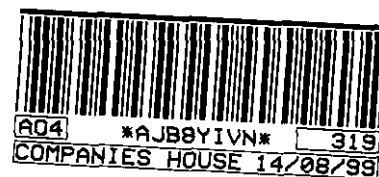


THE OUTWARD BOUND TRUST
(Company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1999

Company Number: 405180

Registered Charity Number: 313645



THE OUTWARD BOUND TRUST

PATRON: His Royal Highness The Duke of Edinburgh, KG, KT

TRUSTEES: His Royal Highness The Duke of Edinburgh, KG, KT (Chairman)
His Royal Highness The Duke of York, CVO, ADC
Sir Chris Bonington, CBE
Honor Chapman, CBE
Bernard Dewe Mathews, CBE, TD
Alex van Heeren
Hugh Hudson-Davies, CVO
Rev. Canon Michael Irving
The Lord Kirkham
Ian Lawson
Eric Morley (resigned 31 December 1998)
Lady Ryder, MBE

SENIOR EXECUTIVES:

Sir Michael Hobbs, KCVO, CBE	Director
Anne Ireland	Finance Director and Company Secretary
Rory Jeffes	Development Director (appointed 1 April 1999)
Roger Eames	Properties Director
William Ripley	Divisional Managing Director - Outward Bound Division
Phil Dale	Divisional General Manager - Outward Bound Professional

REGISTERED CHARITY NUMBER: 313645

COMPANY NUMBER: 405180

HEADQUARTERS: The Outward Bound Trust
207 Waterloo Road
London
SE1 8XD

Tel: 0171 928 1991
Fax: 0171 928 3733

AUDITORS: PricewaterhouseCoopers
1 Embankment Place
London
WC2N 6NN

BANKERS: Barclays Bank Plc
Rugby Business Centre
PO Box 11
North Street
Rugby
Warwickshire
CV21 2AN

REGISTERED OFFICE: Plumtree Court
London
EC4A 4HT

THE OUTWARD BOUND TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 1999

The Outward Bound Trust was established as a company limited by guarantee and incorporated on 27 February 1946. A revised constitution was approved on 12 February 1997 and a new Board of Trustees, who are the directors of the company, was elected under the chairmanship of His Royal Highness The Duke of Edinburgh KG KT. The present Trustees together with the senior executives are listed on page 1. Mr. Eric Morley resigned as a Trustee on 31 December 1998. The revised constitution allows for a Board of between 10 and 15 Trustees.

OBJECT

The object of the Trust is 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.

REVIEW OF ACTIVITIES

The Trust runs courses through the Outward Bound Division for young people at three centres; Ullswater in England, Aberdovey in Wales and Loch Eil in Scotland. The Trust's subsidiary company, Outward Bound Professional Limited, also runs some courses for adults over the age of twenty-five at these centres, and in addition runs professional development training courses at Eskdale in England. The subsidiary company's profits are covenanted to the Trust in order to support its work with young people.

In July 1998 a second trading subsidiary company, Outward Bound Trading Limited, was incorporated in order to raise funds through events and other activities. The company's profits are similarly covenanted to the Trust.

The Trust's work is also supported in several ways by generous donations from many sources. Members of the Patron's Company give annual donations which provide bursaries for young people who would not otherwise be able to attend courses. Other significant donations have been received both for capital projects and for revenue support during the year.

In March 1999 the Head Office functions in Windsor and Victoria, London were relocated in new offices in Waterloo, London, where the Trust is a tenant of Fairbridge, a charity which also works with young people. The Trust's operational and financial direction is based in London. Divisional operational management is based at Ullswater.

OPERATIONAL REVIEW

In 1998/99 the Trust faced the end of the agreed period of its close collaboration with The Duke of Edinburgh's Award, the withdrawal of the subvention which the Award had made in the previous three years and the need to develop an entirely separate senior management team. Operationally, therefore, 1998/99 was expected to be a challenging year. The results for the year were encouraging and operational targets were exceeded.

The prime operational targets were to increase the number of young people attending courses and to widen the reach to those who would not otherwise be able to afford the course fees by the provision of bursaries. These objectives were achieved. The Outward Bound division has continued the growth of the previous year. The number of young people attending courses rose by 15% from 12,900 in 1998 to 14,800 in 1999 and 4,900 participants (1998: 3,400) received financial assistance with course fees through the bursary programme.

The Professional division underwent further reorganisation during the year. This contributed to poor course participation in the first quarter. Bookings improved in the latter part of the financial year, although much of the financial benefit will accrue only in 1999/2000.

THE OUTWARD BOUND TRUST

REPORT OF THE TRUSTEES (CONTINUED)

The Outward Bound Charity Challenge was run by Outward Bound Professional Limited for the second year at Eskdale with 52 teams taking part (1998: 38 teams). Winners of the several heats took part in a final weekend to arrive at the overall Challenge winners.

The programme of capital improvement and refurbishment of the centres continued. A major project, part funded by the English Sports Lottery, provided a new boathouse and safety boat at Ullswater, giving improved lakeside facilities for both able-bodied and disabled participants. Additional capital expenditure on course equipment, notably ropes courses, tents and water craft, was funded from donations received. In March 1999, a new safety boat, *The Master of Trinity House*, was purchased with funds donated by Trinity House.

A review of the terms and conditions of employment was undertaken during the year. The Trustees are satisfied that every effort has been made to comply with the new Working Time and Minimum Wage Regulations.

FINANCIAL POSITION

In the year to 31 March 1999 the main financial achievements were as follows:

- ❖ the net surplus ("incoming resources") increased from £66,000 in 1998 to £333,000;
- ❖ total bank borrowings reduced by £320,000;
- ❖ a further £250,000 was repaid to The Duke of Edinburgh's Award in respect of the loan from them, leaving a balance of £200,000 to be repaid by 31 March 2000;
- ❖ a total of £596,000 was invested in capital improvements to buildings and major items of course equipment, including £290,000 for the new boathouse at Ullswater.

