

THE OUTWARD BOUND TRUST
(now OUTWARD BOUND GLOBAL)
(Company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

Company Number: 405180

Registered Charity in England and Wales (313645) and in Scotland (SC039613)

SATURDAY



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23/01/2010
COMPANIES HOUSE

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

29th May 1961 Charitable Trust	Humphreys and Co Solicitors
Abbot Group plc	Ian Gowrie-Smith
Achilles Group Ltd	ICI Paints AkzoNobel
All of our dedicated Marathon runners	IMLA
Anonymous donor	Investec Bank (UK) Ltd
ARAMARK Limited	Isabell Kristensen
Autographs of the World	John Hargreaves
AVEVA Group plc	John Lyon's Charity
Bang & Olufsen	John Spurling OBE
Barclays Capital	John Woodward OBE
Barry D Smith	Jonathan Owen
Beaverbrooks the Jewellers Ltd	Kaupthing Singer & Friedlander Ltd
Berghaus Ltd	Keepmoat Ltd
Big Lottery Fund	KPMG LLP
Blacks Leisure Group plc	Krispy Kreme UK Ltd
Blevins Franks Ltd	Lloyds TSB Foundation for Scotland
Boodles	Lord Laidlaw of Rothiemay
Britannia Building Society Foundation	Louis Roederer
Brymor Contractors Ltd	Lutz Richter
BT	Malcolm Verey
Bulkhaul Limited	MAN Truck and Bus UK Ltd
Cambridge Building Society	McCormicks Solicitors
Cattles plc	Mobus Fabrics Ltd
Charles Moran	Morgan Hunt
Christina Mary Hendrie Trust	Nationwide Building Society
Clarion Solicitors	North Lanarkshire Council
Compass Group Central Asia, Middle East, Africa & Latin America	North Lincs Training Group Ltd
CompuCredit UK Ltd	Northern Housing Consortium Ltd
Cyrus Ardalan	P F Charitable Trust
David Jensen	P H Holt Foundation
Detail Events	P1 International
Deutsche Bank	Philips Electronics UK Ltd
DHL UK Foundation	Quantum Leap Events
Dick and Marion Watson	Reed Elsevier
Donald Forrester Trust	Reisser Ltd
Drapers' Charitable Fund	Ressler Family Foundation
Dreams plc	Richard Deans
Easynet	Ricoh UK Ltd
Enzina Fuschini	Robert and Ann Gordon
Evans Property Group	Robin Gibb CBE & Dwina Gibb
Festival4Stars	Rockcliffe Hall
First Data International	Rolls-Royce plc
First Group plc	RWE npower plc
Forbo Flooring Systems Ltd	Scottish Power plc
Fred and Carole Nash	SEGRO
Freespirit Events Ltd	Sherwood Motor Holdings Ltd
Fribourg Family Foundation	Simon Hope
Gannochy Trust	Sir John Priestman Charity Trust
GE Capital	Sir John Sumner's Trust
Glasdon Group Ltd	Skipton Building Society
GMAC-RFC Limited	Smyle
Grange Hotels	Sodexo
Hedley Foundation	SSL International plc
Helga Leone	Sunseeker Asia
Hilton in the Community Foundation	Sunseeker Charters
HSBC in the Community Foundation	Sunseeker International Ltd
	Sweet Dreams Ltd

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

Symantec
The Charles Littlewood Hill Trust
The Dame Agnes Mellers Lads' Club Charity
The David Stevenson Trust
The Derek Raphael Charitable Trust
The Design Quorum
The Dickon Trust
The Duke of Edinburgh Charitable Trust
The Dulverton Trust
The Eranda Foundation
The Freemasons' Grand Charity
The Gosling Foundation
The Graham Kirkham Foundation
The Hands Trust
The Hobson Charity
The Hugh Fraser Foundation
The Joseph Strong Frazer Trust
The Kauri Trust
The Lewis Winstock Trust
The Mark Scott Foundation
The Mel Weir Charitable Trust
The Mercers' Charitable Foundation

The Midcounties Co-operative
The Morgan Crucible Company plc
The Mortgage Point Ltd
The Prince Andrew Charitable Trust
The Sir Francis Chichester Trust
The Sir James Knott Trust
The Stonewall Park Charitable Trust
The Tay Charitable Trust
Thus plc
Trader Media Group
Unicom
Unisys Ltd
Vale Bridgecraft
Vestey Group Ltd
W.L. Gore and Associates UK Ltd
Wakefield and District Housing
West Bromwich Building Society
Westerton Ltd
Whitaker Charitable Trust
Whyte and Mackay
William Jackson Food Group
ZVM Rangoonwala Foundation UK

THE OUTWARD BOUND TRUST ANNUAL REPORT

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2009

The Trustees are pleased to present their report together with the financial statements of the Charity for the year ended 31 March 2009.

PATRON: His Royal Highness The Duke of Edinburgh KG KT
DEPUTY PATRON: The Lord Kirkham CVO

TRUSTEES: His Royal Highness The Duke of York KG KCVO - Chairman ****
John Spurling OBE – Deputy Chairman */****
Nigel Buchanan FCA * / ** / ****
Sir Chris Bonington CBE ***
Ian Gowrie-Smith *
Ffion Hague ** / ****
Kate Hoey MP
Professor David Hopkins (appointed 14 April 2008, resigned 1 June 2009)
Peter Neumark */**
Iain Peter ***
Lady (Lynn) de Rothschild
Dick Watson (appointed 14 July 2008)
Eric Worrall CVO

* Member of the Audit Committee
** Member of the Remuneration Committee
*** Member of the Operational Risk Management Committee
**** Member of the Nominations Committee

SENIOR EXECUTIVES: Nick Barrett Chief Executive
Kim Parry Commercial and Finance Director
Lynn Petersen Director of Fundraising
William Ripley Director of Learning and Adventure

COMPANY SECRETARY: Nigel Buchanan FCA

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London
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4 Oxford Place
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SOLICITORS: Farrer & Co.
66 Lincoln's Inn Fields
London WC2A 3LH

TRADEMARK SOLICITORS: Humphreys & Co.
14 King Street
Bristol BS1 4EF
SOLICITORS: McCormicks
37 East Parade
Harrogate HG1 5LQ

THE OUTWARD BOUND TRUST ANNUAL REPORT

OBJECTIVES AND ACTIVITIES

The Trust is driven by the words of its founding father, Kurt Hahn: *"We are all better than we know. If only we can be made to realise this we may never 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 unlock the potential in young people through discovery and adventure in the wild.

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 magic of learning through adventure* – as 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.

During the course of 2008/09 The Trust ran more than ten different types of personal development courses for young people in line with its mission and values. These varied from three week courses through to short weekend courses. The majority of the courses were aimed at young people at school or college or on apprentice programmes and were five days in length. Professional development and management training courses are also provided for adults and this work is done through Outward Bound Professional Limited.

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, sea, 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 "soft 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. The use of this Plan-Action-Review learning cycle 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 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.

The world has 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 seamen 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 seventy years ago. The Trust's courses continue to make a significant contribution to the personal development of young people, helping to build their confidence and character to equip them to meet the challenges they face both now and in the future.

