

*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 2022

The Bonar Trust

Contents of the Financial Statements *for the year ending 31 March 2022*

	Page
Report of the Directors	1 - 11
Report of the Independent Examiner	12
Statement of Financial Activities	13
Balance Sheet	14
Statement of Cash Flows	15
Notes to the Financial Statements	16 - 20

The Bonar Trust

Report of the Directors *for the year ending 31 March 2022*

The Directors are pleased to present their report together with the financial statements of The Bonar Trust for the year ending 31 March 2022.

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 apprentice 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.

The Directors periodically set maximum grant levels for associates and leaders in training. Grants are awarded based on financial needs within these limits.

Main Achievements

The Trust's vision is: gospel workers for the Church in Scotland

The Trust was set up in light of Jesus' teaching in Matthew 9:38 – "The harvest is plentiful, but the labourers are few; therefore, pray earnestly to the Lord of the harvest to send out labourers into his harvest."

There is a harvest to be gathered in Scotland. Labourers are few. By God's grace, the Trust exists to play a part in answer to this prayer – to see a generation of gospel workers called, trained and sent out into Scotland.

Gospel workers lead and serve in local churches. The local church is the primary locus of evangelism, discipleship and community engagement.

The Trust recognises that training gospel workers is the responsibility of local churches in partnership with training providers.

Accordingly, the Trust does not deliver training, but exists to develop a culture of training in the Church in Scotland by supporting people in their training and partnering with training churches, training providers and other organisations.

The Bonar Trust

Report of the Directors *for the year ending 31 March 2022*

Aligning with the bigger picture of gospel vision and strategy in Scotland

Scotland is now an unreached nation. In these challenging times, a national gospel vision and strategy is emerging. The re-evangelisation of Scotland is the aim.

The local church is the front line in God's mission. A mindset shift is required in local churches. Evangelism is the responsibility of every local church. Developing a culture of evangelism in local churches is a big shift, but one that is happening across the country. It is important to balance this with a strong culture of discipleship.

Church planting is key in this, taking the gospel into new places. Planted churches have a culture of evangelism from the start and an inbuilt vision to multiply through training and planting. Through networks like Generation, church planting is gaining traction in Scotland. While recognising the strategic importance of church planting, revitalising ailing churches and strengthening strong churches is also important.

Underpinning all of this is the need for gospel workers, not only those who will lead churches, but people to work in other ministry roles in churches. This is where the Bonar Trust fits into the picture.

Work of the Trust

The work of the Trust covers four areas: funding, development, training and partnership.

Funding

The Trust is committed to making significant financial investment in the training of gifted future leaders.

- Funding allows people to undertake the training they need without cutting corners. Funding allows people to train for ministry who might not otherwise be able to do so.
- Funding makes it possible for people to transfer into full-time ministry after working for a number of years.
- Funding recognises that the landscape has changed. Apart from the Free Church of Scotland, which has a funded candidacy route, Scotland's historic and largest denominations, the Church of Scotland and the Scottish Episcopal Church, are no longer considered by many an option for future church leaders.

Since the Trust started, 213 individuals have been funded totalling £1,740,000.

Training grants are awarded on a match funding basis. This means that any grant given by the Trust must be matched by the training church. Therefore, to date Bonar Trust grants have generated an overall investment in training of £3,480,000.

The award of a Bonar Trust grant also looks for evidence of an individual raising personal support. This can be from a group of supporters giving at modest levels, a Gospel Patron, or other trusts.

The model of three components of funding is now well established and working well. Each part complements the other with the Bonar Trust often the catalyst for the other sources of funding.

Currently, the maximum annual Bonar Trust grants are £4,000 for Apprenticeship training and £8,000 for post-Apprenticeship training. These levels are reviewed each year.

The Bonar Trust

Report of the Directors *for the year ending 31 March 2022*

Training grants continue to show a year on year increase (2022: £263,000; 2021: £254,000; 2020: £191,000; 2019: £135,000). It is a huge encouragement that churches continued training through the coronavirus pandemic, evidenced by the level of grants in 2021 and 2022.

The Trust awards grants in June each year. The total grants awarded in June 2022 was £304,000 (2021: £254,000). This means that in the year to 31 March 2023, we will report a significant increase in training grants awarded, indicative of an underlying growth trend.

The Trust is pleased to fund people training across a broad constituency of training churches including Independents, Free Church congregations, Brethren churches, Didasko network churches and 20 Schemes. This also means a range of training providers including Cornhill, Pastors' Training, Edinburgh Theological Seminary and Crosslands. Our priority is to invest in the right people in the most rigorous training programmes. This has the added benefit of giving practical expression to the Trust's commitment to encouraging collaboration in developing a national vision and strategy for training.