Contributing to these achievements:

- ❖ revenue from courses increased by 14% to £2,652,000;
- ❖ bursaries granted increased by 44% to £600,000;
- ❖ the number of Patron's Company members increased from 39 to 53, generating £534,000 in donations for bursaries;
- ❖ Outward Bound Professional made a profit of £116,000 (1998: £106,000) which was covenanted to the parent charity;
- ❖ £52,000 was raised by the Outward Bound Charity Challenge;
- ❖ bank borrowings were restructured to provide a 5-year long-term loan of £500,000 with the remaining balance on short-term overdraft. New interest rates were negotiated which resulted in substantial savings over and above those arising from the reduction in base rates;
- ❖ one of the Trust's properties, Rhowniar, in North Wales, which was surplus to the Trust's needs was sold realising £257,500.

THE OUTWARD BOUND TRUST

REPORT OF THE TRUSTEES (CONTINUED)

FUTURE PLANS

The Trust's plans for 1999/2000 are to continue to:

- ❖ increase access to courses to young people from all backgrounds through the use of bursaries;
- ❖ explore opportunities for partnerships with other organisations in order to make Outward Bound courses available at locations other than at the main centres;
- ❖ develop the work of Outward Bound Professional Limited to extend the number of courses delivered and increase the profits generated for transfer to the Trust;
- ❖ improve centre facilities by capital investment, seeking grant funding from Lottery Boards and other agencies wherever possible;
- ❖ recruit new Patron's Company members in order to increase funding available for bursaries;
- ❖ fund-raise in order to repay the outstanding balance of the loan from The Duke of Edinburgh's Award, reduce bank borrowings and fund specific projects at centres.

RELATED CHARITIES

Outward Bound International

The United Kingdom Outward Bound Trust is one of 33 national Outward Bound member organisations of Outward Bound International (OBI), which is a non-profit organisation incorporated in Canada. The principal object of OBI is to promote Outward Bound throughout the world. The Board of OBI works closely with the United Kingdom Outward Bound Trust to ensure that all member organisations are properly licensed to operate under the trademarked Outward Bound name. The trademark is owned by the United Kingdom Outward Bound Trust. The OBI Board also works on many other fronts including implementation of safety protocols, international marketing initiatives, fund-raising and implementation of ideas debated at international meetings of members.

The Duke of Edinburgh's Award

From 1995 to March 1998 the Trust and The Duke of Edinburgh's Award had common Trustees and senior executives. Arrangements for the separation of the two charities were completed by March 1998, and throughout the year to 31 March 1999 the charities had only two trustees in common. There is no common control or unity of administration. The two charities have therefore not been treated as "connected charities" in this year's financial statements.

The Trust continues to share fund raising services with The Duke of Edinburgh's Award and The Duke of Edinburgh's Award International Foundation under the co-ordination of a Joint Fundraising Board. The Directors of each charity are members of the Board and meet regularly under the chairmanship of Lord Kirkham to determine fundraising strategy and the programme of activities.

THE OUTWARD BOUND TRUST

REPORT OF THE TRUSTEES (CONTINUED)

CHANGE OF ACCOUNTING POLICY

In order to comply with the recently issued Financial Reporting Standard No. 12 (FRS12) the maintenance provision previously carried in the balance sheet as a "provision for liabilities and charges" was written back at 31 March 1998. The opening balance on the General Fund has been adjusted accordingly. In place of the provision the Trustees have created a separate unrestricted designated fund, the Maintenance Fund, which is set aside for the same purpose, being remedial improvements and refurbishments to the Trust's properties.

YEAR 2000 COMPLIANCE

The Trustees have considered the potential impact and extent of the Year 2000 problem and have reviewed the Trust's own date-dependent equipment. New millennium-compatible computer software will be introduced during the summer of 1999 to handle course bookings, and the Trustees are satisfied that the Trust's other date-dependent systems are, as far as can be determined, Year 2000 compatible. The Trust has also made enquiries of certain key suppliers and evaluated the extent to which the Trust might be at risk from failures in such third party systems. The Trustees are satisfied that the Trust has minimised the risks of systems failures as far as possible, and does not anticipate significant disruption to business as a result.

RESERVES

The Trustees are committed to building the Trust's free reserves to a level which will provide appropriate protection against normal financial and business risks, and which will also provide the necessary stable financial foundation for further growth. The Trustees' Reserves Policy sets out an assessment of an appropriate level of reserves of £5m which the Trustees aim to accumulate following repayment of all borrowings. In arriving at a target level of reserves, the Trustees have analysed future needs, opportunities, contingencies and risks.

As a consequence of the financial difficulties of recent years, the Trust does not currently hold free reserves. The Trustees are confident that the improvement in the financial position of the last four years will continue and that the Trust will start to generate some free reserves within the next few years, although the target level of £5m remains a longer-term aim.

The Trustees consider that the present practices of the Trustees, Management Committee and the senior executive team in planning and evaluating operational and financial performance are adequate for monitoring the progress of their Reserves plans.

CORPORATE GOVERNANCE

The Trustees are committed to the principles of good corporate governance practice as recommended by the Combined Code on Corporate Governance. The Trust has adopted the spirit of the Code and has complied with the relevant aspects of it.

The Management Committee meets at least quarterly to manage the business of the Trust on a delegated basis between meetings of the Trustees.

The Audit Committee meets at least twice a year. Its role is to advise the Trustees on matters of corporate governance, risk management, financial controls and financial statements. Members of the Audit Committee also meet as a Remuneration Committee.

