)	-	129	(959)	3,990
Endowment Fund	86	-	-	-	12	-	98
Restricted Capital Funds							
Boathouse Fund	223	-	-	-	-	-	223
Restricted Capital Funds	644	217	(11)	-	17	(211)	656
	3,760	3,462	(1,243)	-	158	(1,170)	4,967

(d) Analysis of net assets held by Funds

	General Fund £000	Property Funds £000	Designated Funds £000	Endowment & Restricted Funds £000	Total £000
Tangible fixed assets	1,629	13,037	-	223	14,889
Investments	405	-	-	1,253	1,658
Cash balances	10,187	-	-	3,474	13,661
Other Net current assets / (liabilities)	(3,700)	-	-	17	(3,683)
Net assets	8,521	13,037	-	4,967	26,525

(e) Movements in Unrestricted Funds - Prior Year:

	Balance 1 Oct 2019 £000	Income £000	Bursary Allocation £000	Expenditure Gains and Losses £000	Amortisation £000	Fund Transfers £000	Balance 30 Sept 2020 £000
General Reserve Fund	2,001	9,934	1,945	(13,591)	303	9,864	10,456
Designated Funds							
Project Funds	537	-	-	-	-	(537)	-
Future Growth Fund	1,000	-	-	-	-	(1,000)	-
Property Designations							
Property Funds	13,583	-	-	-	(303)	5	13,285
Total Designated Funds	15,120	-	-	-	(303)	(1,532)	13,285
	17,121	9,934	1,945	(13,591)	-	8,332	23,741

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

14 FUNDS (CONTINUED)

(f) Movements in Restricted and Endowment Funds - Prior Year:

	Balance 1 Oct 2019 £000	Income £000	Bursary Allocation £000	Expenditure Gains and Losses £000	Unrealised Gains on Revaluation £000	Transfers Between Funds £000	Balance 30 Sept 2020 £000
Restricted Bursary Funds	5,372	3,110	(1,941)	(4)	(50)	(3,680)	2,807
Endowment Fund	84	-	-	-	2	-	86
Restricted Capital Funds							
Boathouse Fund	223	-	-	-	-	-	223
Restricted Capital Funds	5,161	145	-	(2)	(8)	(4,652)	644
	10,840	3,255	(1,941)	(6)	(56)	(8,332)	3,760

Movements in the funds of the parent charity are the same as for the group, less only the profits payable under a gift aid payment by the trading subsidiary company as disclosed in note 17.

For details of transfers between funds see note 15. The detailed movements on reserves for the comparative period were contained in the prior year accounts, which are available to view on the Charity Commission website.

15 TRANSFERS BETWEEN FUNDS

During the year net transfers of £ 1,170,000 were made between Restricted & Unrestricted Funds, the main components of which are as follows:

Transfers into General Fund from Restricted Funds:

- There was a transfer in of £211,000 from Other Restricted Funds to cover various small projects from restricted funds donated for these purposes.
- There was a transfer in of £26,000 from Bursary Restricted Funds to cover various small projects from restricted funds donated for these purposes.
- There was a transfer in of £250,000 from Bursary Restricted Funds to cover the costs of onsite schools work from funds donated and available for this purpose.
- There was a transfer in of £683,000 from Restricted Funds to cover the costs of fundraising from funds donated and available for this purpose.

16 RELATED PARTY TRANSACTIONS

During the year under review eight Trustees made donations totalling £93,120 (2020: £64,248).

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

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

17 SUBSIDIARY UNDERTAKINGS

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

Outward Bound Corporate Limited, registered office Hackthorpe Hall, Hackthorpe, Penrith CA10 2HX, (Company No 2892257) runs learning and development programmes for corporate clients. Costs of £1,005,000 (2020: £1,600,000) were charged by the parent charity to Outward Bound Corporate Limited, representing the costs incurred by The Trust in connection with the employment of all staff formerly employed through Outward Bound Corporate Limited and an allocation of the costs of running apprentice courses in young people centres and of Head Office support services.

Outward Bound Trading Limited (Company No 3596931) is now dormant.