Development

The Trust plays a lead role in Scotland in the development of training.

(1) Developing a training mindset in local churches

We understand the importance of training from many areas of life. In professions and trades, people accept the need to train the next generation, recognising that without this investment there will be no future. In vocations like medicine, teaching and law training in these rigorous, over many years, both in the classroom and on the job. The concept of apprenticeships in trades, on the job training with study alongside, is a tried, tested and successful format. There is a mind-set that training is important and people are willing to take responsibility.

Yet when it comes to the Church, training is often regarded as peripheral. There are a number of reasons for this:

- a model of ministry where a small number of people do everything;
- a lack of awareness of people's gifts;
- a defeatist mentality that this is a difficult time for the Church;
- a mindset that we've always done things in one way;
- a lack of time and resources;
- a perception that training is the responsibility of external training providers rather than local churches.

Every generation of leaders has a responsibility to train the next. That is always the case, but the Church context we find ourselves in today impresses that on us with perhaps an unprecedented urgency.

While it has been encouraging to report each year an increasing recognition of the importance of training, progress to date has been slow. That is changing rapidly, as more and more people trained in the 'culture of training' fostered by the Trust and others, are now in leadership roles with the ability to influence change. As with church planting, training is increasingly being seen as normal.

The Bonar Trust

Report of the Directors *for the year ending 31 March 2022*

(2) Developing a training model

The model for training gospel workers, developed by the Trust and others, recognises the importance of the local church in training, as well as the seminary.

Rather than seeing training in the local church as a placement from the seminary, it is a partnership. Both are seen as equally important and complementary, like twin tracks running side by side.

This is now the established training model in Scotland, embraced by the training churches, training providers and by the emerging generation of gospel leaders.

One of the obvious benefits of this model is equipping people to preach and teach God's Word and instilling in them deep convictions about godliness. While an external training provider (e.g. a seminary) has an important role in this, the best place to develop these convictions and gifts is in the local church.

This model of training is strategic at a national level. The spiritual challenges we face in Scotland are enormous. As God raises up a new generation of leaders, instilling in them a mindset to train and plant as normal will have an exponential impact. If, for example, in the next ten years God were to raise up, and we were to invest in, 100 gifted leaders for the Church across Scotland, and if 75% of them had a vision for training and planting, the impact would be very significant.

(3) Developing a training pathway

Like the training model, there is now an established pathway for training. There are two key components:

- Foundation training
- Advanced training

Foundation training is an individual enrolled in a two-year apprenticeship or associate programme in a local church alongside study at, for example, Cornhill. While for many, an Apprenticeship will be a first step to further training and vocational ministry, for others, it shows vocational ministry is not for them. Their calling is to serve the Church in different ways. In this important respect, an apprenticeship is the context for discernment and testing for vocational ministry.

Advanced training is an individual enrolled for three or four years in church leader training. This is a training programme in a local church alongside study at, for example, Edinburgh Theological Seminary, Cornhill Pastors' Training Course or Crosslands Training.

Around these key components there is significant flexibility. For example, foundation training can be after an individual has worked or studied for a few years. A number start foundation training after a year on a programme like UCCF's Relay. Foundation training is not just for people in their early twenties. Currently in Scotland, a number in their mid-twenties are engaged in foundation training.

After foundation training, while some move straight to advanced training, others will work for a few years, either in a ministry job or in another sphere of work, before starting advanced training.

And following advanced training, while some will move straight into a church leader role, others will be appointed to assistant roles in order to gain further experience.

The key is flexibility around the key components, foundation and advanced training.

The Bonar Trust

Report of the Directors *for the year ending 31 March 2022*

(4) Developing training programmes

Developing the training programmes on the pathway is an important focus of the Trust's development work, in partnership with the training churches and training providers. The Trust has provided a hub for sharing and dialogue towards developing best practice. There is now increasing agreement and consistent practice across the country, as to what constitutes a rigorous apprenticeship (foundation) or leader in training (advanced). This recognises which areas of training are best undertaken by the local church, and which by the external training provider.

Every church training someone funded by the Trust is required to fill out a detailed questionnaire on the apprenticeship or leader in training programme. This questionnaire is based on best practice and helps achieve consistency and quality as well as ensuring the Trust's resources are invested in the most strategic way.

(5) Developing networks of training churches

The Trust is now focusing increasingly on the development of training churches. The establishment of a network of strong training churches across the country is critical to creating the pipeline of gospel workers.