[®] Outward Bound and the compass device are each registered trade marks of The Outward Bound Trust

ACHIEVEMENTS AND PERFORMANCE OVER THE YEAR

Headline achievements in 2008/09 were:

- 25,492 young people attended an Outward Bound course.
- We ran 125,617 “personal development” days across our centres.
- We provided £2.1 million in bursaries to ensure that young people, irrespective of their financial circumstances, could attend an Outward Bound courses.
- 51% of participants received some measure of bursary support to attend courses.
- We worked with 402 schools across the UK.
- Outward Bound Metro was awarded The Prince’s Trust Scotland Partnership Innovation Award for 2008 in recognition of its contribution to the Soccer Success programme run in Glasgow which targets some of the most disadvantaged youngsters in that city. Outward Bound Metro also celebrated the 10th year of its partnership with the Mark Scott Leadership for Life Foundation and welcomed the 1,000th participant through the Leadership for Life programme.
- We ran two pilot Potential Soldier Development Courses for the Army, aimed at improving self-confidence and belief amongst young people contemplating joining the Army. These were the first 2+ week Outward Bound courses run outside of the summer months for over a decade.
- We ran our first “green” Outward Bound course for 100 participants in partnership with RWE nPower, mixing personal development with educational inputs relating to sustainable environmental practices.
- We have entered into a partnership with the John Muir Award as a further means of integrating environmental learning outcomes into all our courses.
- We became an early adopter of the externally audited Carbon Emissions Measurement and Reduction Scheme. We measured the carbon footprint for The Trust in 2008 as part of a move toward gaining an award under the new ISO 14064 Accreditation for organisations reducing their carbon footprint (awarded to us in May 2009).
- We continue to develop better ways of evaluating the impact of our work. This has included formal evaluation projects with Deutsche Bank and *nfp Synergy* regarding our programme with Battersea Park School, an evaluation of our work with schools in the North Lanarkshire Aiming Higher programme funded by The Big Lottery and the piloting of some internal evaluation tools on other courses. We will be producing our first Impact Report in the summer of 2009. This will cover the year 2008/09 and the aim is to produce a very transparent analysis of our impact on the lives of young people.
- We continue to build a Bursary Endowment Fund to help support our annual bursary fundraising challenge. This Fund now stands at £2 million.
- We completed the £600,000 refurbishment of the old William Bennett Block at Aberdovey. This has now been transformed into a 28 bed accommodation block of the highest standard and the building has been named after the generous donor who made the project possible. The new Carole Nash building opened in March 2009.
- We completed the refurbishment of the old Ty Gwyn building at Aberdovey. This £220,000 project has created a purpose built special needs accommodation block and is named after the charity whose generous donation made the project possible. Sparkle House opened in September 2008.
- The ground floor dormitories and the visiting staff accommodation at Ullswater were extensively refurbished.
- We created and launched a strong brand identity for The Trust, clearly defining our aims, values and our distinctive approach to outdoor learning.
- We launched our new website with increased functionality and user friendliness; including on-line booking, on-line feedback and improved search optimisation.
- We re-structured the organisation into two separate charities – The Outward Bound Trust that works with young people in the UK and Outward Bound Global that has become the global licensing authority for the Outward Bound movement across the world. This re-structuring took place on 1 April 2009 (see Note 18, Post Balance Sheet Event).
- We continued our focus on improving the quality of learning through frontier adventure that lies at the heart of any Outward Bound course. Improvements in staff induction, the development of review materials and other learning resources, the continuation of the Quality Review programme at our centres and the incentive of the Bonington Award for instructors who deliver exemplary courses are all examples of how we are trying to get better at what we do.
- We have become concerned about our ability to retain the very best instructors and see this as a barrier to our delivering the very best benefits to young people as consistently as we would like. During the second half of the year we held a detailed consultation with instructors and others with a view to implementing changes to their terms and conditions in 2009/10.

ACHIEVEMENTS AND PERFORMANCE OVER THE YEAR (continued)

- We held a Gala Dinner at St James's Palace, generously supported by John Woodward OBE and in the company of HSH Prince Albert of Monaco and HRH The Duke of York and raised £290,000; We raised a further £145,000 at our Annual Fundraising Gala Dinner in association with Sunseeker International and greatly assisted by The Trust's first Ambassador, Robin Gibb of the Bee Gees. 100 runners ran for The Trust in the 2008 Flora London Marathon which raised £130,000, and in July 2008 we held our Diamond Cup Regatta sponsored by Easynet, which raised a further £50,000.
- We continue to hold a rolling programme of Safety Reviews across all our centres to ensure that our risk management policies, procedures and practices remain robust and front of mind.
- We continue with the implementation of our strategic plan, *Arriving Where We Started*. This document very much sets the agenda for the organisation and is the framework document used for decision making and the allocation of resources.

PLANS FOR FUTURE PERIODS

Our new strategic plan *Arriving Where We Started* was launched in September 2007. It has clearly laid out our mission, values and key directions going ahead. The plan is a public document and anyone wishing to read it is warmly encouraged to contact the Chief Executive.

The goal of *Arriving Where We Started* is to position The Trust as a financially secure, highly specialised and growing provider of adventure based personal learning and development. The Trust is aiming to achieve a focus and competitive advantage based on what are recognised as the organisation's greatest strengths – its experience, its core competencies, its passions, and the inspiring landscape that surrounds the centres.

This strategic plan should remain relevant for 5 years, but it does not have a fixed life-span. It will be revised and built on as circumstances change and The Trust learns from experience.

The strategic plan outlines four main areas of action:

1. To ensure that in all The Trust's work there is a greater and more confident focus on learning through frontier adventure and the protection of the natural environment.
2. To work with significantly more young people in our residential centres.
3. To become better at describing and evaluating the impact of The Trust's work.
4. To create a financially secure organisation with an appropriately skilled and motivated workforce better able to deliver the strategy.

Plans for the future revolve around progressing these areas of action. The current economic situation might mean that things move more slowly than would otherwise be the case, but the overall direction of travel remains unchanged. In particular during the coming year we will aim to:

- Produce our first ever Impact Report, evidencing the outcomes we achieve with young people but also describing candidly the journey we are taking to improve our ability to evaluate our work effectively.
- Put into place measures designed to retain the very best instructors, so that we are consistently delivering courses of learning through adventure to the very highest standards.
- Further embrace the fact that good personal development courses contain learning themes about the individual's role in respect of protecting the natural environment. More of our instructors will be John Muir Award trained, more participants will attain the John Muir Award and we will identify a programme of action aimed at reducing our carbon footprint.
- Help The Trust through some of the most challenging economic times seen in recent times.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Outward Bound Trust was established as a charity in 1941 and incorporated as a company limited by guarantee on 27 February 1946. A revised constitution was adopted in 1997 which allows for a Board of between ten and fifteen Trustees.

The Governing instrument of The Trust is a Memorandum and Articles of Association.

The Trust's charitable objectives, as described in the Memorandum of Association, 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.

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 £1. There are no members of The Trust who are not Trustees.

Trustees are appointed on the recommendation of the Nominations Committee, which aims to ensure that the Board is well balanced and represents the breadth of work undertaken by The Trust. The Trustees are re-elected at the Annual General Meeting, which is generally held in September each year. The Nominations Committee is also responsible for reviewing the specific skills of the Trustees and identifying what training needs may be required.

During 2008/09 two new trustees 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.

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 and the Deputy Chairman on a monthly basis.

During the year there is one Board of Trustees meeting 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 current year this meeting took place at The Trust's Aberdovey centre during two days in late September.

Organisation

The Trust owns four residential centres in the United Kingdom: Aberdovey on the west coast of Wales and Ullswater, Howtown and Eskdale in the Lake District. The Trust also leases a fifth centre at Loch Eil in the Highlands of Scotland. The Aberdovey, Howtown, Ullswater and Loch Eil centres concentrate on The Trust's charitable work with young people. The Trust also operates a base in Glasgow, known as Outward Bound Metro. This is a non-residential centre working with young people from the central belt area of Scotland.

