



The George Müller Charitable Trust

(A company limited by guarantee)

Company Registration No. 03471812

Charity Registration No. 1066832

Trustees' Annual Report and Financial Statements

For the year ended 28 February 2019

The George Müller Charitable Trust

Trustees' Annual Report for the year ended 28 February 2019

C O N T E N T S	Page
Trustees' Annual Report	2– 10
Independent Auditors' Report	11 – 13
Statement of Financial Activities	14-15
Summary Income and Expenditure Account	16
Balance Sheet	17
Statement of cash flows	18
Notes forming part of the Financial Statements	19 – 31

The George Müller Charitable Trust

Trustees' Annual Report for the year ended 28 February 2019

The Trustees, who are also directors of the Charity for the purposes of the Companies Act, present their Annual Report together with the audited financial statements of The George Müller Charitable Trust (the Charity) for the year ended 28 February 2019.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective January 1 2015).

Objects, Mission and Aims (including Principles and Values)

Mission

The George Müller Charitable Trust exists to glorify God by providing help for those with spiritual and social needs. This is done in accordance with the Christian principle affirmed by George Müller that “the provision comes by prayer and faith without anyone being asked, whereby it might be seen that God is faithful still and answers prayer still”.

Accordingly, the Charity does not fundraise in any way. It is a founding principle, as practised by George Müller that financial and other needs are brought to God in prayer.

Objects

The George Müller Charitable Trust's governing document is its Memorandum and Articles of Association. The Charity's objects, which may be carried out in the UK or around the world at the Trustees' discretion, are as follows:

- (1) To advance education;
- (2) To advance evangelical Christianity in a manner consistent with holy scripture including, insofar as the means are available at any time, through the support of Christian workers and organisations;
- (3) To advance citizenship or community development, particularly among children and families, young people and the elderly; and
- (4) To relieve those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage or human suffering, including those who are deprived of normal parental care.

Aims, Principles and Values

The Charity expresses its mission through three key principles that characterised George Müller's life: Faith, Hope and Love.

Faith: Trusting God for answered prayer for needs without fundraising, or relying on informing others of needs, or applying for grants.

Hope: Seeking opportunities to explain and share the Christian hope with those who are not Christians with a view to commitment and seeking to encourage, teach, train and equip those who are Christians in their faith.

Love: Providing strategies to extend Christian care and support unconditionally in the lives of children, families, young people and elderly especially the most needy.

The George Müller Charitable Trust

Trustees' Annual Report for the year ended 28 February 2019

Activities, Achievements and Performance

When planning and conducting activities for the year, the Trustees have had regard to the Charity Commission's general guidance on public benefit. The summary of activities below demonstrates how the Charity gives public benefit. The Charity's website www.mullers.org explains the work of the Charity and has further information.

Leadership

This year we were delighted to promote Dan Doherty from Charity Team Leader to the role of Chief Executive Officer and to make his employment full time. Dan joined the Charity in October 2017 and has demonstrated his leadership skill and vision for the Charity in that time. He has succeeded in strengthening the staff team and brought his energy and commitment at a very important time for the Charity with the move to Loft House in the summer of 2019.

Global Partnerships (SKI)

During the financial year the Charity continued its support and funding of between 200 to 250 Christian workers and organisations in the UK and around the world as well as continuing to develop with our overseas partners the initiative for supporting needy children called '**Orphans of the World**'. These children are cared for by Christian workers and organisations throughout the world and the Charity partners in this through the provision of finances and prayer. The financial support was provided from donations received by the charity and grants of £160,787 (2018: £166,840) from the Charity's own resources. In the same way, the care of needy widows around the world called '**Widows of the World**' is a continuing aspect of our work with overseas partners. Grants from the Charity's own resources of £57,634 (2018: £ 58,400) were made to support Widows of the World. The Charity plans to maintain the amounts given out of its own resources in 2019/20 and to build deeper relationships with its partners.

Heritage

Considerable time has been spent on re-writing and designing a new George Müller Museum (to open in the summer of 2019) that will tell the story of our founder and his inspiring faith in a more interacting and engaging way. We recently employed a part-time Museum Coordinator to further develop our heritage work in the City of Bristol with particular focus on schools outreach. This year we welcomed 779 visitors to our museum, many whom have travelled from other countries to learn more about George Müller's inspirations life and work.

Local partnerships

The Charity assists churches and Christian para-church organisations in their care of children, young people and families through the provision of consultancy, networking opportunities, knowledge sharing and training. Many of our local and global partners are supporting orphans, widows and other potentially vulnerable people groups to find the love and safety of a family home. Whether it be working to provide a safe place for abandoned babies in Albania or helping to recruit foster parents in Bristol, this remains an important area of work for Müllers today.

Training

We have continued to support churches in their practical service to their local communities. The Practical Theology course continues to be a success, with 25 students from many different churches taking part. For students wishing to formalise their qualification we now offer NCFE accreditation. Our hope is that churches will serve their communities more effectively as a result of this training which covers a variety of theoretical and practical subjects. Equip events have continued to provide timely input to church workers and members on practical subjects such as fostering and adopting, social media, and leadership skills.