It is encouraging to see the number of training churches growing. There are a number of key factors:

- an increasing awareness of the importance of training gospel workers;
- churches taking the responsibility for training;
- people trained with the support of the Trust, now in leadership, are developing strong training programmes.

With the support of the Trust, new training churches are emerging each year. The Trust now has links with nearly 50 training churches. Hub training churches are emerging with large apprenticeship programmes (up to seven apprentices) resourcing a wider group of churches where one or two individuals are on leader in training programmes. The Trust is committed to seeing hub training churches established in all of Scotland's major cities, across a range of demographic and social contexts.

Importantly, there is a healthy spread of training churches geographically, in cities, towns and rural areas. The spread is also reflected in the different grouping and constituencies the Trust is working with, e.g. the Free Church of Scotland, FIEC, Didasko, International Presbyterian Church (IPC), 20 Schemes. One of the most encouraging developments is seeing some of the larger, well-resourced training churches, training people to be deployed in different constituencies. For example, Chalmers Church in Edinburgh, an independent church, is training people for the Free Church of Scotland as well as independent churches.

(6) Developing partnership with training providers

The Trust has established strong relationships with a range of external training providers committed to partnership training with local churches.

Currently, the main training provider the Trust partners with at Apprenticeship level is Cornhill. At the advanced Church Leader Training stage, the vast majority of people are studying/ training at Edinburgh Theological Seminary, Cornhill Pastors' Training Course or Crosslands Training.

The Bonar Trust

Report of the Directors *for the year ending 31 March 2022*

Training

The primary responsibility for training is with the training church, in partnership with external training providers. The main focus of the Bonar Trust is not to train, but to facilitate training. That said, there are some areas where the Trust is involved directly in training.

(1) Preaching conferences

The Trust runs annual 36-hour residential preaching conferences for leaders in training funded by the Trust. The conferences are small, with around 12 participants, based on people at a similar stage of training. Each group is made up of people from different constituencies, different training churches studying at different external training providers.

There are now six groups, with a new group added each year.

Each conference is led by two church leaders, part of a larger leadership team so the work is shared.

The format of the conference is to study a Bible book together. Each person records a sermon from that book beforehand, then at the conference receives and gives feedback. The conferences not only help people with their own preaching but develop their skills in equipping others to preach and teach the Bible.

Alongside this is the vital ingredient of building networks of gospel partners. Typically, leaders in training are funded by the Trust for 3 or 4 years. Committing to an annual preaching conference with the same group of people over this period builds partnership.

While the organized conferences provide and focus and meeting point, there are numerous spin-offs and interactions through the year, all expressive of growing partnership.

The aim is that these groups continue to meet when they have finished their formal training, to continue to work on preaching and Bible teaching, and embrace the accountability and support of peers. Encouragingly, that's exactly what's happening, with groups post-training continuing to meet.

(2) Training trainers

For the work of training gospel workers to grow, more and more people need to be equipped to train others. Like church planters who go on to plant more churches, people trained go on to train others. This develops an eco-system of training and planting.

This work is at an embryonic stage, but its starting, for example leaders of training churches gathering together, sharing best practice, building partnerships. As the eco-system grows, more and more of this will happen. Where possible, the Bonar Trust will facilitate these gatherings.

(3) Training resources for churches

Finally, the Trust will host an on-line training hub for churches. This will include a range of documents and presentations relevant to training.

The Bonar Trust

Report of the Directors *for the year ending 31 March 2022*

Partnership

Partnering with others is at the heart of the work of the Bonar Trust:

(1) Partnership with church planting networks

Recognising that planting new churches is our best hope for the evangelisation of the nation, the Trust is committed to supporting church planters in their training.

This is powerfully illustrated in the partnership between the Bonar Trust and Generation Church planting. Generation exists to build thriving gospel-centred local churches and communities in Scotland's cities, suburbs, towns and villages. The aim is to plant churches that will plant churches. Generation is part of the Free Church of Scotland, but reflecting the new spirit of gospel partnership, supports a number of churches outside the Free Church. Through networks like Generation, church planting is gaining increasing traction in Scotland.

The Bonar Trust has multiple links with Generation. Many of the church planters were funded through their training by the Trust; those leaders now training others supported by the Trust.

(2) Partnership with training churches

(3) Partnership with training providers

Partnership with training churches and training providers have been covered in the training section.

(4) Inspiring partnership in the next generation

The people the Trust supports, the next generation of leaders are those who will carry the torch. As a Trust we will do all we can to help that generation build strong gospel partnerships with one another, a spirit of collaboration, of partnership, that will multiply as they train others. One of the practical ways the Trusts seeks to do this is through networks of young leaders meeting together for preaching conferences.