The Eskdale centre is used for professional management training programmes, which are run by one of The Trust's subsidiary companies, Outward Bound Professional Limited. Profits from this company are transferred to The Trust under a deed of covenant. A second subsidiary, Outward Bound Trading Limited, organises fundraising events and other activities on behalf of The Trust. Profits from this company are also transferred to The Trust under a deed of covenant. The Outward Bound Trust is also the sole member of Outward Bound Oman UK, a dormant company limited by guarantee.

The Trust's Head Office, incorporating the offices of the Chief Executive, the commercial, financial and administrative functions, the operational management and the sales and marketing teams, is based at Hackthorpe near Penrith in Cumbria. The fundraising team is located in West Kensington, London.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related parties and organisations

Volunteer Outward Bound Associations

Volunteers, operating within the regionally based Outward Bound Associations, undertake 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 The Trust. During 2001 Accreditation Agreements were drawn up which clarified the working relationship between The Outward Bound Associations and The Trust. This Agreement entitles the Associations to use The Trust's trademarked name and logo and sets standards for the conduct of their work. The Trust does not currently include a valuation of volunteers' time within the financial statements.

Outward Bound International

The Outward Bound Trust is one of thirty-four chartered, licensed or provisionally licensed national members of Outward Bound International (OBI), a non-profit organisation incorporated in the USA. The principal objectives of OBI are to work on The Trust's behalf in protecting the trademark and in implementing and monitoring risk management protocols.

The Board of OBI works closely with The Outward Bound Trust to ensure that all member organisations are properly licensed to operate to and comply with required standards under the trademarked Outward Bound name.

Risk management

A summary of the major risks to The Trust and their mitigating controls is held on a risk matrix and is reviewed annually by the Board.

Twice a year The Trust convenes an Operational Risk Management Committee meeting which is chaired by Iain Peter, who is also a Trustee. This committee consists 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 on an annual basis. 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. The Chief Executive attends the meetings of the Risk Management Committee.

Financial risk management

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

Price risk

The Trust manages price risk through two key mechanisms. Firstly, selling prices are reviewed annually with the production of each new course brochure, taking 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 Trust has no long-term borrowings and will make use of its overdraft facility only when required. Current facilities are considered more than adequate to meet foreseeable liquidity requirements.

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 therefore considered to be insignificant.

FINANCIAL REVIEW

Financial results

The 2008/09 financial results reveal both positive and negative performance issues during the year. The total net income from all funds for the year to 31 March 2009 was very encouraging at £ 1,504,000 (2008: £2,707,000, re-stated). The prior year figure was augmented by capital income received for our newly commissioned Howtown Centre, a project successfully completed last year. A net deficit of £ 201,000 arose on the General Fund (2008: deficit of £183,000), before recording the receipt of a transfer of £201,000 from Designated Funds to give a net General Fund reserve of £ nil at 31 March (2008: £ nil). The General Fund projection for the year was for a trading surplus and this was achieved before taking into account provisions for unrealised losses on investments and the costs of the restructuring project, a total cost of £204,000. Two other key factors also contributed to the eventual deficit; firstly the Trust did not achieve the overall sales revenue targets for the year, and secondly Outward Bound Professional Limited continues to encounter challenging trading conditions. The combined effect of these factors was partly offset by a good performance from our fundraising events activity and by good cost control in our central overhead expenditure.

Designated fund reserves increased substantially however, with a net positive movement in funds in the year of £4,360,000 and total reserves of £6,075,000 at the balance sheet date (2008: £1,715,000, re-stated). This substantial increase in designated reserves arises largely from a change of our reserves policy implemented in order to reflect best accounting practice. Restricted funds are now transferred to designated funds once the original purpose of the restriction on the donation has been satisfied. Another element in this increase in funds was a hugely generous unrestricted donation of £1m which the Trustees have agreed to re-allocate from the General Fund to a Designated Bursary Reserve Fund. These designated funds are still written down over the life of any associated asset to coincide with the depreciation of the asset so that there is no overall positive or negative effect on the General Fund. The two largest funds treated in this way this year are: The Howtown Fund of £2,336,000 which will be written down at 2% annually over the next 49 years, and Loch Eil Boat House Fund of £464,000 also written down at the same rate for the next 47 years

Restricted Funds have reduced accordingly, with total funds of £1,874,000 at 31 March 2009 compared with £5,199,000 a year earlier, revealing a negative movement of £3,325,000. This net decrease includes an increase in Restricted Capital Reserves of £519,000 donated for building improvement schemes and asset purchases at our centres.

The Group's balance sheet at 31 March 2009 shows a decrease in net assets of £ 180,000 (2008: £1,891,000, re-stated), with net current assets much improved for a second year at £ 1,836,000 (2008: £801,000). Cash-flows remained positive throughout the year, in spite of the General Fund activity and as a result the overdraft facility remained unutilised. Year end cash balances totalled £ 2,811,000 (2008: £2,068,000).

In summary, the Balance Sheet and Statement of Financial Activities provide a positive financial picture at 31 March 2009. The Trustees and Management Team are very grateful to our supporters for the capital and bursary funding received during the year. We do, however, remain concerned that the General Fund is not yet adequately financially sustainable, and as a result we are continuing to examine options which may help us to achieve this ambition in the short to medium term.

Investment powers and policy

There are no restrictions on the charity's power to invest. The investment policy is to select, where possible, investments based on their income growth potential and this is monitored throughout the year. The main investments of the Trust are in AIM listed UK companies, which are the result of share donations and are subject to a variety of lock-in periods. It is the Trust's policy to dispose of these shares at the expiry of the lock-in period. The remaining investments of the Trust are held within the restricted and endowment funds and generate income for specific purposes, primarily bursaries. The income received in the year is in line with expectations.

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 (being General and Designated Fund reserves) of £1m. The Trustees remain fully committed to sustaining these reserves. In considering the target level of reserves, the Trustees have taken into consideration the Trust's needs for appropriate protection against normal financial and business risks, a stable financial foundation and adequate funding to take advantage of the potential for further growth. The Trustees consider that the present practices of the Board, Committees and the senior executive team in planning and evaluating operational and financial performance are adequate for monitoring the progress of their Reserves plans.

THE OUTWARD BOUND TRUST ANNUAL REPORT

STATEMENT ON DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware.

Each Trustee has taken all the steps (such as making enquiries of other Trustees and the auditors and any other steps required by the Trustee's duty to exercise due care, skill and diligence) that he ought to have taken in his duty as a Trustee in order to make himself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

TRUSTEE RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

Company and charity law require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the group and of the surplus or deficit of the group for that period. In preparing those financial statements the Trustees confirm that they have selected suitable accounting policies and applied them consistently except where noted, made judgments and estimates that are reasonable and prudent, stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and prepared the financial statements on a going concern basis.

The Trustees are responsible for ensuring proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Charity and the group and enable the Trustees to ensure that the financial statements comply with the Companies Act 1985 and the Charity Commission Statement of Recommended Practice (SORP) 2005.

They are also responsible for safeguarding the Charity's and the group's assets and hence for taking reasonable steps for the prevention and detection of fraud and breaches of law and regulations.

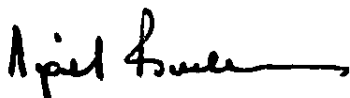
Information published on the internet is accessible in many countries with different legal requirements. In relation to the preparation and dissemination of financial statements, the Trustees acknowledge that:

- The maintenance and integrity of the Outward Bound Trust website is the responsibility of the Trustees;
- The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website; and
- Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS

A resolution to reappoint haysmacintyre as auditors to the company will be proposed at the annual general meeting to be held on.