The George Müller Charitable Trust

Trustees' Annual Report for the year ended 28 February 2019

Community Living

The Charity seeks to use its properties in ways that are consistent with its mission of faith, hope and love. The charity owns three properties, these are let to people fulfilling Christian ministry as part of their living in community. The Trustees review the use of the Charity's properties on a continuing basis and we have been encouraged by the Christian ministry of the Christian community houses. One of the properties, Müller House, until the move to Loft House has a shared use between the community and the office and museum of the Charity.

Communications

Increasingly we have been aware of the power of social media to communicate the story of our founder George Müller and our values of prayer and faith. In addition to our main website, therefore, we now run Facebook, Instagram and Twitter accounts. We have also started work on an additional website that will focus on attracting visitors to our museum.

Seniors

Our seniors work began as a response to orphans in later stages of life who lacked a supportive family environment. Today we encourage our local partners to support the work of seniors by providing for their spiritual, practical and social needs. Whilst not a significant part of our work today, it is important to us. This year we have continued our research in to new initiatives aimed at helping churches to support seniors in their communities.

Plans for the Future

Inspiring Faith: The Heritage work of the Charity will continue to highlight the faithfulness of God as demonstrated in the life and ministry of George Müller and the history of the charitable works he founded. Müllers offices and museum will relocate to Loft House, the second of five large orphan homes opened by our founder George Müller in 1857. Our new museum will help to tell the story in creative and engaging ways. As a result of this move and the improved new museum we hope to welcome many more visitors in the coming months and years. This will be supported by our ongoing work of developing social media opportunities, family histories, various literature and opportunities afforded by invitations to speak to churches, church groups, schools and others.

Global partnerships: The strategic plans, prepared by the Trustees, provides a focus for the Charity's efforts and plans into the future. Stronger overseas partnerships are being, and will be, developed by the Charity, including the provision of targeted funding and best practice, with those caring for 'Orphans of the World' and 'Widows of the World' and these partnerships will be extended through the church partnerships and beyond. The Charity continues to provide grants out of its reserves and over the next year this will be maintained for targeted overseas projects, missions and individuals which fulfil its charitable objectives. This is, and will continue to be, supported actively through prayer and, wherever possible, the development of closer relationships.

Community Living: We remain committed to the religious communities that we facilitate and will continue to monitor the impact they have on their local community.

Communications: We will continue to use social media as a channel for our charitable aims and will soon launch the additional website focussing solely on our museum work.

Seniors: We hope to build on our research of suitable community engagement tools and actively promote them via Equip events, newsletters, and social media amongst our partner churches to enable them to reach more elderly people in their community with positive activities.

The George Müller Charitable Trust

Trustees' Annual Report for the year ended 28 February 2019

Local partnerships: There will be further developments for church partnerships and their community impact, including the 'Spiritual Orphans' initiative.

Training: The Practical Theology course will continue to provide training for students from many local churches, forming them in to an effective learning community. Equip events will continue to support local church workers and members, focussing topics such as: youth mental health, seniors work and church growth.

Financial Review

The net reduction in funds for the year, after investment losses of £52,146 (2018: gains of £117,428), was £1,335 (2018 net increase in funds: £237,946). In 2018 this was after a surplus on the sale of properties of £70,109. There was no sale of properties in 2019. The investment losses and the surplus last year on a property sale are the main reasons for the movement in the funds for the year compared with 2018.

In terms of the income of the Charity: donations received were comparable to last year at £1,228,963 (2018: £1,204,166); legacy income was lower £49,200 (2018: £100,670); the investment income was comparable to last year £393,713 (2018: £404,585); rental income was level with the year £90,218 (2018: £89,607) and mortgage interest earned on the three community mortgages slightly increased to £33,490 (2018: £31,299).

The increase in staff costs is due to an additional member of staff but property maintenance costs were much lower because the significant costs in 2018 did not recur.

Governance costs represent .4% of income (2018: .4 %) and the cost of trustees' indemnity insurance was £434 (2018: £434).

Reserves

The total held by the charity at the end of the year were £13,533,391. This consists of an Expendable Endowment Fund of £11,356,945, Unrestricted Designated Funds of £1,284,881, Restricted Funds of £118,787 and Unrestricted Funds of £772,778 (See Notes 18-22).

The Charity's policies on Funds and Reserves need to be seen in the light of the fact that it does not engage in fundraising but its core activity is to provide ongoing gifts and services to its beneficiaries for which sufficient income is needed each year. The Trustees consider that the Charity's benefactors are aware of the nature of its operations and expect their giving to be used to maintain operations in the longer term.

At 28 February 2019 the Charity held reserves in the Unrestricted Fund of £772,778 (2018: £641,392). The acquisition of Loft House and the planned redemption of two mortgages has provided an opportunity for the Trustees to review their reserve policy. In light of the Expendable Endowment Fund, the reasonably low level of committed rather than discretionary expenditure, and the strength of the investment income stream, the Trustees have concluded that 3-6 months expenditure (excluding grants from donor gifts), is a prudent level at which to maintain the Charity's reserves. It is envisaged that with the completion of the purchase and fit out of Loft House that the Trustees will transfer funds of approximately £430,000 out of the Expendable Endowment Fund, and with a release of funds from the Unrestricted Designated Fund of approximately £545,000 due to the expected repayment of two mortgages and the part repayment of the microfinance loans Unrestricted Funds will then be £250,000. This represents approximately 4.5 months expenditure. The Trustees plan to maintain the targeted grants at a similar level to this year but will monitor the finances closely to see that the Unrestricted Funds stay within 3-6 months expenditure.