(5) Fostering gospel partnership

A national vision cannot be the preserve of one group or constituency. People need to work together.

The Bonar Trust is well placed to foster gospel partnership. There are a number of reasons for this.

- The trustees, while united in their gospel convictions, represent a broad constituency of networks in Scotland.
- The trustees are in a position to build gospel partnership through their leadership roles.
- The Trust funds people in their training and partners with training churches, training providers and organisations, across a range of networks in Scotland.
- The Trust encourages networking among the people it supports, recognising that the emerging generation of leaders is best placed, and most committed, to fostering gospel partnership.

Raising financial support

Recognising a growing impetus to the Trust's work, in the year to March 2018 the Directors focused on increasing the Trust's support base by 75% (£166,000 compared to £95,000 in the previous year). In the three years that followed, the Trust reported a consistent level of income (2020: £168,000; 2019: £171,000; 2018: £166,000).

In light of continuing growth, in the year to March 2021, the Directors had a major focus on increasing the Trust's support base. It was hugely encouraging to report an increase of 81% (£301,000 compared to £166,000 in the previous year).

That level of support has been sustained in the current year (2022: £301,000; 2021: £301,000). Again, this is very encouraging.

Looking ahead, in the year to March 2023 the Trust expects to see an increase in grant applications from quality candidates, reflecting the development of training in Scotland. The Trust anticipates making grants of around £350,000.

The Trust remains on course to reach its target recurring annual funding level of 100 training grants, totalling £500,000. We aspire to reach this level by 2024-25, though, recognising the importance of creating a sustainable long-term funding base, it may take a bit longer.

The majority of the Trust's support is from Gospel Patrons, individuals, Trusts or Foundations giving at significant levels (£20,000-25,000 per annum for 3-5 years). While this is a strategy we will continue to pursue in raising the needed support, we also want to expand our supporters base of people giving at moderate (£1,000-£5,000 per annum) and modest levels (less than £1,000 per annum).

Financial Review

The Directors are pleased to note continuing financial support of the vision of the Trust, with donated income of £300,811 for the year ending 31 March 2022. 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 12 to 19. The Statement of Financial Activities on page 12 reflects a net income of £20,536 (2021: £41,387).

Reserves Policy

The balance of £139,328 held as unrestricted funds as at 31 March 2022 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 whilst allowing for cash flow requirements during the year.

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.

The Bonar Trust

Report of the Directors for the year ending 31 March 2022

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 Association, 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	A Paterson	<i>(appointed 14 October 2021)</i>
N Macdonald	R Sloan	
A MacKenzie	H Sneddon	
N Martin	R Sydserff	
D McKinlay	<i>(appointed 1 December 2022)</i>	

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.

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 Azets as independent examiners during the period.

A proposal to reappoint Azets will be put to members at the annual general meeting.

The Bonar Trust

Report of the Directors *for the year ending 31 March 2022*

Directors

P Clarke
N Macdonald
A MacKenzie
D McKinlay (*appointed 1 December 2022*)
N Martin
A Paterson (*appointed 14 October 2021*)
R Sloan
H Sneddon
R Sydserrf

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

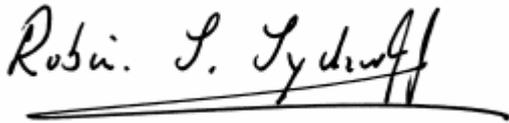
Paul Hutchison ACA
Azets Audit Services Chartered Accountants
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

The Bonar Trust

Report of the Directors for the year ending 31 March 2022

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:

A handwritten signature in black ink that reads "Robin S. Sydserrff". The signature is written in a cursive style and is positioned above a solid horizontal line.

Robin Sydserrff

Dated: 1 December 2022

The Bonar Trust

Report of the Independent Examiner's to the Directors for the year ending 31 March 2022

I report on the accounts of The Bonar Trust for the year ended 31 March 2022, 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 Regulationshave 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.



Paul Hutchison ACA
Azets Audit Services Chartered Accountants
Exchange Place 3
Seemple Street
Edinburgh
EH3 8BL

14 December 2022

The Bonar Trust

Statement of Financial Activities for the year ending 31 March 2022

		Unrestricted Funds 2022 Total £	Unrestricted Funds 2021 Total £
Income from:			
Donations and legacies	4	300,811	301,359
<i>Investments</i>			
Bank interest receivable		84	64
Total		300,895	301,423
Expenditure on:			
Charitable activities	5	280,359	260,036
Total		280,359	260,036
Net income / (expenditure) for year and net movement in funds		20,536	41,387
Balance as at 1 April 2021		119,392	78,005
Balance as at 31 March 2022	11	139,928	119,392

All of the results relate to continuing activities.
There were no recognised gains or losses other than those included above.