A Nominations Committee meets as required in order to discuss the appointment of new Trustees.

The Trustees are awaiting the final report of the Turnbull working party before assessing the extent to which the Trust already complies with recommended practice in relation to non-financial internal controls.

THE OUTWARD BOUND TRUST

REPORT OF THE TRUSTEES (CONTINUED)

TRADING SUBSIDIARIES

The Trust has two wholly owned subsidiary undertakings:

- ❖ Outward Bound Professional Limited, which runs courses for adults in business, industry and in further education;
- ❖ Outward Bound Trading Limited, which organises fund-raising events and other activities on behalf of the Trust. Outward Bound Trading Limited was incorporated on 13 July 1998.

During the year Outward Bound Professional Limited made a profit of £116,000 and Outward Bound Trading Limited a profit of £4,000. The profits from both subsidiary companies were paid to The Outward Bound Trust under Deeds of Covenant.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for the preparation of financial statements for each financial year which give a true and fair view of the company's incoming resources and application of resources during the year, and of its state of affairs at the end of the year. In preparing those financial statements:

- ❖ Suitable accounting policies have been selected and then applied consistently;
- ❖ Judgements and estimates that have been made are reasonable and prudent;
- ❖ Applicable accounting standards and statements of recommended practice have been followed;
- ❖ The financial statements have been prepared on a going concern basis.

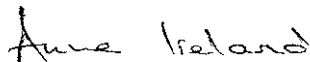
The Trustees are responsible for ensuring proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the charity and enable the Trustees to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the company's assets and hence for taking reasonable steps for the prevention and detection of fraud and breaches of law and regulations.

The Trustees consider that it is appropriate that the financial statements are prepared on a going concern basis for the reasons given in Note 2 to the Financial Statements.

AUDITORS

The Trust's auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office. A resolution to appoint auditors for the financial year ended 31 March 2000 will be proposed at the Annual General Meeting.

By order of the Board



Anne Ireland
Secretary

29 July 1999

Registered Office
Plumtree Court
London
EC4A 4HT

THE OUTWARD BOUND TRUST

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

We have audited the financial statements on pages 8 to 25 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 11 and 12.

Respective responsibilities of Trustees and auditors

The Trustees are responsible for preparing the Trustees' Report, including as described on page 6, the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the Trust 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust'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.

Fundamental uncertainty

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the basis of preparation. The financial statements have been prepared on a going concern basis and the validity of this depends on the company being able to meet its projected cash flow forecasts and on the continued support of the company's bankers and a connected charity in providing adequate overdraft and loan facilities. The financial statements do not include any adjustments that would result from a failure to obtain such continued support or projected cashflows. Details of the circumstances relating to this fundamental uncertainty are described in note 2. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the group and of the Trust at 31 March 1999 and of its incoming resources, application of resources and cashflows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
1 Embankment Place
London

2 August 1999

THE OUTWARD BOUND TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 1999

		General & Reval'n Reserve	Unrestricted Funds Maintenance Fund	Patron's Company	Endowment and Restricted Funds	1999 Total	1998 Total
	Note	£000	£000	£000	£000	£000	£000
<u>INCOMING RESOURCES</u>							
Charitable operational income:							
Outward Bound centres income		2,052	-	-	-	2,052	1,919
Bursaries granted	3a	600	-	-	-	600	417
Gross operational income		2,652	-	-	-	2,652	2,336
Donations and other fund raising income		251	-	676	455	1,382	1,325
Funding from English Sports Lottery		-	-	-	201	201	-
Income from UK listed investments		-	-	-	14	14	14
Gains on disposals of properties		41	-	-	-	41	26
Support from The Duke of Edinburgh's Award		-	-	-	-	-	255
Net income from non-charitable trading subsidiaries	17	120	-	-	-	120	106
TOTAL INCOMING RESOURCES	3	3,064	-	676	670	4,410	4,062
<u>RESOURCES EXPENDED</u>							
Direct charitable expenditure		2,634	37	-	67	2,738	2,871
Bursaries granted	3a	-	-	565	35	600	417
Fund raising		63	-	64	38	165	138
Management and administration		456	-	-	-	456	415
Losses on disposals of investments		-	-	-	2	2	-
Interest payable	5	116	-	-	-	116	155
TOTAL RESOURCES EXPENDED	4	3,269	37	629	142	4,077	3,996
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		(205)	(37)	47	528	333	66
Transfers between funds	13	487	(167)	(9)	(311)	-	-
NET INCOMING / (OUTGOING) RESOURCES		282	(204)	38	217	333	66
Unrealised gains	6 & 7	116	-	-	2	118	47
NET MOVEMENT IN FUNDS		398	(204)	38	219	451	113
Fund balances at 1 April 1998		178	710	415	458	1,761	938
Restatement of opening balances		-	-	-	-	-	710
ADJUSTED FUND BALANCES AT 1 APRIL 1998		178	710	415	458	1,761	1,648
FUND BALANCES AT 31 MARCH 1999		576	506	453	677	2,212	1,761

The notes on pages 11 to 25 form part of these accounts.

Net incoming / outgoing resources represent only continuing operations. There is no material difference between the net incoming / outgoing resources for the period stated above and their historical cost equivalent. No summary income and expenditure account is shown as the movement on the Endowment Fund is shown separately under Note 12.