By order of the Board



Nigel Buchanan
Company secretary

10 June 2009

THE OUTWARD BOUND TRUST ANNUAL REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OUTWARD BOUND TRUST

We have audited the financial statements of Outward Bound Trust for the year ended 31 March 2009 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The responsibilities of the Trustees (who are also the directors of Outward Bound Trust for the purposes of company law) for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the charitable company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group and charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent charitable company's affairs as at 31 March 2009 and of the group's incoming resources and application of resources, including the group's income and expenditure and cash flows, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.

haysmacintyre
Registered Auditors

10 June 2009

Fairfax House
15 Fulwood Place
London
WC1V 6AY

THE OUTWARD BOUND TRUST ANNUAL REPORT

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and expenditure account) FOR THE YEAR ENDED 31 MARCH 2009

	Note	Unrestricted Funds £000	Restricted Funds £000	Total 2008/09 £000	Total 2007/08 £000
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	1,697	3,410	5,107	6,423
Activities for generating funds	3	3,772	-	3,772	3,312
Investment income		101	-	101	85
Total incoming resources from generated funds		<u>5,570</u>	<u>3,410</u>	<u>8,980</u>	<u>9,820</u>
Incoming resources from charitable activities:					
Outward Bound young people courses					
Net course fee income	4	4,649	-	4,649	4,581
Bursary fund income/(transfer)		<u>2,164</u>	<u>(2,164)</u>	<u>-</u>	<u>-</u>
Gross course fee income including bursary		6,813	(2,164)	4,649	4,581
Other incoming resources		<u>14</u>	<u>-</u>	<u>14</u>	<u>14</u>
Total incoming resources from charitable activities		<u>6,827</u>	<u>(2,164)</u>	<u>4,663</u>	<u>4,595</u>
Total incoming resources		<u>12,397</u>	<u>1,246</u>	<u>13,643</u>	<u>14,415</u>
Resources expended					
Costs of generating funds:					
Costs of generating voluntary income		(785)	(440)	(1,225)	(1,282)
Fundraising trading: costs of goods sold and other costs		(2,910)	-	(2,910)	(2,796)
Charitable activities:					
Outward Bound young people courses		(7,797)	(3)	(7,800)	(7,461)
Governance costs		(163)	-	(163)	(160)
Other resources expended		<u>-</u>	<u>(41)</u>	<u>(41)</u>	<u>-</u>
Total resources expended	5	<u>(11,655)</u>	<u>(484)</u>	<u>(12,139)</u>	<u>(11,699)</u>
Net incoming resources for the year before realised gains, losses and taxation		<u>742</u>	<u>762</u>	<u>1,504</u>	<u>2,716</u>
Realised losses on investment assets	7	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9)</u>
Net income for the year before other recognised gains, losses and taxation		<u>742</u>	<u>762</u>	<u>1,504</u>	<u>2,707</u>
Other recognised gains/losses					
Unrealised losses on investment assets	7	(87)	(30)	(117)	(69)
Impairment & revaluation adjustment	6	<u>(1,567)</u>	<u>-</u>	<u>(1,567)</u>	<u>(747)</u>
Net movement of funds in year before transfers		<u>(912)</u>	<u>732</u>	<u>(180)</u>	<u>1,891</u>
Transfers between funds	11	<u>4,057</u>	<u>(4,057)</u>	<u>-</u>	<u>-</u>
Net movement of funds in year		<u>3,145</u>	<u>(3,325)</u>	<u>(180)</u>	<u>1,891</u>
Total fund balances at 1 April 2008		<u>9,753</u>	<u>5,199</u>	<u>14,952</u>	<u>13,061</u>
Total fund balances at 31 March 2009		<u>12,898</u>	<u>1,874</u>	<u>14,772</u>	<u>14,952</u>

The notes on pages 13 to 31 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.

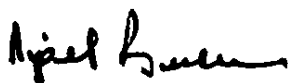
THE OUTWARD BOUND TRUST ANNUAL REPORT

BALANCE SHEETS

AT 31 MARCH 2009

	Note	Group		Charity	
		2009 £000	2008 £000	2009 £000	2008 £000
FIXED ASSETS					
Tangible assets	6	12,846	13,924	12,797	13,867
Investments	7	90	227	90	227
		<u>12,936</u>	<u>14,151</u>	<u>12,887</u>	<u>14,094</u>
CURRENT ASSETS					
Stocks	8	28	17	25	13
Debtors	9	2,029	2,042	1,544	1,746
Cash at bank and in hand	16c	2,811	2,068	2,785	2,037
		<u>4,868</u>	<u>4,127</u>	<u>4,354</u>	<u>3,796</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(3,032)	(3,326)	(2,469)	(2,938)
		<u>(3,032)</u>	<u>(3,326)</u>	<u>(2,469)</u>	<u>(2,938)</u>
NET CURRENT ASSETS		<u>1,836</u>	<u>801</u>	<u>1,885</u>	<u>858</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,772</u>	<u>14,952</u>	<u>14,772</u>	<u>14,952</u>
NET ASSETS		<u>14,772</u>	<u>14,952</u>	<u>14,772</u>	<u>14,952</u>
FUNDS					
Unrestricted					
General Fund		-	-	-	-
Revaluation Reserve		6,823	8,038	6,823	8,038
Designated Funds		6,075	1,715	6,075	1,715
		<u>12,898</u>	<u>9,753</u>	<u>12,898</u>	<u>9,753</u>
Restricted and Endowment					
Restricted Bursary Funds		1,046	481	1,046	481
Other Restricted Funds		774	4,634	774	4,634
Endowment Funds		54	84	54	84
		<u>1,874</u>	<u>5,199</u>	<u>1,874</u>	<u>5,199</u>
TOTAL FUNDS	11	<u>14,772</u>	<u>14,952</u>	<u>14,772</u>	<u>14,952</u>

The financial statements were approved and authorised for issue by the Board of the Trustees on 10 June 2009 and were signed below on its behalf by:



Nigel Buchanan, Trustee



John Spurling, Trustee

THE OUTWARD BOUND TRUST ANNUAL REPORT

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2009

	Note	2009 £000	2008 £000
NET CASH INFLOW FROM OPERATIONS	16a	1,480	2,892
Returns on investment and servicing of finance			
Interest received		101	85
		<u>101</u>	<u>85</u>
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(878)	(2,446)
Receipts on sale of tangible fixed assets		20	23
Receipts on sale of fixed asset investments		20	27
		<u>(838)</u>	<u>(2,396)</u>
NET INCREASE IN CASH	16b	<u>743</u>	<u>581</u>

The notes on pages 13 to 31 form part of these accounts.

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

1 ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with the requirements of the Statement of Recommended Practice: 'Accounting and Reporting by Charities' issued in 2005 ("SORP"), applicable UK Accounting Standards and the Companies Act 1985.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of property and investment assets.

The financial statements are prepared on the basis of a going concern.

The principal accounting policies, which have been applied consistently except where noted, are set out below.

(b) Group accounts

The financial statements consolidate the results of the Charity and its two wholly-owned subsidiary companies on a line by line basis (see note 14).

The Outward Bound Associations are branches of the Charity. Their income and expenditure, as reported to the Trust's Head Office in their latest accounts, are consolidated into the Charity's financial statements. The Scottish and Guernsey Associations are registered charities in their own right, but are still consolidated on the basis that their constitutions state that all funds will pass to the Outward Bound Trust upon dissolution.

The Trust has taken advantage of the exemptions permitted under s. 230 of the Companies Act 1985 and paragraph 397 of the Charities SORP 2005 and the charity does not therefore present a separate Statement of Financial Activities.

(c) Funds

The Trust maintains four types of fund:

- (i) endowment: where the capital is held in perpetuity to generate income for bursaries;
- (ii) restricted: where the purposes for which the funds may be used have been restricted by donors;
- (iii) designated: where the funds are unrestricted, but where the Trustees have designated them for a specific purpose;
- (iv) general: where funds are unrestricted and not designated.