The George Müller Charitable Trust

Trustees' Annual Report for the year ended 28 February 2019

Reserves are necessary because:

1. Donations and legacies can be variable year by year and as a founding principle the Charity does not engage in fundraising. There is a risk that voluntary income may decline as further time elapses since the Charity ceased to operate Children's residential care homes and the number of former residents inevitably decreases.
2. The needs of children and young people in modern society particularly the Orphans of the World, show no signs of declining and these needs cannot be met by short term palliatives but require long term involvement by the Charity's partners.
3. In order to attract and retain staff, it is necessary to demonstrate that the Charity can provide them with reasonable security of employment.

Expendable Endowment Fund

The Expendable Endowment Fund represents funds to be retained for the benefit of the Charity as capital but there is discretion for the Trustees to convert endowed capital to income to be expended on the Charity's activities. The Charity allocates legacies amounting to £15,000 or more to Expendable Endowment where no instruction is received to the contrary. This policy follows the Charity Commission's operational guidance in OG 43 as the Trustees believe that donors would consider the Charity's work to be of a long term nature and would want the Trustees to treat substantial legacies as capital for the longer term benefit of the Charity. The Charity takes the net proceeds of the sale of properties to the Expendable Endowment Fund. These properties, whilst used for charitable purposes, are part of the capital structure of the Charity having the potential to produce income to be used by the Charity. The Trustees consider it appropriate to maintain this capital structure and hence the income potential by transferring the net proceeds of sales to the Expendable Endowment Fund. The Expendable Endowment Fund is matched by investments managed by the Charity's investment advisers and cash yielding an income.

Risk Management

The Trustees and staff review major risks and have a system to record, assess and plan mitigation measures for the risks which the Charity encounters in the course of its activities.

The Charity's long term future is dependent on both the ongoing donations from our supporters but also on the income generated through investments. The key operational risks are therefore concentrated around these issues and include:

- Changes in the economic conditions which could impact on our donors' ability to give. While the Trustees are mindful of this risk, they are encouraged to see that the level of giving by our donors continues to remain strong. Good communication with the donors by both the Charity and the partner workers and organisations is the key strategy to managing this risk.
- A significant economic slowdown would impact on the level of the Charity's investment income. The Trustees mitigate this risk working with the Charity's investment advisers to spread the risk arising from the Charity's investments over various different asset types and managing the investments with a view to the medium and longer term rather than the short term. This is explained more fully under the note on Investment Policy and Performance.
- Prolonged system problems could have an adverse impact on the Charity's reputation and activities which aim to support partners both in the UK and around the world who are often in great need. The Charity therefore aims to minimise this risk by ensuring the IT systems are well supported, maintained and updated to avoid the risk of system breakdown.
- Loss of key personnel staff and trustees. All employees have key roles and a loss of any one of them, and in particular the Chief Executive Officer, would impact on the running of the charity in the short term. Training and developing the staff and the close working relationship between staff management and certain individual trustees partly mitigates this risk. Early succession

The George Müller Charitable Trust

Trustees' Annual Report for the year ended 28 February 2019

planning for trustee retirements mitigates against the disruption caused by the retirement of key trustees.

Investment Policy and performance

The Charity's financial capital consists of its Expendable Endowment Fund. This fund is held in investments managed by the Charity's two investment managers Brewin Dolphin Securities and Sarasins and Partners. The Charity's policy is for the investment managers to have discretion to manage their portfolios within the parameters of a medium risk approach over the medium/longer term. In considering the overall asset allocation and appropriate portfolios, the investment managers also take into account the overall asset profile of the Charity, including the general asset allocations managed by the other investment manager. No investments are made in companies with significant interests in gambling, armaments, alcohol or tobacco.

The income from the Charity's investments is used for the work of the Charity. For the funds under discretionary management, the investment policy requires the investment managers to adopt a balanced medium risk portfolio suitable to the Charity within which the aim is to optimise total return over the medium to long term. The total return aims are as a minimum CPI increases plus 2%. Neither of the discretionary managed portfolios achieved this for the period under review principally due to the volatility in valuations in the markets with income holding up reasonably well. There were losses overall of £52,146 (2018: gains £117,428). The unlisted property funds were reduced by £221,236 as part of an overall plan to balance the Charity's investment portfolio and achieve a more equal values holding between the two property funds. This year the Charity repatriated to its general funds cash of £250,000 from the sale of part of the Mayfair Capital Investment holding. This cash is to part fund the Loft House property acquisition.

The Trustees monitor the performance of the investment managers and meet with them regularly. The analysis of the investments is set out in note 12.

Grant Making Policies

The Charity makes grants to Christian workers and organisations from funds received by donors and from its own resources. Grants are only made to workers and organisations who are firstly approved by the trustees and whose activities continue to fulfil the charitable objectives of Müllers. This is confirmed on a regular basis through communication with the Charity. This communication enables the Charity to form a meaningful partnership with the workers and organisations. Grants are not made on the basis of unsolicited requests from potential recipients.