THE OUTWARD BOUND TRUST

BALANCE SHEETS AT 31 MARCH 1999

	Note	<u>Group</u>		<u>Company</u>	
		1999 £000	1998 £000	1999 £000	1998 £000
FIXED ASSETS					
Tangible assets	6	3,450	3,237	3,403	3,177
Investments	7	161	257	161	257
		<u>3,611</u>	<u>3,494</u>	<u>3,564</u>	<u>3,434</u>
CURRENT ASSETS					
Stocks	8	12	17	-	-
Debtors	9	575	401	401	316
Cash at bank and in hand	19c	362	577	305	549
		<u>949</u>	<u>995</u>	<u>706</u>	<u>865</u>
LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR					
Bank loans and overdraft	2 & 19c	(572)	(1,245)	(572)	(1,245)
Loan from The Duke of Edinburgh's Award	2 & 11	(200)	-	(200)	-
Other creditors	10	(1,223)	(1,033)	(929)	(841)
		<u>(1,995)</u>	<u>(2,278)</u>	<u>(1,701)</u>	<u>(2,086)</u>
NET CURRENT LIABILITIES		<u>(1,046)</u>	<u>(1,283)</u>	<u>(995)</u>	<u>(1,221)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,565</u>	<u>2,211</u>	<u>2,569</u>	<u>2,213</u>
LIABILITIES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
Loans	2 & 11	(353)	(450)	(353)	(450)
NET ASSETS		<u>2,212</u>	<u>1,761</u>	<u>2,216</u>	<u>1,763</u>
FUNDS	12				
Unrestricted:					
General Fund		(316)	(648)	(312)	(646)
Revaluation Reserve		892	826	892	826
Maintenance Fund		506	710	506	710
Patron's Company Fund		453	415	453	415
Restricted:					
Special Appeal Fund		72	58	72	58
Boathouse Fund		299	17	299	17
Endowment and other Restricted Funds		306	383	306	383
TOTAL FUNDS		<u>2,212</u>	<u>1,761</u>	<u>2,216</u>	<u>1,763</u>

The financial statements on pages 8 to 25 were approved by the Trustees on 29 July 1999 and signed on their behalf by:



Hugh Hudson-Davies
Trustee



Bernard Dewe Mathews
Trustee

THE OUTWARD BOUND TRUST

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1999

	Note	1999		1998	
		£000	£000	£000	£000
NET CASH INFLOW FROM OPERATING ACTIVITIES	19a		557		606
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest paid		(116)		(130)	
Investment income received		14		14	
		<u> </u>		<u> </u>	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(102)		(116)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Payments to acquire tangible fixed assets		(596)		(217)	
Receipts on sale of tangible fixed assets		410		313	
Receipts on sale of fixed asset investments		96		-	
		<u> </u>		<u> </u>	
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES			(90)		96
			<u> </u>		<u> </u>
NET CASH INFLOW BEFORE FINANCING ACTIVITIES			365		586
FINANCING ACTIVITIES					
Loan repaid to The Duke of Edinburgh's Award		(250)		(300)	
Other loans repaid		(10)		(48)	
Hire purchase loans repaid		-		(3)	
		<u> </u>		<u> </u>	
NET CASH OUTFLOW FROM FINANCING ACTIVITIES			(260)		(351)
			<u> </u>		<u> </u>
INCREASE IN CASH	19c		105		235
			<u> </u>		<u> </u>

The notes on pages 11 to 25 form part of these accounts.

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

1 ACCOUNTING POLICIES

(a) **Basis of accounting**

The financial statements are prepared in accordance with the requirements of the Statement of Recommended Practice 'Accounting by Charities' issued by The Charity Commission in October 1995, Accounting Standards and with generally accepted accounting practice.

(b) **Accounting convention**

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain assets.

(c) **Basis of consolidation**

The consolidated financial statements include those of the parent company and the wholly owned subsidiary undertakings as at 31 March 1999 together with the receipts and payments from the latest accounts of the Outward Bound Associations regarded as branches under the Statement of Recommended Practice (SORP) 'Accounting by Charities'.

(d) **Funds**

The Trust maintains four types of fund:

- endowment - where the capital is held in perpetuity to generate income for bursaries;
- restricted - where the purposes for which the funds may be used have been restricted by donors;
- designated - where the funds are unrestricted, but where the Trustees have designated them for a specific purpose;
- unrestricted - where the fund is not restricted as to use.

(e) **Operational income**

Operational income comprises fees for courses which have taken place during the year inclusive of bursaries granted and sales made by retail outlets.

(f) **Other incoming resources**

Income from investments and tax reclaimable on donations is accounted for when receivable. All other income is accounted for when received or when it is assured with certainty and receivable by the balance sheet date.

(g) **Resources expended**

Direct expenditure is allocated, where practicable, to operating costs and other costs on a directly attributable basis. The remainder is apportioned over each expense category using appropriate allocations.

(h) **Fixed assets and depreciation**

Properties are held at valuations which are adjusted periodically when permanent increases or diminution of value are deemed to have taken place.

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
Motor vehicles	- 20% per annum
Other equipment	- 10 to 33% per annum

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(i) **Gifts in kind**

Gifts in kind are not included in the income and expenditure account because of difficulties of full quantification. Note 3 to the accounts lists the sources of gifts in kind and quantification where this is possible.

(j) **Listed investments**

Listed investments are held at market value at the balance sheet date. Realised and unrealised gains or losses are accounted for in the relevant fund.

(k) **Stocks**

Stocks are valued at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis.

(l) **Leasing transactions**

Costs in respect of operating leases are charged on a straight line basis over the lease term.

(m) **Deferred income**

Deferred income represents invoiced amounts in respect of courses to be undertaken after the end of the accounting period.

(n) **Pensions**

The Trust operates a defined contribution pension scheme through The Pensions Trust. The assets of the scheme are held separately from those of the Trust in a separately administered fund. The pension costs included in these financial statements represent contributions payable by the Trust to the fund, which in turn represent a regular pension cost over the average service lives of employees.