The notes on pages 16 to 20 form part of these financial statements.

The Bonar Trust

Balance Sheet as at 31 March 2022

		2022		2021	
	Notes	£	£	£	£
Current Assets					
Cash at bank and in hand		116,808		99,814	
Debtors	9	24,302		22,652	
		<u>141,110</u>		<u>122,466</u>	
Creditors					
Amounts due within one year	10	1,182		3,074	
		<u>1,182</u>		<u>3,074</u>	
Net Current Assets		139,928		119,392	
Total Assets less Current Liabilities		<u>139,928</u>		<u>119,392</u>	
Represented by:					
Unrestricted Funds					
General Fund	11	139,928		119,392	
		<u>139,928</u>		<u>119,392</u>	

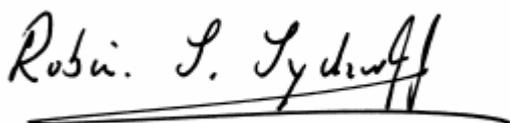
The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the financial year ended 31 March 2022. The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2022 in accordance with Section 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 1 December 2022 and signed on their behalf by:



R Sydserff

The notes on pages 16 to 20 form part of these financial statements.

The Bonar Trust

Statement of Cash Flows as at 31 March 2022

	<i>Notes</i>	2022 £	2021 £
Net cash provided by / (used in) operating activities	14	16,910	38,989
Cash flows from investing activities			
Interest received		84	64
Cash provided by investing activities		84	64
Change in cash in the reporting period		16,994	39,053
Cash at the beginning of the period		99,814	60,761
Cash at the end of the reporting period		116,808	99,814

The notes on pages 16 to 20 form part of these financial statements.

The Bonar Trust

Notes to the Financial Statements *for the year ending 31 March 2022*

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 2022.

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 Galachlawside, 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 2021), 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.

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.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

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. The directors have considered the current economic environment and 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.

The Bonar Trust

Notes to the Financial Statements for the year ending 31 March 2022

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 and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

The charitable 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 2022

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.

4. Donations and legacies

	2022	2021
	£	£
Donations and legacies	276,509	278,707
Income tax reclaimable	<u>24,302</u>	<u>22,652</u>
	<u><u>300,811</u></u>	<u><u>301,359</u></u>

5. Charitable Activities

	2022	2021
	£	£
Grants to individuals	263,000	254,000
Support costs	16,177	4,962
Governance cost		
- Independent examiner fees	<u>1,182</u>	<u>1,074</u>
	<u><u>280,359</u></u>	<u><u>260,036</u></u>

Support costs include support staff costs of £14,125 (2021: £3,883) representing 2 employees (2021: 1).

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

The Bonar Trust

Notes to the Financial Statements for the year ending 31 March 2022

6. Staff costs

	2022	2021
	£	£
Wages and salaries	13,197	3,796
Social security costs	-	-
Pension contributions	928	87
	<u>14,125</u>	<u>3,883</u>

No employee received remuneration higher than £60,000 (2021: nil).

7. Directors' remuneration and transactions

No Directors, who are the charitable company's key management personnel, received remuneration during the year (2021: £nil).

One director received reimbursement of expenses during the year totalling £36 (2021: £60).

8. 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.

9. Debtors

	2022	2021
	£	£
Gift Aid due		
To 31 March 2021	-	22,652
To 31 March 2022	24,302	-
	<u>24,302</u>	<u>22,652</u>

10. Creditors Due Within One Year

	2022	2021
	£	£
Ministry grants	-	2,000
Accrued expenses	1,182	1,074
	<u>1,182</u>	<u>3,074</u>

The Bonar Trust

Notes to the Financial Statements for the year ending 31 March 2022

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 2022 is £139,928 (2021: £119,392).

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 2022, there were 8 members.

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

	2022	2021
	£	£
Net income/(expenditure) for the reporting period	20,536	41,387
Adjustments for:		
Interest received	(84)	(64)
(Increase)/decrease in debtors	(1,650)	(4,760)
Increase/(decrease) in creditors	(1,892)	2,426
Net cash provided by operating activities	<u>16,910</u>	<u>38,989</u>

15. Analysis of net debt

	At 1 April 2021	Cash flows	At 31 March 2022
		£	£
Cash at bank and in hand	<u>99,814</u>	<u>16,994</u>	<u>116,808</u>