

Scottish Charity No. SC040949
Company Number: SC362320

The Bonar Trust

(A Company Limited By Guarantee)

Report of the Directors and Unaudited Financial Statements
For the year ending 31 March 2018

The Bonar Trust

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The Bonar Trust

Report of the Directors for the year ending 31 March 2018

The Directors are pleased to present their report together with the financial statements of The Bonar Trust for the year ending 31 March 2018.

Principal Activities and Charitable Objectives

The Trust was formed to advance the Christian religion throughout Scotland and elsewhere in the world. In particular, the Trust encourages, provides support and promotes:

- Christian ministries
- The teaching of the Bible and Christian evangelism
- The training, education and development of the Christian Faith.

The Directors' focus is to invest in the next generation of leaders for the church in Scotland.

Grant Making Policy

The Directors' partially fulfil this vision by awarding grants to promote and support ministry apprentice and church leader in training programmes.

Grants for individuals participating in ministry associate programmes are awarded for one year. The Trust will normally support an individual for a maximum of two years.

Grants for individuals participating in a church leader in training programme are awarded for one year. The Trust will normally support an individual for a maximum of four years. These individuals will have completed a recognised church-based apprenticeship (or equivalent) and will be engaged in further training (being a combination of church based experience and theological study) towards church leadership in Scotland.

Main Achievements

The Trust recognises the strategic priority of investing in training the next generation of leaders for the Church in Scotland. A major research study and report by Barna Global and the Maclellan Foundation on the spiritual state of Scotland (published in 2015) concluded: 'By far the most significant finding is the singular importance of developing leaders. Potential leaders need to be identified, trained, developed and then placed in positions with effective teams and biblical accountability. In many ways, investment in leaders is the first and most important priority, because these God-given and gifted leaders will mobilize, motivate, equip and direct God's people to accomplish his vision for the Church in Scotland.'

The work of the Trust is focused in three areas: funding, development and leadership.

Funding

The Trust is committed to making significant financial investment in the training of gifted future leaders. The funding allows them to undertake rigorous training without cutting corners. It allows people to train for ministry who might not otherwise be able to do so. It makes it possible for people to transfer into full-time ministry after working for a number of years. And it recognises that the landscape has changed. Apart from the Free Church of Scotland, which is strong, a funded candidacy route through Scotland's historic and largest denominations is no longer an option for most future evangelical leaders. And in the future, most church leaders cannot expect the provision of housing etc.

Once again, the Directors are pleased to report an increase in grants awarded to individuals. A network of key training churches is emerging in Scotland, where the Trust can be confident that individuals are receiving an excellent training. Most encouragingly, a number of individuals supported by the Trust through their training, and now in leadership roles, are establishing training programmes in their

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Report of the Directors for the year ending 31 March 2018

churches. Individuals in these churches are now being funded by the Trust. Training key individuals who will themselves train others will most effectively multiply the Trust's reach and strategic impact in Scotland.

Recognising this key stage of the Trust's development, in the year to March 2018, the Directors focused on increasing the Trust's support base and are pleased to report a significant increase (£166,000 compared to £95,000 last year). This money was raised on the basis of anticipated future funding demands. Apart from holding a minimum reserve, we expect all of this to be used in the 2018 financial year. Looking ahead, the Trust has a 2020 vision to raise support of £250,000 which will enable 45 individuals to be funded (an increase from current levels of around 30) with 8 church leaders completing their training. Moreover, Trust funding is increasingly given on the basis of matched funding from the training church and the individual raising personal support. This means £250,000 invested in training by the Bonar Trust will yield a total annual investment in training of £750,000. Looking even further ahead, the Trust has set a 2025 benchmark for annual long-term investment in training in Scotland of £1,500,000. This will require £500,000 investment from the Trust, allowing 80 individuals to train with 20 church leaders completing their training each year. This is the level of sustainable investment the Directors believe will make a significant difference in Scotland in the medium to longer term.

Development

Development is key to this. In the current year the Directors are pleased to report significant progress.

Partnership training is the model of training promoted by the Trust. This gives equal responsibility for training to the local church and training providers like Cornhill and Edinburgh Theological Seminary. We are convinced this is the best way to train leaders for churches. It is encouraging to see movements like The Gospel Coalition in the US promoting a similar approach to training. The Trust is working hard to profile best practice for apprenticeship and church leader in training programmes.