(o) **Repairs and maintenance**

Repairs and maintenance are charged to expenditure as incurred. Since 1994 the trustees had set aside funds annually as a provision to equalise necessary remedial maintenance costs to properties. At 31 March 1998 the Trust wrote back the unspent balance of the provision to General Fund, and, at the same time set up a designated fund with the same objectives. This change in accounting policy has had the effect at 31 March 1998 of eliminating the provision for liabilities and charges of £710,000 and increasing the Trust's unrestricted funds by the same amount. The comparative figures have been amended accordingly.

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)

2 BASIS OF PREPARING THE FINANCIAL STATEMENTS - GOING CONCERN

During the period the company generated net incoming resources of £333,000 (1998: net incoming resources of £66,000).

The Trust remains dependent on the support of Barclays Bank through the overdraft facility to meet day to day working capital requirements. Bank borrowings were restructured in September 1998 to provide £500,000 long-term loan finance, with the overdraft facility being reduced from £1,245,000 to £750,000. Cashflow was managed throughout the year within the overdraft limit ruling at the time. In May 1999 the overdraft facility was reduced further to £675,000, which is adequate to meet the Trust's projected cashflow requirements for the next 12 months.

At the 31 March 1999, the overdraft was £472,000, which was within the agreed facility. The overdraft is secured on two of the Trust's properties which have a combined net book value of £2,167,000. It bears interest at 1.5% above base rate. This is a reduction in interest charge from 2.5% above base payable on the overdraft prior to September 1998. The facility is repayable on demand, but in the absence of adverse circumstances the bank does not consider that the facility would not be extended beyond March 2000.

In addition, and outside the overdraft facility agreement, there were separate bank accounts with balances totalling £75,000 held to the account of various restricted and unrestricted funds.

The Treasury loan from Barclays Bank is also secured on the two properties described above. It is repayable in equal monthly instalments over 5 years and bears interest at 1.8% above LIBOR. The outstanding balance at 31 March 1999 was £453,000, of which £100,000 is treated as a current liability.

In 1995 The Duke of Edinburgh's Award made a loan of £1,000,000 which is repayable by 31 March 2000. Repayments of £250,000 were made during the year, and the remaining balance of £200,000 at 31 March 1999 is scheduled for repayment in accordance with the agreement. The loan is secured by a fixed and floating charge over the group's assets which ranks after the bank's primary charge and carries interest at 2% above LIBOR.

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the company being able to meet its projected cashflow forecasts and on the bank's assurance of support through provision of the overdraft facility.

The Trustees have confidence in the steps being undertaken to achieve operational success, as outlined in the Trustees' report, and believe that it is appropriate for the financial statements to be prepared on a going concern basis.

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)

	1999 £000	1998 £000
3 INCOMING RESOURCES		
(a) Bursaries funded by donations and investment income:		
from Patron's Company donations	565	374
from restricted funds investment income from prior years	19	36
from restricted funds investment income for current year	14	7
from other restricted donations	2	-
	<u>600</u>	<u>417</u>
(b) Gifts in kind are neither valued nor included in the statement of financial activities because of the difficulties of total quantification. They include:		
Professional services for which the Trust is not asked to pay full value		
Provision of vehicles at discounted leasing rates		
Donations of outdoor clothing to the value of £10,000		
Provision of new Head Office furniture and fittings at discounted costs		
Local support from donors who may provide both services and tangible gifts from time to time		

4 RESOURCES EXPENDED

(a) Analysis of total resources expended:

	Staff Costs £000	Other Costs £000	Depreciation £000	1999 Total £000	1998 Total £000
Direct charitable operational costs	1,282	1,370	86	2,738	2,871
Bursaries granted	-	600	-	600	417
Fundraising	-	165	-	165	138
Management and administration costs	307	120	29	456	415
Losses on disposals of investments	-	2	-	2	-
Interest payable	-	116	-	116	155
	<u>1,589</u>	<u>2,373</u>	<u>115</u>	<u>4,077</u>	<u>3,996</u>
Other direct charitable operational costs comprise:					
Catering and housekeeping				588	568
Property costs				292	270
Vehicle costs				135	156
Course equipment consumables and other course expenses				128	102
Centre support costs				101	104
Marketing				93	112
Other operational costs				33	158
				<u>1,370</u>	<u>1,470</u>

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)

4 RESOURCES EXPENDED (continued)

	1999 £000	1998 £000
(b) Total resources expended by the charity include the following:		
Staff costs	1,589	1,595
Auditors' remuneration for audit services	16	13
Depreciation	115	107
Operating leases - equipment hire	63	100
- rent payable	21	21
Staff costs comprise:		
Wages and salaries	1,409	1,418
National Insurance costs	129	109
Pension costs	51	68
	<u>1,589</u>	<u>1,595</u>
(c) The average number of employees, including part-timers, during the year were:	<u>149</u>	<u>126</u>
(d) The table below sets out the number of employees of the charity whose emoluments, excluding pension contributions, were in excess of £40,000 per annum within the bands stated.		
	1999	1998
£40,000 - £50,000	2	1
£60,000 - £70,000	-	1
£80,000 - £90,000	1	-

5 INTEREST PAYABLE

	1999 £000	1998 £000
Interest on bank overdraft	64	95
Interest on bank loan	21	-
Interest on loan from The Duke of Edinburgh's Award	31	60
	<u>116</u>	<u>155</u>

For interest calculation purposes only certain cleared credit balances held on account with the group's bankers are set off against borrowings with them.