Structure, Governance and Management

History and Structure of the Charity

The Charity is registered as a charitable company registered in England and Wales, limited by guarantee, and was set up by a Memorandum of Association in 1997. The Charity has its origins in the Scriptural Knowledge Institution for Home and Abroad (SKI), formed by George Müller and Henry Craik in 1834. The initial objectives of SKI were to assist day, Sunday and adult schools in which instruction was given on scriptural principles, to enable children of poor parents to attend such schools, to circulate the Scriptures and to support Missionaries and Missionary schools. The objects of that charity were added to in 1835 to enable the establishment of an orphan house in which destitute children should be provided with food, clothes and a scriptural education.

That object formed the basis of the Charity which became known as the Müller Trust for Children and Families. This Charity was used to become the single vehicle of the work when the activities of SKI and The Müller Homes for the Elderly were merged into the Charity on 1 March 2009. On that date the Charity changed its name to The George Müller Charitable Trust.

The George Müller Charitable Trust

Trustees' Annual Report for the year ended 28 February 2019

The Charity is a company limited by guarantee and every member of the Charity undertakes to contribute to the Charity's assets (not exceeding £10) if the Charity should be wound up while they are a member, or within one year after they cease to be a member, for the payment of the Charity's debts and liabilities contracted before they ceased to be a member.

Recruitment and appointment of Trustees

Trustees are selected by the Board on the basis of the experience and skills which they can bring to the Charity. Trustees are appointed for a period of four years and retire by rotation at the next AGM after the four years are completed. A retiring Trustee may be reappointed. The Board's composition is regularly reviewed to ensure the right composition, balance, diversity and spread of experience needed to govern the affairs of the Charity.

Policies adopted for the induction and training of Trustees

Upon appointment new Trustees are provided with recent information about the Charity, including minutes, accounts, legal constitution, and Charity Commission publications and are inducted into the affairs of the Charity over time. All the trustees are encouraged to undertake training where appropriate.

Organisation of the Charity

The Board of Trustees meets four times each year and is assisted by the Finance and Administrative Committee, consisting of five Trustees, and the Charity Accountant and the Distribution Committee consists of three Trustees. During the year the Board appointed a Chief Executive Officer as the senior staff member responsible for supervising the work of the staff and assisting the Board in setting strategy and in implementing this strategy. The responsibilities of the Committees of Trustees are framed within terms of reference and budget responsibilities approved by the board. Within these agreed budget responsibilities, staff have delegated authority subject to following approved policies. The Chief Executive Officer and other staff as required join the trustees' meetings.

Reference and administrative details of the Charity, its Trustees, Officers and Advisers

Trustees:	S.D. North (Chairman) A.C. Davies (Company Secretary) Q.T.S. Elston T.D. Grieve J.N. Kingston E.J. Marsh (Vice Chairman) D.J. Powell E.F.C. Small
------------------	--

Company registered number 03471812

Charity registered number 1066832

Registered office: Müller House,
7 Cotham Park
Bristol
BS6 6DA

Auditors: Mazars LLP
Chartered Accountants

The George Müller Charitable Trust

Trustees' Annual Report for the year ended 28 February 2019

90 Victoria Street
Bristol
BS1 6DP

Bankers: National Westminster Bank Plc
32 Corn Street
Bristol
BS1 1HQ

Solicitors: Meade King
Springfield House
45 Welsh Back
Bristol
BS1 4AG

Investment Managers Sarasin & Partners,
100 St. Paul's Churchyard,
London
EC4M 8BU

Brewin Dolphin Securities
12 Smithfield Street
London
EC1A 9BD

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity 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 Charity and of the surplus or the deficit of the Charity 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;
- make judgments 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 to operate.

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

The George Müller Charitable Trust

Trustees' Annual Report for the year ended 28 February 2019

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

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees Annual Report:

- there is no relevant information, being information needed by the auditors in connection with preparing their report, of which the Charity's auditors are unaware, and
- the Trustees having made enquiries of fellow Trustees and the Charity's auditors that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Trustee in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

In preparing this report the Trustees have taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006.

Approved by the Trustees on 19 June 2019 and signed on their behalf by:

E.J. Marsh
Vice Chairman

A.C. Davies
Trustee & Company Secretary

The George Müller Charitable Trust

Independent auditor's report to the members of The George Müller Charitable Trust

Opinion

We have audited the financial statements of The George Müller Charitable Trust (the 'charity') for the year ended 28 February 2019 which comprise the Statement of Financial Activities, Summary Income and Expenditure Account, Balance Sheet, Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 28 February 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are

The George Müller Charitable Trust

Independent auditor's report to the members of The George Müller Charitable Trust

required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The George Müller Charitable Trust

Independent auditor's report to the members of The George Müller Charitable Trust

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:

Richard Bott (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

90 Victoria Street, Bristol, BS1 6DP

2nd September 2019

The George Müller Charitable Trust

**Statement of Financial Activities incorporating Statement of Total Realised Gains and Losses
for the year ended 28 February 2019**