(d) Voluntary Income

Donations are accounted for by the Trust when received, and may be included in general, designated or restricted funds as appropriate. Receipts from the 2009 Flora London Marathon received prior to the 31 March 2009 were deferred and released on the date of the event to the Statement of Financial Activities (SOFA).

Grants are included in the appropriate fund when receivable. Grants are recognised as receivable when there are no outstanding conditions for the receipt of the grant other than those which are within the Trust's control.

(e) Activities for generating funds

Income from adult training operations is the invoiced value of courses run for adults, management training programmes, shop and bar income and the hire of the Eskdale centre for conferences and weddings. All such income arises as a result of the activities of the trading subsidiary, Outward Bound Professional Limited.

Income from fundraising events arises as a result of the activities of the trading subsidiary, Outward Bound Trading Limited, and is credited to the SOFA when the event to which it relates has taken place.

(f) Income from Outward Bound charitable activities

Income from charitable activities is the total value invoiced to customers of Outward Bound courses taking place during the year. This income includes the value of bursary assistance provided by the Trust towards course fees. Details are provided at notes 4 and 11b.

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

1 ACCOUNTING POLICIES (continued)

(g) 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 31 March 2009 for events being run after the year end.

(h) Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal and constructive obligation to pay for it. Expenditure is directly allocated to activities wherever practicable. Otherwise expenditure is apportioned over activities using a variety of allocations based mainly on headcount. Governance costs consist of professional fees, costs of Trustee and Committee meetings, Trustee expenses and an allocation of other central overheads. Non-recoverable VAT, resulting from the charity's partially exempt VAT status, is included in the costs of each activity.

(i) Fixed assets and depreciation

All fixed assets are held for charitable operational use, with the exception of the Land and Buildings at Eskdale and some equipment held by Outward Bound Professional Limited which is used for its own trading purposes. Individual items of activity equipment costing less than £500 are written off in the year of purchase. All equipment (other than £43,970 of antique furniture) is held at cost less depreciation.

Freehold properties are held at valuation plus the cost of capital improvements carried out since the date of the last valuation. Generally the Trust's properties are re-valued every five years, but may be re-valued more frequently when the Trustees consider that significant changes have occurred. The most recent valuation was carried out by Hyde Harrington, independent valuers, in March 2009. The Trust's leasehold property is not valued in the balance sheet, other than capital improvements funded by the Trust, which are shown at cost. The Trust rents the Eskdale centre to Outward Bound Professional Limited at an estimated market rent. Land is not depreciated.

Depreciation of fixed assets is charged on a straight line basis on cost or valuation, less estimated residual value, as follows:

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

In the year of acquisition, and subsequently if indications of impairment are detected, an impairment review is carried out. If an impairment has been incurred then the asset or assets in question will be written down to their recoverable amount.

(j) Intangible income

Intangible income is the estimated valuation of gifts in kind received by the Trust during the year, where it is possible to quantify them and where the Trust would otherwise have had to purchase them.

(k) Listed investments

In most cases listed investments are stated at market value at the balance sheet date, or the nearest working day prior to the balance sheet date. This policy was amended during the previous financial year, such that gifted AIM-listed shares, which are subject to lock-in periods, are now written down to 50% of their market value at the balance sheet date in the year in which the gift is received. This write-down calculation is based upon experience of the differences between values at the date of gift and eventual disposal.

Realised and unrealised gains or losses are accounted for in the relevant fund.

Unrealised gains on Patron's Company Fund investments are included in the Patron's Company Fund. However, upon realisation of the investments, any surplus on the required membership contribution will be transferred to the General Fund.

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

1 ACCOUNTING POLICIES (continued)

(l) **Stocks**

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

(m) **Leasing transactions**

Operating lease costs are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

(n) **Pensions**

Pension costs included in the financial statements represent the employer's contributions payable during the year to the relevant Pension Schemes, all of which are accounted for as defined contribution schemes.

2 VOLUNTARY INCOME

	2009 £000	2008 £000
Donations for bursaries and general expenditure	4,106	4,160
Grants for specific projects	958	2,243
Legacies	43	20
	<u>5,107</u>	<u>6,423</u>

Donations for bursaries and general expenditure include intangible income of £148,390 (2008: £194,590) resulting from gifts in kind received from supporters. These gifts relate to centre refurbishment, legal and professional fees, office equipment, vehicle leasing and gifts for fundraising events.

3 ACTIVITIES FOR GENERATING FUNDS

	2009 £000	2008 £000
Fundraising events	1,007	894
Adult training operations	2,765	2,418
	<u>3,772</u>	<u>3,312</u>

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2009 Total £000	2008 Total £000
Outward Bound young people courses, gross course fees	6,813	6,627
Less: unrestricted bursary	-	(45)
Gross course fees, excluding unrestricted bursary	<u>6,813</u>	<u>6,582</u>
Less: bursary fund contributions from restricted funds	<u>(2,164)</u>	<u>(2,001)</u>
Outward Bound young people courses, net course fee income	<u>4,649</u>	<u>4,581</u>

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

5 RESOURCES EXPENDED

(a) Analysis of total resources expended by the group:

	Staff Costs £000	Other Direct costs £000	Support Costs £000	Depreciation £000	2009 Total £000	2008 Total £000
Costs of generating voluntary income	506	677	41	1	1,225	1,282
Costs of activities for generating funds	1,315	1,488	57	50	2,910	2,796
Outward Bound young people courses	4,496	4,885	258	325	9,964	9,507
Governance costs	98	26	39	-	163	160
Other resources expended	-	41	-	-	41	-
	<u>6,415</u>	<u>7,117</u>	<u>395</u>	<u>376</u>	<u>14,303</u>	<u>13,745</u>
Less: Bursary Fund Transfer	-	(2,164)	-	-	(2,164)	(2,046)
	<u>6,415</u>	<u>4,953</u>	<u>395</u>	<u>376</u>	<u>12,139</u>	<u>11,699</u>

(b) Analysis of support costs

	Generating Voluntary Income £000	Generating Funds £000	Charitable Activities £000	Governance £000	2009 Total £000	2008 Total £000
Unrestricted Funds						
Office facilities	6	13	58	5	82	83
Sales	-	-	9	-	9	26
Marketing	1	3	15	2	21	19
Operations and IT	7	12	25	4	48	63
Finance	9	11	27	10	57	67
Central Management	18	18	124	18	178	176
	<u>41</u>	<u>57</u>	<u>258</u>	<u>39</u>	<u>395</u>	<u>434</u>

(c) Total resources expended by the charity include the following:

	2009 £000	2008 £000
Staff costs	6,415	5,790
Auditors' remuneration - audit	22	27
- other services	1	6
Depreciation	376	299
Operating leases - equipment hire	122	121
- rent payable	50	69
	<u>6,415</u>	<u>5,790</u>
Staff costs are made up of:		
Wages and salaries	5,336	4,885
National Insurance costs	546	426
Pension costs	139	124
Other staff benefits and costs	394	355
	<u>6,415</u>	<u>5,790</u>

THE OUTWARD BOUND TRUST ANNUAL REPORT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009

5 RESOURCES EXPENDED (continued)

(c) Total resources expended by the charity include the following: (continued)

	2009 No.	2008 No.
The average number of full time equivalent employees during the year were:		
Charitable activities	227	210
Adult training operations	35	30
Fundraising	12	10
Management and administration	1	1
	<u>275</u>	<u>251</u>

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

	2009	2008
£60,001 - £70,000	3	3
£80,001 - £90,000	1	1

Pension contributions for the provision of money purchase benefits in respect of these 4 employees totalled £26,601 in the year, (2008: £26,484).