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)

6 TANGIBLE FIXED ASSETS

	<u>Group</u>			<u>Company</u>		
	Equipment	Land and buildings	Total	Equipment	Land and buildings	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
1 April 1998	858	3,005	3,863	695	3,005	3,700
Additions	183	413	596	181	413	594
Disposals	(1)	(380)	(381)	(1)	(380)	(381)
Revaluations	14	71	85	14	71	85
31 March 1999	1,054	3,109	4,163	889	3,109	3,998
Depreciation						
1 April 1998	592	34	626	489	34	523
Charge for the year	85	45	130	70	45	115
Disposals	(1)	(11)	(12)	(1)	(11)	(12)
Eliminated on revaluation	-	(31)	(31)	-	(31)	(31)
31 March 1999	676	37	713	558	37	595
Net book value						
31 March 1999	378	3,072	3,450	331	3,072	3,403
31 March 1998	266	2,971	3,237	206	2,971	3,177

The freehold property at Ullswater is revalued in the balance sheet on the basis of a valuation by Smiths Gore, Chartered Surveyors, at open market value in May 1999. The freehold properties at Eskdale and Aberdovey are included in the balance sheet on the basis of valuations by Smiths Gore at open market value in January 1998, plus additions since that date at cost. In total these three properties are included above at valuations amounting to £3,017,000. 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.

Additions to land and buildings reflect capital improvements since the dates of valuation.

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

All material tangible fixed assets are for charitable use.

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)

6. TANGIBLE FIXED ASSETS (CONTINUED)

Included in fixed assets are net unrealised gains arising from revaluations as shown below:

	1999 £000	1998 £000
Revaluation of Aberdovey and Eskdale (January 98)	-	94
Permanent diminution in the valuation of Rhowniar	-	(86)
Revaluation of Ullswater	102	-
Revaluation of certain antique fixtures and fittings	14	-
	<u>116</u>	<u>8</u>

7. FIXED ASSET INVESTMENTS

Listed UK Investments at market value

Group and Company

	1999 £000	1998 £000
Brought forward at 1 April	257	218
Disposals	(99)	-
Increase in market value	3	39
Balance at 31 March	<u>161</u>	<u>257</u>
Historical cost of investments:	<u>87</u>	<u>113</u>
Market value comprises:		
Equities	81	159
Gilts	80	98
	<u>161</u>	<u>257</u>

Included in investments are unrealised gains as shown below:

Balance brought forward at 1 April	144	105
Eliminated on disposals	(73)	-
Movement in year	2	39
Balance at 31 March	<u>73</u>	<u>144</u>

8. STOCKS

Group

Company

	1999 £000	1998 £000	1999 £000	1998 £000
Goods for resale	12	17	-	-
	<u>12</u>	<u>17</u>	<u>-</u>	<u>-</u>

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)

	Group		Company	
	1999 £000	1998 £000	1999 £000	1998 £000
9 DEBTORS				
Trade debtors	407	232	233	147
Income tax recoverable	98	43	98	43
VAT recoverable	35	31	35	31
Amounts due from The Duke of Edinburgh's Award	-	79	-	79
Prepayments	16	-	16	-
Other debtors	19	16	19	16
	<u>575</u>	<u>401</u>	<u>401</u>	<u>316</u>
10 LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR				
Bank overdraft	472	1,245	472	1,245
Bank loan	100	-	100	-
Loan from The Duke of Edinburgh's Award	200	-	200	-
Loans and overdraft	<u>772</u>	<u>1,245</u>	<u>772</u>	<u>1,245</u>
Trade creditors	432	291	391	260
Amount due to subsidiary undertakings	-	-	11	41
PAYE, National Insurance and VAT	115	107	62	50
Accruals	196	168	191	168
Bank interest payable	-	25	-	-
Deferred income	480	431	274	311
Loan from Glasgow Outward Bound Association	-	10	-	10
Loan interest payable	-	1	-	1
Other creditors	<u>1,223</u>	<u>1,033</u>	<u>929</u>	<u>841</u>
Total	<u>1,995</u>	<u>2,278</u>	<u>1,701</u>	<u>2,086</u>
11 LIABILITIES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR				
	Group and Company			
	1999	1998		
	£000	£000		
Barclays Bank Treasury loan	353	-		
Loan from The Duke of Edinburgh's Award	-	450		
	<u>353</u>	<u>450</u>		

The loan from Barclays Bank is repayable in monthly instalments and interest is paid monthly on the outstanding balance at a rate of 1.8% above LIBOR. The loan is secured by mortgage on certain of the Trust's assets.

The loan from The Duke of Edinburgh's Award is repayable by 31 March 2000 and the outstanding balance at 31 March 1999 of £200,000 has been included in the balance sheet under short term liabilities.

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)

12 FUNDS

(a) Types of Funds:

The Trust has nine funds:

- (i) The General Fund, the income of which is used to fund the recurring annual expenditure of the Trust. This fund is not restricted as to its use, provided that such uses fall within the terms of the Memorandum and Articles of Association.
- (ii) The Revaluation Reserve arose from the revaluation of properties at 31 December 1994, 31 January 1998 and May 1999.
- (iii) The Maintenance Fund is a designated fund. It was set up to hold allocated funds for repairs and improvements to the Trust's properties, following recommendations contained in a detailed report by Jones Lang Wootton in 1995 as updated by regular review by the Trustees and senior executives. The amount of £710,000 transferred to create the fund represented the unspent balance on the old repairs and maintenance provision as at 31 March 1998, such provision being no longer allowable under FRS 12.
- (iv) The Patron's Company Fund is an unrestricted fund which the Trustees have designated to be used for increasing accessibility of courses by way of bursaries. It receives donations from members of the Patron's Company.
- (v) The Special Appeal Fund represents incoming resources raised from events earmarked for the Special Appeal. Its purpose is to hold funds raised from such events to repay the outstanding balance of the loan from The Duke of Edinburgh's Award. It is a restricted fund.
- (vi) The Boathouse Fund is a restricted fund and was set up following a successful application to the English Sports Council Lottery Sports Fund for a grant of £222,000 towards the redevelopment of the boathouse at Ullswater. Additional funding was obtained from donors and from an allocation from the Trust's own resources. The project was successfully completed during the year.
- (vii) The Endowment Fund comprises specific legacies and donations which are held in perpetuity as investments to provide income for bursaries.
- (viii) The restricted Bursary Funds receive the investment income from both the Endowment Fund investments and any other donations restricted to provide bursaries.
- (ix) The Trust has received certain donations for specific purposes. Such donations are held as restricted funds until the related expenditure is incurred.