Developing a network of strong training churches is critical – key to the long-term impact of the Trust. Again, significant progress is being made in this area. The Trust is committed to establishing training churches in all of Scotland's major cities, across a range of demographic and social contexts. Outside the cities, the Trust is committed to investing in the development of rural and regional training. One of the individuals funded through his training by the Trust will be appointed next year as leader of an important church in the Borders where he will develop a training hub for the region.

The Trust has an organised programme of events to communicate its vision and build support. These have been well received.

Leadership

The Barna Report identifies the importance not only of training, but training leaders. The Trust is developing networks of leaders based on peer-groups of individuals funded by the Trust. There are now two groups which meet annually for a Bonar Trust preaching and leadership workshop. Most encouragingly, the first group is continuing to meet together under the auspices of the Trust even though its members are no longer directly funded by the Trust. Now in leadership themselves, getting these people together, further enhances the development of a training strategy for Scotland. It is likely that a third group will be added in the near future.

The Directors are pleased to report an increase in the number of individuals supported by the Trust. In 2017/18, seventeen apprentices and twelve leaders in training were supported in a wide variety of churches right across Scotland. This funding is critical for these individuals, giving them financial space for rigorous training.

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Report of the Directors for the year ending 31 March 2018

Financial Review

The Directors are pleased to note increasing financial support of the vision of the Trust, with income of £166,499 for the year ending 31 March 2018. The Directors are actively seeking additional financial support for its activities.

Results for the Year

The financial statements for the year are set out in pages 8 to 16. The Statement of Financial Activities on page 8 reflects a net income of £32,330 (2017: net expenditure of £27,790). This reflects the increased income during the year which the Directors intend to use to increase its activities in the immediate future.

Reserves Policy

The balance of £82,256 held as unrestricted funds as at 31 March 2018 represent the free reserves of the Trust. Reserves will be accumulated and used for the Trust's objectives as required. The Directors aspire to hold a low level of reserves and will therefore seek further opportunities to realise the Trust's objectives. The grants awarded for the following financial period will make use of these reserves.

Statement on Risk

The Directors have considered the major risks to which the charity is exposed and have reviewed those risks and established procedures to manage those risks. A risk register is maintained by the Directors and is reviewed annually.

Plans for Future Periods

The Trust plans to continue to promote and support ministry associate and church leader in training programmes, provide training in preaching, and to develop other activities in line with the objects of the charity as opportunities arise.

It is anticipated that there will be increased financial support in the coming year as well as an increase in grants made.

Structure Governance and Management

The Bonar Trust was established as a company limited by guarantee and incorporated on 8 July 2009. The Trust is a recognised Scottish charity, number SC040949. The Trust is governed by their Articles of Associated, dated 9 September 2009.

The Directors are responsible for the overall administration and the day to day operations of the Trust.

Directors

The directors who served during the year and to the date of this report were as follows:

P Clarke	R Sloan
N Macdonald	R Sydserff
A MacKenzie	D Vardy
N Martin	

No director had any interest in the share capital of the company at any time during the year as the company is limited by guarantee and does not have share capital.

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Report of the Directors *for the year ending 31 March 2018*

Recruitment and Appointment of Directors

The Directors consider on a regular basis the need to supplement their number or, in the event of death or resignation, to seek a replacement.

All Directors must believe in and accept the fundamental truths of Christianity as set out in the Doctrinal Basis within the Trust's Articles of Association.

Appointment of independent examiners

The Directors appointed Scott-Moncrieff as independent examiners during the period.

A proposal to reappoint Scott-Moncrieff will be put to members at the annual general meeting.

The Bonar Trust

Report of the Directors for the year ending 31 March 2018

Directors

P Clarke
N Macdonald
A MacKenzie
N Martin
R Sloan
R Sydserrff
D Vardy

Company Secretary

A MacKenzie

Registered Office

2 Galachlawside
Edinburgh
EH10 7JG

Company Number

SC362320

Charity Number

SC040949

Bankers

Royal Bank of Scotland
Ayton Branch
High Street
Ayton
TD14 5QJ

Independent Examiner

Scott-Moncrieff
25 Bothwell Street
Glasgow
G2 6NL

The Bonar Trust

Report of the Directors for the year ending 31 March 2018

Statement of Directors' Responsibilities

The trustees (who are also directors of The Bonar Trust for the purposes of company law) are responsible for preparing the Directors' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).


Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved for issue by the Directors and signed on their behalf by:



Robin Sydserff

Dated: 11 December 2018

The Bonar Trust

Report of the Independent Examiner's to the Directors for the year ending 31 March 2018

I report on the accounts of The Bonar Trust for the year ended 31 March 2018, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and the related notes.

This report is made solely to the charity's Directors, as a body, in accordance with section 44 of the Charities and Trustee Investment (Scotland) Act 2005. My examination has been undertaken so that I might state to the charity's Directors those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Directors as a body, for my examination, for this report, or for the opinions I have formed.

Respective responsibilities of Directors and examiner

The charity's Directors are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity Directors consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the Directors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

J. Alexander

Jennifer Alexander CA
Chartered Accountant
Scott-Moncrieff
Chartered Accountants
25 Bothwell Street
Glasgow
G2 6NL

|| December 2018

The Bonar Trust

Statement of Financial Activities for the year ending 31 March 2018

	<i>Notes</i>	Unrestricted Funds 2018 Total £	Unrestricted Funds 2017 Total £
Income from:			
Donations and legacies	4	166,499	94,931
<i>Investments</i>			
Bank interest receivable		31	37
Total		166,530	94,968
Expenditure on:			
Charitable activities	5	134,200	122,758
Total		134,200	122,758
Net income for year and net movement in funds		32,330	(27,790)
Balance as at 1 April 2017		49,926	77,716
Balance as at 31 March 2018	11	82,256	49,926

All of the results relate to continuing activities.

There were no recognised gains or losses other than those included above.

The notes on pages 11 to 16 form part of these financial statements.

The Bonar Trust

Balance Sheet as at 31 March 2018

		2018		2017	
	Notes	£	£	£	£
Current Assets					
Cash at bank and in hand		106,250		78,684	
Debtors	8	15,670		6,336	
		<u>121,920</u>		<u>85,020</u>	
Creditors					
Amounts due within one year	9	39,664		35,094	
		<u>39,664</u>		<u>35,094</u>	
Net Current Assets		82,256		49,926	
Total Assets less Current Liabilities		<u>82,256</u>		<u>49,926</u>	
Represented by:					
Unrestricted Funds					
General Fund	11	82,256		49,926	
		<u>82,256</u>		<u>49,926</u>	

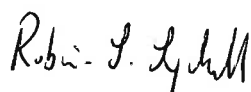
The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the financial year ended 31 March 2018. The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2018 in accordance with Section 476 of the Companies Act 2006.

The Directors acknowledge their responsibility for:

- ensuring that the charitable company keeps accounting records which comply with Section 386 and 387 of the Companies Act 2006, and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its surplus or deficit for the financial period in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were authorised for issue by the directors on 11 December 2018 and signed on their behalf by:



R Sydserrff

The notes on pages 11 to 16 form part of these financial statements.

The Bonar Trust

Statement of Cash Flows as at 31 March 2018

	<i>Notes</i>	2018 £	2017 £
Net cash provided/(used in) by operating activities	14	27,535	(11,332)
Cash flows from investing activities			
Interest received		31	37
Cash provided by investing activities		31	37
Change in cash in the reporting period		27,566	(11,295)
Cash at the beginning of the period		78,684	89,979
Cash at the end of the reporting period		106,250	78,684

The notes on pages 11 to 16 form part of these financial statements.

The Bonar Trust

Notes to the Financial Statements for the year ending 31 March 2018

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the majority of the charitable company's transactions are denominated. They comprise the financial statements of the charitable company drawn up for the year ended 31 March 2018.

The continuing activity of the charitable company is to advance the Christian religion throughout Scotland and elsewhere in the world.

The Bonar Trust is a charitable company registered in Scotland, registration number SC040949.

The address of the charitable company's registered office is 2 Galachwside, Edinburgh, EH10 7JG.

2. Accounting Policies

Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 102, as issued by the Financial Reporting Council (effective 1 January 2017), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and Statement of Recommended Practice (FRS 102) - Accounting and Reporting by Charities (as amended by the update bulletin).

The Bonar Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transition value unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgements in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Basis of financial statements

The financial statements have been prepared on an accruals basis.

Going concern

The Directors are of the opinion that the charitable company can continue to meet its obligations as they fall due for the foreseeable future. As a consequence, the Directors have prepared the financial statements under the going concern basis.

Recognition and allocation of income

Income is recognised when the charitable company has legal entitlement to the funds, receipt is probable and the amount can be measured reliably.