	Note	Unrestricted General Funds	Unrestricted Designated Funds	Restricted Funds	Expendable Endowment Fund	Total Funds	Total Funds
		2019	2019	2019	2019	2019	2018
		£	£	£	£	£	£
Income and endowments from							
<i>Donations and legacies</i>	3	36,747	-	1,208,286	33,130	1,278,163	1,304,836
<i>Investments</i>	4	393,713	-	-	-	393,713	404,585
<i>Charitable Activities</i>	5	127,324	-	-	-	127,324	123,895
<i>Other income</i>	6	-	-	-	-	-	70,109
Total Income and endowments		557,784	-	1,208,286	33,130	1,799,200	1,903,425
Expenditure on							
<i>Raising Funds</i>	7 7,8	-	-	-	41,464	41,464	40,990
<i>Charitable activities</i>	9,10	453,256	8,726	1,249,882	7,300	1,719,164	1,697,392
Total Expenditure	7	453,256	8,726	1,249,882	48,764	1,760,628	1,738,382
<i>Net gains/(losses) on investments</i>	12	-	-	-	(52,146)	(52,146)	117,428
<i>Net incoming funds</i>	18,19	104,528	(8,726)	(41,596)	(67,780)	(13,574)	282,471
Transfers between funds	20,21	25,475	(13,957)	(10,000)	(1,518)	-	-
<i>Other gains/(losses)</i>	13,21	1,383	10,856	-	-	12,239	(44,525)
Net movement in funds		131,386	(11,827)	(51,596)	(69,298)	(1,335)	237,946
<i>Total funds brought forward</i>	18,19 20,21	641,392	1,296,708	170,383	11,426,243	13,534,726	13,296,780
Total funds carried forward	18,19 20,21	772,778	1,284,881	118,787	11,356,945	13,533,391	13,534,726

The George Müller Charitable Trust

Statement of Financial Activities incorporating Statement of Total Realised Gains and Losses for the year ended 28 February 2018

	Note	Unrest- ricted General Funds 2018	Unrest- ricted Designated Funds 2018	Restricted Funds 2018	Expendable Endowment Fund 2018	Total Funds 2018	Total Funds 2017 Restated £
<i>Income and endowments from</i>		£	£	£	£	£	£
<i>Donations and legacies</i>	3	41,861	-	1,224,967	38,008	1,304,836	1,270,022
<i>Investments</i>	4	404,585	-	-	-	404,585	415,129
<i>Charitable activities</i>	5	123,895	-	-	-	123,895	131,473
<i>Other income</i>	6	-	-	-	70,109	70,109	645,436
Total income and endowments		570,341	-	1,224,967	108,117	1,903,425	2,462,060
<i>Expenditure on</i>							
<i>Raising funds</i>	7	-	-	-	40,990	40,990	55,418
<i>Charitable activities</i>	7,8,9, 10	532,270	11,693	1,153,429	-	1,697,392	1,621,740
Total expenditure	7	532,270	11,693	1,153,429	40,990	1,738,382	1,677,158
<i>Net gains/(losses) on investments</i>	12	-	-	-	117,428	117,428	1,061,989
Net incoming funds		38,071	(11,693)	71,538	184,555	282,471	1,846,891
Transfers between funds	18,19, 20,21	194,253	(332,416)	-	138,163	-	-
<i>Other gains/(losses)</i>	13,21	(906)	(43,619)	-	-	(44,525)	710
Net movement in funds		231,418	(387,728)	71,538	322,718	237,946	1,847,601
<i>Total funds brought forward (Restated)</i>	18,19 20,21	409,974	1,684,436	98,845	11,103,525	13,296,780	11,449,179
Total funds carried forward	18,19 20,21	641,392	1,296,708	170,383	11,426,243	13,534,726	13,296,780

The George Müller Charitable Trust

Summary Income and Expenditure Account for the year ended 28 February 2019

	Unrestricted Income Funds 2019 £	Restricted Fund 2019 £	Total Income Funds 2019 £	Total Income Funds 2018 £
Income	557,784	1,135,754	1,693,538	1,795,308
Less: Total Expenditure	(461,982)	(1,249,882)	(1,711,864)	(1,697,392)
Transfers from Expendable endowment fund	1,518	-	1,518	(138,163)
Net incoming funds for the year	97,320	(114,128)	(16,808)	(40,247)

The summary income and expenditure account is presented in order to ensure compliance with the Companies Act 2006. The major difference in the figures presented from those in the Statement of Financial Activities (SOFA) on page 14 is that the movements on the endowment fund are not included in the summary income and expenditure account.

All activities are continuing. The SOFA shown on page 14 incorporates the statement of total recognised gains and losses.

The notes on pages 19 to 31 form part of these financial statements.