The Trustees did not receive any remuneration in the year (2008: £ nil). Three Trustees received expenses totalling £9,971 in respect of refunded travelling expenses and accommodation (2008: Three Trustees received expenses totalling £1,928).

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

6 TANGIBLE FIXED ASSETS

	Group Land & Buildings £000	Group Short Leasehold Improvements £000	Group Fixtures, Fittings & Equipment £000	Group Total £000
Cost or valuation				
At 1 April 2008	13,781	74	1,637	15,492
Additions	696	-	182	878
Disposals	-	-	(42)	(42)
Revaluation	(1,142)	-	-	(1,142)
Impairment adjustment	(425)	-	-	(425)
At 31 March 2009	12,910	74	1,777	14,761
Depreciation				
At 1 April 2008	508	31	1,029	1,568
Charge for the year	199	4	173	376
Disposals	-	-	(29)	(29)
At 31 March 2009	707	35	1,173	1,915
Net Book Value				
At 31 March 2009	12,203	39	604	12,846
At 31 March 2008	13,273	43	608	13,924
	Charity Land & Buildings £000	Charity Short Leasehold Improvements £000	Charity Fixtures, Fittings & Equipment £000	Charity Total £000
Cost or valuation				
At 1 April 2008	13,781	74	1,430	15,285
Additions	696	-	171	867
Disposals	-	-	(42)	(42)
Revaluation	(1,142)	-	-	(1,142)
Impairment adjustment	(425)	-	-	(425)
At 31 March 2009	12,910	74	1,559	14,543
Depreciation				
At 1 April 2008	508	31	879	1,418
Charge for the year	199	4	154	357
Disposals	-	-	(29)	(29)
At 31 March 2009	707	35	1,004	1,746
Net Book Value				
At 31 March 2009	12,203	39	555	12,797
At 31 March 2008	13,273	43	551	13,867

THE OUTWARD BOUND TRUST ANNUAL REPORT
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009

6 TANGIBLE FIXED ASSETS (continued)

The Trust's freehold properties were re-valued in the balance sheet on the basis of valuations carried out by Hyde Harrington, Property Consultants, at open market value on 31 March 2009. £4,125,707 of the freehold valuation is apportioned to land and is not depreciated. Included in fixed assets are net unrealised gains of £6,823,000 arising from revaluation of the property portfolio. The calculation of these net unrealised gains is based on the most recent valuation of each property, less the value of capital improvements made to the property since the previous valuation date, and less the depreciation which relates exclusively to the re-valued buildings valuation.

In the previous financial year The Trust acquired the freehold, and certain other assets, of Howtown Outdoor Centre in Cumbria. This site was re-developed before being brought into use in February 2008. All directly attributable costs relating to the acquisition of Howtown have been capitalised.

The Loch Eil centre is leased by The Trust from The Dulverton Trust at an annual rent of £25. The lease commenced in August 1995 and expires in 2020, with an option to extend to 2045 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 31 March 2009 had a net book value of £39,000. The new boathouse facility at Loch Eil, which was capitalised in the previous financial year, is disclosed within freehold land and buildings, since these assets are located on a piece of freehold land which was gifted to the Trust in 2002.

In the past properties have been sold whose individual historical costs were unknown. It is therefore not possible to identify the historical cost of land and buildings remaining in the balance sheet.

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 £ 50,000 (2008: £57,000) which is held for operational use by the Trust's subsidiary, Outward Bound Professional Limited.

7 FIXED ASSET INVESTMENTS

	Group and Charity	
	2009	2008
	£000	£000
Listed UK Investments at market value		
Valuation at 1 April	227	332
Disposals at opening market valuation	(20)	(36)
Additions at cost or market value at date of gift	-	-
Decrease in market value	(117)	(69)
Valuation at 31 March	90	227
Historical cost (or market value at date of gift) of investments	818	1,105
Breakdown of investment gains and revaluations:		
Unrealised losses on investments	(117)	(69)
Realised losses on investments	-	(9)
	(117)	(78)

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

7 FIXED ASSET INVESTMENTS (continued)

Investments consist of 7 holdings, which individually range from 0.2 % to 29 % of the total portfolio value. Holdings making up more than 5% of the total market value are as follows:

Invesco High Income Trust units	13%
Avacta Group plc (formerly Readybuy plc)	10%
Henderson High Income Exempt Trust units	20%
Storyland Group plc	22%
M & G Charifund units	29%

As at 31 March 2009 there were no remaining lock-in periods for AIM-listed investments.

	Group and Charity	
	2009	2008
	£000	£000
The market value of investments is split between:		
Equities	90	207
Gilts	-	20
	<u>90</u>	<u>227</u>

Note 11 (c) shows the allocation of the above investments between the different types of funds.

The charity also holds investments in its three wholly-owned subsidiaries, Outward Bound Trading Limited, Outward Bound Professional Limited and Outward Bound Oman UK, being two ordinary shares of £1 in each company (see also note 14).

8 STOCKS

	Group		Charity	
	2009	2008	2009	2008
	£000	£000	£000	£000
Goods for resale and catering stock	<u>28</u>	<u>17</u>	<u>25</u>	<u>13</u>

9 DEBTORS

	Group		Charity	
	2009	2008	2009	2008
	£000	£000	£000	£000
Trade debtors	1,826	1,448	1,072	1,030
Amounts due from subsidiary undertakings	-	-	288	172
Prepayments	160	142	141	113
Other debtors	43	452	43	431
	<u>2,029</u>	<u>2,042</u>	<u>1,544</u>	<u>1,746</u>

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

10 CREDITORS: amounts falling due within one year	Group		Charity	
	2009 £000	2008 £000	2009 £000	2008 £000
Deferred income	2,049	1,781	1,610	1,537
Trade creditors	289	740	245	661
Amounts due to subsidiary undertaking	-	-	-	66
Accruals	388	593	360	489
PAYE, National Insurance and VAT	227	165	206	141
Other creditors	79	47	48	44
	<u>3,032</u>	<u>3,326</u>	<u>2,469</u>	<u>2,938</u>

11 FUNDS

(a) Types of Funds:

(i) Unrestricted Funds

- The General Fund is an unrestricted fund which is used for all activities of the Trust not otherwise designated or restricted.
- The Revaluation Reserve arises from professional revaluations of the Trust's properties which have taken place since 1994. The most recent revaluation took place in March 2009.

(ii) Unrestricted, Designated Funds

- The Horizon Appeal, launched in 2004/05, and the Outward Bound Development Appeal, launched in 2006/07, are funds which raise and hold capital funds for projects and the re-financing of the Trust.
- The Outward Bound Bursary Reserve, which was launched in 2007/08, is intended to provide a capital fund from which investment income will be derived to support the long term provision of bursaries for young people.
- The fourth Designated Fund represents funding for capital projects which has been fully expensed on the project whether the funding came in Restricted or Unrestricted form. The fund is now being written down over the life of the asset matching the depreciation charge in the accounts in the General Fund.

(iii) Restricted Bursary Funds

- The Patron's Company is a restricted bursary fund which holds donations from members of the Patron's Company. The fund provides bursaries for young people to attend Outward Bound courses who would not otherwise be able to afford them. Other occasional one-off donations for bursaries are received which are also accounted for through the fund.
- Corporate Projects relate to funds received from major corporate donors who fund specific projects for young people.
- Trusts, Foundations and Statutory Funds are funds from trusts, foundations and some statutory bodies gifted specifically to fund young people attending Outward Bound courses who would not otherwise be able to afford them.
- 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.
- Other Restricted Funds relate 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.