(b) Movement in Revaluation Reserve

	Balance 1.4.98	Net Increase on Revaluation	Transfers (to) / from General Fund	Balance 31.3.99
	£000	£000	£000	£000
Revaluation Reserve	826	116	(50)	892

The transfer from the Revaluation Reserve arose as a result of the sale of two of the Trust's properties during the year. The Ullswater centre and boathouse were revalued in May 1999 at £850,000. This revaluation has been included in the balance sheet at 31 March 1999, giving rise to an unrealised gain on revaluation of £102,000. Certain antique fixtures and fittings at the Trust's centres have been revalued on the basis of a valuation performed by independent experts at 31 March 1999, giving rise to an unrealised gain on revaluation of £14,000.

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)

12 FUNDS (CONTINUED)

(c) Movement in Endowment and Restricted Funds

	Balance 1.4.98	Incoming Resources	Expenditure, gains, losses and transfers	Balance 31.3.99
	£000	£000	£000	£000
Special Appeal	58	302	(288)	72
Boat House Fund	17	283	(1)	299
Endowment Fund	98	-	(5)	93
Restricted Bursary Funds	186	18	(112)	92
Restricted Donations	100	120	(99)	121
	<u>459</u>	<u>723</u>	<u>(505)</u>	<u>677</u>

(d) Fund Assets

	General Fund	Patron's Company Fund	Revaluation Reserve	Maintenance Fund	Endowment & Restricted Funds	Total
	£000	£000	£000	£000	£000	£000
Fixed assets	2,268	-	892	-	290	3,450
Investments	-	-	-	-	161	161
Net current (liabilities) / assets	(2,231)	453	-	506	226	(1,046)
Long term creditors	(353)	-	-	-	-	(353)
Net assets	<u>(316)</u>	<u>453</u>	<u>892</u>	<u>506</u>	<u>677</u>	<u>2,212</u>

The parent charity movement of funds is as disclosed in the group figures, less only the figures disclosed in note 17.

13 TRANSFERS BETWEEN FUNDS

During the year the following transfers have been made between funds:

To the General Fund:

- £250,000 (1998: £300,000) of the loan from The Duke of Edinburgh's Award was repaid. A corresponding amount has been transferred from the Special Appeal Fund;
- £117,000 has been transferred from the Maintenance Fund in respect of capital improvements and additions funded in the year;
- £88,000 has been transferred from the Patron's Company Fund in respect of an allocation of expenses;
- £49,000 has been transferred from the Revaluation Reserve in respect of realised gains on the sale of properties during the year;
- £32,000 has been transferred from restricted donations in respect of related capital expenditure.

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)

13 TRANSFERS BETWEEN FUNDS (CONTINUED)

To the Boathouse Fund:

- £50,000 was transferred from the Maintenance Fund as a contribution towards costs.

To the Patron's Company Fund:

- £79,000 was transferred from restricted bursary funds in respect of the proceeds of sales of investments reclassified as unrestricted following review and consultation with the Charity Commission.

14 NET INCOME / EXPENDITURE FOR THE FINANCIAL PERIOD

As permitted by section 230 of the Companies Act 1985, the parent company's statement of financial activities has not been included in these financial statements. The parent company's net income for the financial period was £213,000 (1998: net expenditure of £40,000).

15 CONNECTED CHARITIES

From 1995 to March 1998 the Trust and The Duke of Edinburgh's Award had common Trustees and senior executives. Arrangements for the separation of the two charities were completed by March 1998, and throughout the year to 31 March 1999 the charities had only two trustees in common. There was no common control or unity of administration during the year. The two charities have therefore not been treated as "connected charities" in this year's financial statements. For the same reason, the Trust and The Duke of Edinburgh's Award International Foundation, with whom there is still one trustee in common, were not connected during the financial year.

16 RELATED PARTY TRANSACTIONS

Trustees and companies controlled by Trustees gave donations totalling £37,500 during the year. Certain Trustees are also connected with other charities which in total made grants to the Trust of £70,000.

Several of the Trustees have related party connections with other charities. Trustees have reviewed these connections and those of their close families. No disclosable transactions with The Outward Bound Trust other than those described above arose during the year from such connections.

Lord Kirkham has guaranteed the loan to the Trust from The Duke of Edinburgh's Award. He is also chairman of the Joint Fundraising Board.

The Director is a trustee of Fairbridge, the Trust's new Head Office landlords.

Two Trustees received expenses totalling £571 in respect of travelling expenses to attend meetings (1998: 3 Trustees received expenses totalling £731).

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)

17 SUBSIDIARY UNDERTAKINGS

The Trust has a wholly owned subsidiary, Outward Bound Professional Limited, a company registered in England. Outward Bound Professional Limited runs corporate management training courses and courses for people over the age of 25 through participation in a wide variety of activities, with special reference to the outdoors. The company also operates a number of retail outlets selling merchandise related to those courses.

The Trust has a second wholly owned subsidiary, Outward Bound Trading Limited, a company incorporated on 13 July 1998 and registered in England. The company is set up to organise fundraising events and other activities in support of the Trust's objectives.