The George Müller Charitable Trust
Company number 03471812
Balance Sheet as at 28 February 2019

	Notes	2019 £	2018
Fixed Assets			
Tangible fixed assets	11	310,854	194,720
Fixed asset investments	12	10,618,118	10,958,969
Programme related investments	13	<u>916,578</u>	<u>915,061</u>
		11,845,550	12,068,750
Current Assets			
Stock	14	1,622	2,422
Debtors	15	19,174	48,179
Programme related investments	13	57,450	186,927
Cash at bank and in hand		<u>1,769,411</u>	<u>1,381,998</u>
		1,847,657	1,619,526
Creditors: Amounts falling due within one year	16	<u>(99,071)</u>	<u>(64,779)</u>
Net current assets	17	1,748,586	1,554,747
Creditors: Amounts falling due after more than one year	17	(60,745)	(88,771)
Net assets		<u><u>13,533,391</u></u>	<u><u>13,534,726</u></u>
Charity funds			
Unrestricted funds		772,778	641,392
Unrestricted designated funds	18	1,284,881	1,296,708
Restricted funds	19	118,787	170,383
Expendable endowment fund	20	<u>11,356,945</u>	<u>11,426,243</u>
Total funds	21	<u><u>13,533,391</u></u>	<u><u>13,534,726</u></u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved and authorised for issue by the Trustees on 19 June 2019 and signed on their behalf by:

E.J. Marsh
Vice Chairman

A.C. Davies
Trustee & Company Secretary

The George Müller Charitable Trust

Statement of cash flows for the year ended 28 February 2019

	Total Funds 2019 £	Total Funds 2018 £
Net cash provided by (used in) operating activities note 2	(141,182)	(3,720)
Cash flows from investing activities:		
Dividends and interest	393,713	404,585
Proceeds from the sale of property, plant and equipment	-	203,861
Purchase of property, plant and equipment	(124,597)	(11,999)
(Increase)/decrease in debtors	-	-
Investment fees/property fund	(15,818)	(15,588)
Increase/(decrease) in creditors	-	-
Sale of quoted investments	190,826	140,398
Sale of property fund units	513,671	1,162,217
Capital withdrawn from investments	250,000	350,000
Purchase of investments	(187,046)	(2,156,625)
Purchase of property fund units	(256,569)	-
Change in cash held for settlements	(247,824)	858,116
Net cash provided by (used in) investing activities	516,356	934,965
Change in cash and cash equivalents in the reporting period	375,174	931,245
Cash and cash equivalents at the beginning of the reporting period	1,381,998	495,278
Change in cash and cash equivalents due to exchange rate movements	12,239	(44,525)
Cash and cash equivalents at the end of the reporting period	1,769,411	1,381,998

Cash flow restrictions

Charity law prohibits the use of net cash inflows on any endowed or other restricted fund to offset net cash outflows on any fund outside its own Objects, except on special authority. In practice, this restriction has not had any effect on cash flows for the year.

The notes on pages 19 to 31 form part of these financial statements.

The George Müller Charitable Trust

Notes to the accounts for the year ended 28 February 2019

1. Accounting Policies

a) General Information

The George Müller Charitable Trust is a company limited by guarantee (number 03471812) and is a registered charity (number 1066832), registered in England and Wales. The registered office is Müller House, 7 Cotham Park, Bristol BS6 6DA.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The Charity constitutes a public benefit entity as defined by FRS102.

The Trustees have reviewed their financial position, plans and reserves and believe they have adequate resources to continue operations for the foreseeable future and they consider that there are no material uncertainties about their ability to continue as a going concern.

c) Fund Accounting

Unrestricted funds are available for any charity purpose within the Charity's objects. Restricted funds can only be used for the stated restricted purpose. Restricted funds are Donor Balances which represent funds given to the Charity for the work of SKI, see the accounts note 8. From 1 March 2015 the Trustees have allowed donors to allocate how these gifts are distributed to Christian workers and organisations in the UK and around the world. This is subject to checks being satisfactorily completed by the Charity to confirm that the purposes of the gifts are consistent with the Charity's objects. Prior to 1 March 2015 the Trustees policy was to permit the donors to express a preference as to how the gift was used but that was subject to the Trustees' discretion. This change in policy has led to the Donor Balances being shown as a restricted fund in the accounts for the year commencing 1 March 2015.

Expendable Endowments are funds to be retained for the benefit of the Charity as capital although there is discretion to convert the endowed capital into income.

The Charity allocates legacies amounting to £15,000 or more to the Expendable endowment fund where no instruction is received to the contrary; other legacies are credited to the Unrestricted funds. This policy is adopted because the Trustees believe that donors consider the Charity's work to be of a long term nature and would want the Trustees to treat their donations as capital while having the discretion to convert funds to income as and when considered desirable by the Trustees.

d) Income

All income is included in the Statement of Financial Activities when the Charity's legal entitlement to the income is probable and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received. Income tax recoverable in relation to donations received under Gift aid or deeds of covenant is recognised at the time of the donation.

1. Accounting Policies (continued)

e) Expenditure

Expenditure is recognised in the Statement of Financial Activities on an accruals basis, inclusive of value added tax as this is not recoverable. Grants are made to Christian workers and organisations and are recognised as expenditure when they are paid or committed whichever is the earlier.

Multi service area costs are those costs incurred directly in support of expenditure on the objects of the Charity and are allocated on the basis of time spent.