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2008

11 FUNDS (continued)

(a) Types of Funds: (continued)

(iv) Restricted Capital Funds

- Included in Restricted Capital Funds is funding to be spent on the refurbishment of and purchase of equipment for our centres
- The Boathouse Fund is a restricted fund which holds the value of the grant received from the English Sports Council Lottery Sports 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 General Fund when the original restriction on the donation has been satisfied.

(b) Movements in Unrestricted Funds:

	Balance 1 April 2008 £000	Income £000	Expenditure Gains and Losses £000	Depreciation Adjustments £000	Fund Transfers £000	Balance 31 March 2009 £000
General Fund	-	12,206	(11,675)	73	(604)	-
Revaluation Reserve	8,038	-	(1,142)	(73)	-	6,823
Designated Funds:						
Horizon Appeal	415	-	-	-	(261)	154
Development Appeal	345	50	(67)	-	-	328
Bursary Reserve	955	141	-	-	1,000	2,096
Howtown Funds	-	-	(425)	-	2,761	2,336
Aberdovey Funds	-	-	-	-	669	669
Loch Eil Funds	-	-	-	-	464	464
Ullswater Funds	-	-	-	-	28	28
Total Designated Funds	<u>1,715</u>	<u>191</u>	<u>(492)</u>	<u>-</u>	<u>4,661</u>	<u>6,075</u>
	<u>9,753</u>	<u>12,397</u>	<u>(13,309)</u>	<u>-</u>	<u>4,057</u>	<u>12,898</u>

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

11 FUNDS (continued)

(b) Movements in Restricted and Endowment Funds:

	Balance 1 April 2008 £000	Income £000	Bursary Allocation £000	Expenditure Gains and Losses £000	Unrealised Loss on Revaluation £000	Transfers Between Funds £000	Balance 31 March 2009 £000
Restricted Bursary Funds	1,010	2,591	(2,164)	(443)	-	52	1,046
Endowment Bursary Fund	84	-	-	-	(30)	-	54
Restricted Capital Funds							
Howtown Funds	2,805	49	-	-	-	(2,854)	-
Aberdovey Funds	487	200	-	-	-	(687)	-
Loch Eil Funds	528	-	-	-	-	(528)	-
Ullswater Funds	33	-	-	-	-	(33)	-
Boathouse Fund	223	-	-	-	-	-	223
Other Restricted Capital Funds	29	570	-	(41)	-	(7)	551
	<u>5,199</u>	<u>3,410</u>	<u>(2,164)</u>	<u>(484)</u>	<u>(30)</u>	<u>(4,057)</u>	<u>1,874</u>

For details of transfers between funds see note 12.

Movements in the funds of the parent charity are the same as for the group, less only the profits payable under Deed of Covenant by the two trading subsidiary companies as disclosed in note 14.

(c) Analysis of net assets held by Funds:

	General Fund £000	Revaluation Reserve £000	Designated Funds £000	Endowment & Restricted Funds £000	Total £000
Tangible fixed assets	1,424	6,823	3,825	774	12,846
Investments	64	-	-	26	90
Net current assets/(liabilities)	(1,488)	-	2,250	1,074	1,836
Net assets	<u>-</u>	<u>6,823</u>	<u>6,075</u>	<u>1,874</u>	<u>14,772</u>

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

12 TRANSFERS BETWEEN FUNDS

During the year the following transfers have been made between the General, Designated and Restricted Funds:

- £603,806 was transferred from the General Fund. This was made up of £1,000,000 (2008: £1,000,000) transferred to the Bursary Reserve Designated Fund, £210,769 (2008: £217,483) which was transferred in from Horizon Designated Fund to offset the deficit created in the General Fund in 2008/09 and also cover a series of projects within the General Fund and £185,425 (2008: £ nil) which has been transferred into the General Fund from Designated Capital Funds in order to amortise restricted fund donations for specific capital projects against the associated depreciation already charged to the General Fund.
- £260,769 was transferred from Horizon Designated Fund which includes £210,769 as above and £50,000 (2008: £ nil) has been transferred from Designated Fund Horizon to Restricted Bursary Funds in respect of The Wall Trust.
- £1,000,000 was transferred to the Bursary Reserve Designated Fund as detailed above.
- £2,760,209 was transferred to the Howtown Designated Fund from the Howtown Restricted Capital Fund. This was made up of £2,804,432 relating to the transfer of the Capital Fund where the original purpose of donation has been fulfilled and the restriction therefore satisfied and £48,622 of funds received in the year and restriction satisfied in the year. £92,844 was transferred to General Fund to cover amortisation as above.
- £669,131 was transferred to Aberdovey Designated Fund from Aberdovey Restricted Capital Fund. This was made up of £487,767 relating to the transfer of the Capital Fund where the original purpose of donation has been fulfilled and the restriction therefore satisfied and £198,813 of funds received in the year and restriction satisfied in the year. £17,449 was transferred to General fund to cover amortisation as above.
- £463,972 was transferred to Loch Eil Designated Fund from Loch Eil Restricted Capital Fund. This was made up of £527,799 relating to the transfer of the Capital Fund where the original purpose of donation has been fulfilled and the restriction therefore satisfied. £63,827 was transferred to General Fund to cover amortisation as above.
- £27,877 was transferred to Ullswater Designated Fund from Ullswater Restricted Capital Fund. This was made up of £32,640 relating to the transfer of the Capital Fund where the original purpose of donation has been fulfilled and the restriction therefore satisfied. £4,763 was transferred to General Fund to cover amortisation as above.
- £6,542 (2008: £77,265) has been transferred to the General Fund from Other Restricted Capital Funds in order to amortise restricted fund donations for specific capital projects against the associated depreciation charged to the General Fund as above.
- £ Nil (2008: £65,165) has been transferred from the General Fund to the Patron's Company Restricted Fund in respect of an excess of running costs over income received.
- £ Nil (2008: £40,000) has been transferred to Capital Restricted Funds for the renovation of the Aberdovey centre from the Horizon Appeal Fund.
- £ Nil (2008: £77,891) has been transferred to the Designated Capital Development Appeal Fund from the Horizon Appeal Designated Fund.

13 RELATED PARTY TRANSACTIONS

During the year under review two Trustees made donations totalling £801,282 to Restricted Bursary Funds and Restricted Capital Funds (2008: £450,000). The Deputy Patron donated £195,000 for Restricted Bursary Funding and research into the Academy Project (2008: £ nil).

One Trustee was paid fees of £8,625 in relation to time spent on The Academy Project. These were paid on an arm's length basis and were approved by the other Trustees.

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

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

14 SUBSIDIARY UNDERTAKINGS

The Trust has three wholly owned subsidiary companies, all registered in England.

Outward Bound Professional Limited runs corporate management training courses. Costs of £675,000 (2008: £650,000) were charged by the parent charity to Outward Bound Professional Limited, representing an allocation of the costs of running courses and of Head Office support services.

Outward Bound Trading Limited organises fundraising events and other activities in support of The Trust's charitable objectives. Costs of £100,000 (2008: £160,000) were charged by the parent charity to Outward Bound Trading Limited, representing an allocation of the costs of Head Office support services.

Both companies covenant taxable profits 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 obtainable from the Company Secretary at The Outward Bound Trust's office at Hackthorpe.

Outward Bound Oman UK, a company limited by guarantee, remained dormant throughout the period. The company received a donation of £17,000 in March but did not trade in the year. This amount has not been included in the consolidated accounts.