A management charge was levied by the parent charity on both subsidiary companies. In respect of Outward Bound Professional Limited the management charge of £590,000 (1998: £450,000) was in respect of an allocation of the costs of the Centres and of Head Office support services. In respect of Outward Bound Trading Limited the management charge of £500 represented an allocation of indirect Head Office support costs. Both companies covenant their taxable profit to the parent charity. A summary of the results of the companies is shown below. Full financial statements are filed with the Registrar of Companies and are obtainable from the Company Secretary at The Outward Bound Trust's headquarters.

(a) Profit and loss accounts for the year ended 31 March 1999

	Outward Bound Professional Limited		Outward Bound Trading Limited (from 13.7.98)
	1999 £000	1998 £000	1999 £000
Turnover	1,866	2,066	4
Cost of sales	(1,750)	(1,960)	(-)
Operating profit for the period	<u>116</u>	<u>106</u>	<u>4</u>
Amount covenanted to The Outward Bound Trust	(118)	(94)	(4)
Retained in subsidiary	<u>(2)</u>	<u>12</u>	<u>Nil</u>
Operating profit is stated after charging:			
Staff costs	598	820	-
Management charge from parent charity	590	450	-
Auditors' remuneration for audit services	3	3	-
Depreciation	15	15	-
Operating lease rentals - hire of equipment	11	14	-
Staff costs comprise:			
Wages and salaries	514	754	-
National insurance costs	44	60	-
Pension costs	11	6	-
Other staff costs	29	-	-
	<u>598</u>	<u>820</u>	<u>Nil</u>

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)

17 SUBSIDIARY UNDERTAKINGS (CONTINUED)

	Outward Bound Professional Limited		Outward Bound Trading Limited (from 13.7.98)
	1999	1998	1999
The average number of employees, including part-timers, during the year were:	34	59	nil

The number of employees whose emoluments, excluding pension contributions, were in excess of £40,000 per annum within the band shown was:

	1999	1998	1999
£40,000 - £50,000	nil	1	nil

The Directors received no emoluments or expenses (1998 - Nil).

(b) Summarised Balance Sheets at 31 March 1999

	Outward Bound Professional Limited	Outward Bound Trading Limited	
	31.3.99 £000	31.3.98 £000	31.3.99 £000
Tangible fixed assets	47	60	-
Current assets	254	171	1
Current liabilities	(305)	(233)	(1)
Net current liabilities	<u>(51)</u>	<u>(62)</u>	<u>nil</u>
Net liabilities	<u>(4)</u>	<u>(2)</u>	<u>nil</u>
Called up share capital and revenue reserve	(4)	(2)	nil

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)

18 OPERATING LEASES

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 March 2000:

	<u>Group</u>				<u>Company</u>			
	<u>Land and buildings</u>		<u>Equipment</u>		<u>Land and buildings</u>		<u>Equipment</u>	
	1999	1998	1999	1998	1999	1998	1999	1998
	£000	£000	£000	£000	£000	£000	£000	£000
Expiring:								
Up to one year	-	-	5	30	-	-	5	30
Between 1 and two years	-	-	1	2	-	-	1	1
Between 2 and 5 years	-	-	112	32	-	-	102	23
After more than five years	21	21	1	-	21	21	-	-
	<u>21</u>	<u>21</u>	<u>119</u>	<u>64</u>	<u>21</u>	<u>21</u>	<u>108</u>	<u>54</u>

19 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1999

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

	1999 £000	1998 £000
Net incoming resources	333	66
Adjustments:		
Items not involving the movement of funds:		
Depreciation charge	130	122
Gains on disposals of tangible fixed assets	(41)	(26)
Losses on disposals of investments	2	-
Other items	-	12
Interest paid (separately disclosed):		
Interest charge for year	116	155
Less accrued	-	(25)
Investment income received separately disclosed	(14)	(14)
Changes in working capital		
Decrease / (increase) in stocks	5	(1)
Decrease in debtors	(174)	179
Increase / in creditors	200	138
Net cash inflow from operating activities	<u>557</u>	<u>606</u>

THE OUTWARD BOUND TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)

19 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)

(b) Analysis of changes in cash during the period

	1999 £000	1998 £000
Balance at 1 April	(668)	(903)
Net cash inflow	105	235
Balance at 31 March	<u>(563)</u>	<u>(668)</u>

(c) Analysis of cash balances as shown in the Group Balance Sheet

	31.3.99 £000	31.3.98 £000	31.3.97 £000	1999 Change in year £000	1998 Change in year £000
Cash at bank and in hand	79	318	314	(239)	4
Cash held locally by Outward Bound Associations	283	259	218	24	41
	<u>362</u>	<u>577</u>	<u>532</u>	<u>(215)</u>	<u>45</u>
Short term bank loan and overdraft	(572)	(1,245)	(1,435)	673	190
Long term bank loan	(353)	-	-	(353)	-
	<u>(563)</u>	<u>(668)</u>	<u>(903)</u>	<u>105</u>	<u>235</u>

Cash held locally by Outward Bound Associations is not directly available to the Trust headquarters operations 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.

20 PENSIONS

The Trust operates a defined contribution scheme with The Pensions Trust. With the exception of two employees who are members of the Teachers Pension Scheme, all current employees who are eligible and choose to do so contribute to the Pensions Trust.

The Trust operated a funded "defined benefit" pension scheme. At 31 March 1997 there were only 12 members in the scheme who were current employees, and a further 26 members who had terminated their service with the Trust. In view of the small number of members of the scheme, The Trustees decided to initiate action to wind it up. The Pension Scheme Trustee has confirmed that the insurers, CGU Life, have been instructed to complete the winding-up procedures as a matter of priority.