Governance costs are those costs incurred in connection with the constitutional and statutory requirements and are included in multi service area costs.

f) Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset, over its expected useful life, as follows:

Freehold buildings	2% straight line
Furniture Fixtures & Fittings	10% straight line
Office equipment	33.33% straight line

g) Quoted Investments

Investments are stated at the market value at the year end. Differences between the market value of investments held at the year end and either the historic cost (where investments were acquired during the current accounting year) or the market value at the previous year end (where investments were acquired in a prior year) are recognised in the Statement of Financial Activities as unrealised gains/losses within net gains/losses on investments.

h) Unquoted Investments

Investments are stated at the mid-point of the bid/offer price at the year-end as advised by the fund manager. Differences between the value of investments held at the year end and either the historic cost (where investments were acquired during the current accounting year) or the market value at the previous year end (where investments were acquired in a prior year) are recognised in the Statement of Financial Activities as unrealised gains/losses.

i) Programme Related Investments

Programme related investments consist of: 1) global microfinance loans which are small short term loans to entrepreneurs in poverty, they are interest free and 2) three mortgages provided, two of which enable the purchase of a Christian community houses in Bristol and the other for a drug rehabilitation centre.

The trustees have decided to bring the charity's involvement in the global microfinance loans to a close and reallocate the assets elsewhere. As it is our intention to realise the investments over the

The George Müller Charitable Trust

Notes to the accounts for the year ended 28 February 2019

1. Accounting Policies (continued)

next year, the outstanding loan balance is now included in current assets rather than fixed assets as was previously the case. The programme related investments are carried at cost less where appropriate a provision for impairment less any repayments received. The provision is charged to charitable activities as grants whilst the exchange losses are charged to Other gains/losses in the SOFA.

j) Stock

Stock has been valued at the lower of cost and net realisable value.

k) Exchange Gains and Losses

The majority of the microfinance element of the charity's programme related investments are managed in US\$. In view of there being a very large number of small loans the transactions are not converted to £s at the transaction date but the US\$ balances at the year-end are converted to £s at the year-end rate. Gains and losses on exchange are treated as other gains and losses within the Statement of Financial Activities.

l) Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year. In the 2018 year, payments to ex members of staff in an unofficial pension arrangement were considered an obligation recognised and treated in a similar way to a defined benefit pension scheme. Use of an actuarial valuation was not considered necessary in view of the small size of the scheme. The number of individuals treated in this way at the year-end was 5 (2018:6)

m) Debtors and creditors

Debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

n) VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

o) Management Judgements

There were no management judgements and estimates in the accounts other than the obligation recognised regarding payments to ex members of staff as described in policy l) above. The obligation was calculated based upon the age, gender and annual obligation to each recipient.

The George Müller Charitable Trust

Notes to the accounts for the year ended 28 February 2019

2. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Total Funds 2019 £	Total Funds 2018 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(13,574)	282,471
Adjustments for:		
Depreciation charges	8,464	6,001
(Gains)/losses on investments	52,146	(117,428)
Defaults & provisions	261	1,876
Investment fees	41,464	40,990
Exchange rate losses/ (gains) on PR investments	(10,856)	43,619
Mortgages	(1,517)	0
New microfinance loans	-	(164,171)
Microfinance repaid	140,072	374,239
Mortgage repaid	-	4,409
Dividends and interest	(393,713)	(404,585)
Loss/(profit) on the sale of fixed assets	-	(70,109)
(Increase)/decrease in stocks	800	5,183
(Increase)/decrease in debtors	29,005	4,666
Increase/(decrease) in creditors	6,266	(10,881)
Net cash provided by (used in) operating activities	(141,182)	(3,720)

3. Donations and legacies

	Unrestricted General Funds 2019 £	Unrestricted Designated Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Donations	30,677	-	1,198,286	-	1,228,963	1,204,166
Legacies	6,070	-	10,000	33,130	49,200	100,670
Total	36,747	-	1,208,286	33,130	1,278,163	1,304,836

4. Investment Income

	Unrestricted General Funds 2019 £	Unrestricted Designated Funds 2019 £	Endowment Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Dividends Receivable	389,214	-	-	389,214	401,205
Interest on cash deposits	4,499	-	-	4,499	3,380
Total	393,713	-	-	393,713	404,585

The George Müller Charitable Trust

Notes to the accounts for the year ended 28 February 2019

5. Income from charitable activities

	Unrestricted General Funds	Unrestricted Designated Funds	Endowment Funds	Total Funds	Total Funds
	2019 £	2019 £	2019 £	2019 £	2018 £
Rental Income	90,218	-	-	90,218	89,607
Interest on Community House Mortgages	33,490	-	-	33,490	31,299
Family Records	2,391	-	-	2,391	1,970
Sale of Books	1,225	-	-	1,225	1,019
Total	127,324	-	-	127,324	123,895

6. Other Income

	2019	2018
Profit on sale of Charitable property	-	70,109

7. Analysis of resources by expenditure type

	Staff Costs	Other Costs	Grants	Total	Total
	2019 £	2019 £	2019 £	2019 £	2018 £
Investment Management Costs	-	41,464	-	41,464	40,990
Cost of raising funds	-	41,464	-	41,464	40,990
Global partnerships (SKI)	30,704	27,765	1,398,910	1,457,379	1,470,818
Community Living	4,880	12,869	-	17,749	37,907
Communications	13,814	9,739	-	23,553	22,334
Seniors	3,975	5,717	-	9,692	7,110
Inspiring Faith (Heritage)	40,061	35,949	-	76,010	65,382
Local partnerships	13,297	59,565	32,000	104,862	47,384
Training	14,780	6,913	-	21,693	38,657
Governance		8,226		8,226	7,800
Charitable Activities	121,511	166,743	1,430,910	1,719,164	1,697,392
Total expenditure	121,511	208,207	1,430,910	1,760,628	1,738,382

Multi service area costs included in the costs disclosed above have been allocated on the basis of time spent by staff on each activity.