(a) Profit and loss accounts for the year ended 31 March 2009:

	Outward Bound Professional Limited		Outward Bound Trading Limited		Outward Bound Oman UK	
	2009	2008	2009	2008	2009	2008
	£000	£000	£000	£000	£000	£000
Turnover	2,764	2,418	1,007	894	17	-
Cost of sales and administration costs	(2,606)	(2,417)	(736)	(771)	-	-
Operating profit for the year	158	1	271	123	17	-
Covenanted to the parent Charity	(158)	(1)	(271)	(123)	-	-
Retained in subsidiary	-	-	-	-	17	-
Average number of employees, including part-timers, during the year	38	31	-	-	-	-

No employees in either company received emoluments in excess of £50,000 (2008: Nil employees).

The Directors received no emoluments or expenses (2008: £ nil).

Outward Bound Oman UK received a donation of £17,000 in March but did not trade in the year. This amount has not been included in the consolidated accounts

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

14 SUBSIDIARY UNDERTAKINGS (continued)

(b) Summarised balance sheets at 31 March 2009:

	Outward Bound Professional Limited		Outward Bound Trading Limited		Outward Bound Oman UK	
	2009	2008	2009	2008	2009	2008
	£000	£000	£000	£000	£000	£000
Tangible fixed assets	50	57	-	-	-	-
Current assets	620	441	153	129	17	-
Current liabilities	(670)	(498)	(153)	(129)	-	-
Net current assets/(liabilities)	(50)	(57)	-	-	17	-
Net assets	-	-	-	-	17	-
Called up share capital and profit and loss account	-	-	-	-	17	-

15 OPERATING LEASES

At 31 March 2008 there were annual commitments under operating leases expiring as follows:

	Group				Charity			
	Land & buildings		Equipment		Land & buildings		Equipment	
	2009	2008	2009	2008	2009	2008	2009	2008
	£000	£000	£000	£000	£000	£000	£000	£000
Expiring:								
Up to 1 year	15	-	6	18	15	-	-	17
Between 1 and 2 years	19	50	72	4	19	50	66	1
Between 2 and 5 years	-	19	67	116	-	19	56	91
More than five years	-	-	7	3	-	-	7	2
	34	69	152	141	34	69	129	111

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2009

16 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of net income to net cash inflow from operating activities

	2009 £000	2008 £000
Net income	1,504	2,707
Adjustments:		
Items not involving the movement of funds:		
Depreciation charge	376	298
Profit on sale of tangible fixed assets	(7)	(1)
Loss on disposal of fixed asset investments	-	9
Interest receivable	(101)	(85)
Changes in working capital:		
Increase in stocks	(11)	(17)
Decrease/(Increase) in debtors	13	(193)
(Decrease)/Increase in creditors	(294)	174
Net cash inflow from operating activities	<u>1,480</u>	<u>2,892</u>

(b) Reconciliation of net cash flow to movement in net funds:

	2009 £000	2008 £000
Increase in cash in the period	743	581
Change in net funds	<u>743</u>	<u>581</u>

(c) Analysis of the change in net funds:

	1 April 2008 £000	Cash flow £000	31 March 2009 £000
Net cash:			
Cash at bank and in hand	1,730	786	2,516
Cash held locally by Outward Bound Associations (see note below)	338	(43)	295
Change in net funds	<u>2,068</u>	<u>743</u>	<u>2,811</u>

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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

17 PENSIONS

(a) The Pensions Trust

Depending on their contract of employment, employees of The Trust are eligible to contribute to a pension scheme run by The Pensions Trust, which specialises in the provision of pensions for people working in the voluntary sector. The Pensions Trust's Growth Plan (the Plan) is funded and is not contracted out of the state scheme. The Growth Plan is a multi-employer pension plan. Contributions paid into the Growth Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity. The rules of the Growth Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Growth Plan every 3 years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Growth Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions. If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these. The rules of the Growth Plan state that the proportion of obligatory contributions to be borne by the Member and the Member's Employer shall be determined by agreement between them. Such agreement shall require the Employer to pay part of such contributions and may provide that the Employer shall pay the whole of them.

The Trust paid contributions at the rate of 5%-10% during the accounting period. Members paid normal contributions at the rate of 1%-5% during the accounting period. As at the balance sheet date there were 55 active members of the Plan employed by The Trust, which continues to offer membership of the Plan to its employees.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. Growth Plan is a multi-employer scheme where the scheme assets are co-mingled for investment purposes, and benefits are paid from the total scheme assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2008 have now been completed and will be formalised shortly. The valuation of the Scheme was performed by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £742 million and the Plan's Technical Provisions (i.e. past service liabilities) were £771 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a funding level of 96%. The financial assumptions underlying the valuation as at 30 September 2008 were as follows:

	% per annum
Investment return pre retirement	7.6
Investment return post retirement - Actives/Deferreds	5.1
Pensioners	5.6
Bonuses on accrued benefits	0.0
Rate of price inflation	3.2

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

17 PENSIONS (continued)

(a) The Pensions Trust (continued)

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions, such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall. In view of the small funding deficit and the level of prudence implicit in the assumptions used to calculate the Plan liabilities the Trustee has prepared a recovery plan on the basis that no additional contributions from participating employers are required at this point in time. In reaching this decision the Trustee has taken actuarial advice and has been advised that the shortfall of £29 million (as at 30 September 2008) will be cleared within 10 years if the investment returns from assets are in line with the "best estimate" assumptions. "Best estimate" means that there is a 50% expectation that the return will be in excess of that assumed and a 50% expectation that the return will be lower than that assumed over the next 10 years. These "best estimate" assumptions are 8.4% per annum pre retirement, 5.1% per annum post retirement (actives and deferreds) and 5.6% per annum post retirement (pensioners).

A copy of the recovery plan must be sent to the Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2008 valuation will be forwarded to the Pensions Regulator in due course.

The next full actuarial valuation will be carried out as at 30 September 2011.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The Trustee's current policy is that it only applies to employers with pre October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's pre October 2001 liability attributable to employment with the leaving employer compared to the total amount of the Plan's pre October 2001 liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The Trust has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2008. As of this date the estimated employer debt for The Trust was £440,729.45 and is regarded as a contingent liability at the balance sheet date. No provision for this debt is considered necessary at this time since the Trust has no foreseeable intention to withdraw from the Plan.

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

17 PENSIONS (continued)

(b) The Teachers Pension Scheme

Where a new employee was a member of the Teachers' Pension Scheme by virtue of previous employment they could, until 31 August 2008, elect to continue to contribute whilst employed by the Company. From 1 September 2008, continued membership of the Teachers' Pension Scheme was no longer offered to new employees. The Company continues to contribute the percentage of salary laid down in the rules of the Teachers' Pension Scheme for those employees who are existing members. During the year 8 employees were members of the Teachers Pension Scheme (2008: 8 employees). Total employer's contributions to the Teachers Pension Scheme for the year to 31 March 2009 were £16,263 (2008: £15,375).

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Not less than every four years the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate (SCR) is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service.

Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

THE OUTWARD BOUND TRUST ANNUAL REPORT

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

17 PENSIONS (continued)

(b) The Teachers Pension Scheme (continued)

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years); a total contribution rate of 20.5%. This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement has also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

(c) Other pension contributions

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 31 March 2009 were £12,512 (2008: £7,804).

18 POST BALANCE SHEET EVENT

As part of a re-structure of group activities, on 1 April 2009 all assets, undertakings and activities of The Outward Bound Trust, except for the registered trademarks, licensing and goodwill of the name Outward Bound, were transferred for a consideration of £10,000 to a new charitable company (company number 06748835, charity number 1128090) which was formed under the name Outward Bound Global and had the same charity trustees and members as The Outward Bound Trust. The transfer included the shareholdings of the two subsidiaries Outward Bound Trading Limited and Outward Bound Professional Limited, but excluded the interest in Outward Bound Oman UK. At the same time Outward Bound Global changed its name to The Outward Bound Trust and The Outward Bound Trust (company 405180) changed its name to Outward Bound Global.