Both companies, when appropriate, transfer profits under a gift aid payment to the parent charity. A summary of their results is shown below. Full financial statements are filed annually with the Registrar of Companies and are available from the Company Secretary at The Outward Bound Trust's Head Office at Hackthorpe.

a) Profit and loss accounts for the year ended 30 September 2021

	Outward Bound Corporate Limited		Outward Bound Trading Limited	
	2021	2020	2021	2020
	£000	£000	£000	£000
Turnover	1,334	1,924	-	-
Cost of sales and administration costs	(1,327)	(1,923)	(-)	(-)
Operating profit for the year	7	1	-	-
Covenanted to the parent charity	(7)	(1)	(-)	(-)
Retained in subsidiary	-	-	-	-
Average number of employees including part timers during the year	-	-	-	-

No employees in either company received emoluments in excess of £50,000 (2020: Nil Employees).

The Directors received no emoluments or expenses (2020: £ nil).

(b) Summarised balance sheets at 30 September 2021:

	Outward Bound Corporate Limited		Outward Bound Trading Limited	
	2021	2020	2020	2020
	£000	£000	£000	£000
Tangible fixed assets	29	21	-	-
Current assets	1,974	593	1	1
Current liabilities	(2,003)	(614)	(1)	(1)
Net current liabilities	(29)	(21)	-	-
Net liabilities	-	-	-	-
Called up share capital and profit and loss account	-	-	-	-

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

18 OPERATING LEASES

At 30 September 2021 the company was committed to make the following payments in total in respect of operating leases:

	Group				Charity			
	Land & buildings		Equipment		Land & buildings		Equipment	
	2021	2020	2021	2020	2021	2020	2021	2020
	£000	£000	£000	£000	£000	£000	£000	£000
Leases which expire:								
Within one year	64	77	27	99	64	77	27	87
Within two to five years	65	9	26	33	65	9	26	33
	129	86	53	132	129	86	53	120

19 TAXATION

The charity is exempt from corporation tax as all its income is charitable and is applied for its charitable purpose. The charity is not exempt from VAT which is included with the expenses to which it relates on the Statement of Financial Activities.

20 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Net income for the year	(1,543)	(413)	(1,543)	(413)
Add back depreciation charge	341	401	331	391
(Profit) / Loss on sale of tangible fixed assets	(7)	2	(7)	2
Deduct interest income shown in investing activities	(33)	(71)	(33)	(71)
(Increase) / Decrease in stocks	(14)	25	(15)	24
Decrease / (Increase) in debtors	271	1,582	(589)	1,589
Increase / (Decrease) in creditors	323	(952)	293	(1,101)
Net cash (outflow)/inflow from operating activities	(662)	574	(1,563)	421

Cash held by Outward Bound Associations is not directly available to The Trust and cannot be set off against overdrafts. Association cash balances are raised primarily by local fundraising efforts, and the balances are used by Associations to pay for Outward Bound courses booked by them on behalf of local participants.

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

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

21 PENSIONS

(a) The Teachers' Pension Scheme

The Charity participates in the Teachers' Pension Scheme ("the TPS") for a single active member. The pension charge for the year includes contributions payable to the TPS of £ 1,197 (2020: £5,848) and at the yearend £ nil (2020: £670) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2020, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2020. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary and are aiming to implement these changes in time for the 2020 valuations.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism revision is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

(b) Other pension contributions

The Outward Bound Trust operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of The Trust in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the year. The majority of employees are in this scheme.

The Trust also supports membership of a small number of private pension schemes for certain individuals. Total contributions for these schemes for the year to 30 September 2021 were £42,000 (2020: £45,445). Contributions of £6,050 (2020: £1,861) were outstanding at the year end.

HEAD OFFICE

The Outward Bound Trust
Hackthorpe Hall, Hackthorpe
Penrith, Cumbria CA10 2HX
Tel: 01931 740000
Email: enquiries@outwardbound.org.uk
Web: www.outwardbound.org.uk

THE OUTWARD BOUND TRUST IN SCOTLAND

Robertson House
152 Bath Street
Glasgow, G2 4TB
Email: enquiriesscotland@outwardbound.org.uk

FUNDRAISING OFFICES

Glasgow, Scotland
London, England

CENTRES

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Ogwen Cottage, Snowdonia, Wales
Ullswater, The Lake District, England
Howtown, The Lake District, England
Eskdale, The Lake District, England
Loch Eil, The Highlands, Scotland

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