Fundraising, donations and bank interest income is credited in the year it is receivable.

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Notes to the Financial Statements for the year ending 31 March 2018

2. Accounting Policies (continued)

Recognition and allocation of expenditure

Expenditure is recognised when a legal or constructive obligation arises. Where possible, expenditure has been charged direct to charitable expenditure or governance costs. Where this is not possible, the expenditure has been allocated on the basis of time spent by staff on each activity:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.
- Governance costs include those costs associated with meeting of the constitutional and statutory requirements of the charitable company and include costs linked to the strategic management of the charitable company.

Debtors

Debtors are recognised at the undiscounted amount of cash receivable, less any allowances for doubtful debts.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than 12 months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

The company did not hold any cash equivalents in the current or prior year.

Financial assets and liabilities

Financial instruments are recognised when the charitable company becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price. Subsequent to initial recognition, they are accounted for as set out below.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102. At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest rate method.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

Creditors

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

The Bonar Trust

Notes to the Financial Statements for the year ending 31 March 2018

2. Accounting Policies (continued)

Funds

Funds are defined as follows:

- **Unrestricted** funds comprise gifts and other income received for the objects of the charity without further specified purpose and which are available as general funds.

VAT

The charitable company is not registered for VAT and accordingly expenditure includes VAT where appropriate.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors do not consider there to be any critical accounting judgements or estimates required in preparing these accounts. The directors are satisfied that accounting policies are appropriate and applied consistently.

The Bonar Trust

Notes to the Financial Statements for the year ending 31 March 2018

4. Donations and legacies

	2018	2017
	£	£
Donations and legacies	150,829	88,595
Income tax reclaimable	15,670	6,336
	<u>166,499</u>	<u>94,931</u>

5. Charitable Activities

	2018	2017
	£	£
Grants to individuals	130,000	120,500
Grants to institutions	1,500	1,500
Support costs	2,088	68
Independent examiner's fees	612	690
	<u>134,200</u>	<u>122,758</u>

Grants to institutions can be broken down as follows:

Grants to institutions		
UCCF Words for Life Conference	1,500	1,500
	<u>1,500</u>	<u>1,500</u>

All costs relate to one charitable activity of the Trust, providing grants to advance the Christian religion throughout Scotland and elsewhere in the world.

6. Directors' remuneration and transactions

No Directors, who are the charitable company's key management personnel, received remuneration during the year (2017: £nil). The charitable company has no employees.

Two directors received reimbursement of expenses during the year totalling £554 (2017: £nil).

7. Taxation

There is no charge to corporation tax as the charitable company is regarded as being established for charitable purposes in terms of sections 466 to 493 of the Corporation Tax Act 2010 and so is exempt from corporation tax.

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Notes to the Financial Statements for the year ending 31 March 2018

8. Debtors

	2018	2017
	£	£
Gift Aid due		
To 31 March 2017	-	6,336
To 31 March 2018	15,670	-
	<u>15,670</u>	<u>6,336</u>

9. Creditors Due Within One Year

	2018	2017
	£	£
Ministry grants	38,500	34,500
Accrued expenses	1,164	594
	<u>39,664</u>	<u>35,094</u>

10. Financial assets and liabilities

	2018	2017
	£	£
Financial assets measured at amortised cost	106,250	78,684
Financial liabilities measured at amortised cost	(39,664)	(35,094)
	<u>66,586</u>	<u>43,590</u>

Financial assets measured at amortised cost comprise cash held in hand and at bank.
Financial liabilities measured at amortised cost comprise accruals and grants outstanding.

11. Funds

The various funds are held for the following purposes:

Unrestricted

General Fund - to support the general activities of the charity. The balance held in the General Fund at 31 March 2018 is £82,256 (2017: £49,926).

12. Related party transactions

There were no related party transactions during the year that require to be disclosed.

13. Liability of members

The company is limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1. At 31 March 2018, there were 7 members.

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Notes to the Financial Statements for the year ending 31 March 2018

14. Reconciliation of net income to net cash flow from operating activities

	2018	2017
	£	£
Net income/(expenditure) for the reporting period	32,330	(27,790)
Adjustments for:		
Interest received	(31)	(37)
(Increase)/decrease in debtors	(9,334)	7,981
Increase in creditors	4,570	8,514
Net cash provided by operating activities	<u>27,535</u>	<u>(11,332)</u>