The George Müller Charitable Trust

Notes to the accounts for the year ended 28 February 2019

8. SKI

SKI including Orphans of the World is the continuation of the work formerly carried on by the SKI trust. Its work is to provide grants, support and encouragement to those involved in Christian work and education both in the UK and overseas. It has an emphasis on work amongst children and in particular orphans and widows.

	2019	2018
	£	£
Grants to 131 (2018:141) individual Christian workers	805,263	807,501
Grants above £5,000 to Organisations (details below, comparatives for the previous year are given only where the grants exceeded £5,000 in 2019 and 2018)	494,394	472,930
Grants below £5,000 to Organisations	80,645	78,506
Defaults and exchange (gains)/ losses for Programme related investments see note13	(10,692)	49,311
Total	1,369,610	1,408,248

Gifts to organisations above £5,000	2019	2018
	£	£
Gospel of Kingdom Associates	18,804	41,085
Rwandan Orphan project	79,885	56,613
Haven Home Orphanage	76,576	65,010
25:40 Romania	28,696	32,941
Ebenezer Children's Centre	24,338	27,591
Bright Hope World	-	25,000
Shared Hope	34,000	32,000
Hebron Hostel Trust	20,392	20,896
Africa Naturally	14,974	16,697
Casa Hogar Lamedas Pampa	23,224	19,617
Favour the Helpless Mission	5,000	-
Hands at Work in Africa-Bandeni	14,488	26,837
Hands at Work in Africa - Oshoek	18,800	
Helping Them to Smile	8,016	10,878
Five Talents	10,175	11,700
Holland Wharf Girls Hostel	16,062	16,310
The Joseph Project	6,963	6,929
House of Hope	13,851	7,951
SSS Nepal	8,995	9,150
Operation Mobilisation India	16,375	10,000
DFN UK	25,867	-
New Victory Child Care	6,218	7,990
Send a Cow	10,200	10,138
Love Bristol	12,485	8,504
Growing Hope	-	9,093
Total	494,394	472,930

The George Müller Charitable Trust

Notes to the accounts for the year ended 28 February 2019

9. Net income/(expenditure):

This is after (crediting)/charging:

	2019 £	2018 £
Depreciation of tangible fixed assets owned by the charity	8,464	6,001
Auditors' remuneration	8,226	7,800

10. Staff Costs

	2019 £	2018 £
Wages and Salaries	110,354	95,349
Social Security Costs	5,087	3,417
Other Pension Costs	6,070	5,002
Total	121,511	103,768
Management	2	2
Administration	4	3
Total	6	5

The numbers of employees, as stated, is the average headcount number of staff employed during the year. No employee received more than £60,000 remuneration in the year.

The Chief Executive Officer and the Trustees comprise the key management personnel of the Charity. No Trustee received any remuneration during the current or previous year. No trustees were reimbursed for expenses (2018: £nil). The Chief Executive Officer received total employment benefits of £31,880.

11. Tangible Fixed Assets

	Land and Buildings	Building under construction	Furniture Fixtures & Fittings	Office equipment	Total
	£	£	£	£	£
Cost as at 1 March 2018	264,663	10,014	10,906	-	285,583
Additions	-	112,872	-	11,726	124,598
Disposals	-	-	-	-	-
Cost as at 28 February 2019	264,663	122,886	10,906	11,726	410,181
Accumulated Depreciation					
As at 1 March 2018	89,449	-	1,414	-	90,863
Disposals	-	-	-	-	-
Charge for the year	5,294	-	1,090	2,080	8,464
As at 28 February 2019	94,743	-	2,504	2,080	99,327
Net Book Value as at 28 February 2019	169,920	122,886	8,402	9,646	310,854
Net Book Value as at 28 February 2018	175,214	10,014	9,492	-	194,720

The George Müller Charitable Trust

Notes to the accounts for the year ended 28 February 2019

Freehold land and buildings are included at cost which in aggregate is considerably less than their market value. The Building under construction is a building called Loft House that the charity is purchasing at Ashley Down. Loft House is part of the original Muller Homes built in the 1850s. Heads of terms were agreed in the previous accounting period and on 28th February 2019 contracts were exchanged, with completion taking place on 28th March 2019. The estimated total cost of the building plus fit out is expected to be around £1,650,000. The building will be used as offices and will contain a state of the art museum that will help to further the charity's objects. Additions in the year represent the purchase deposit on the land and the shell of Loft House and progress payments in respect of consultancy fees for the design and fit out of the property.

12. Fixed Asset Investments

	2019	2018
Listed investments	Total	Total
Market Value	£	£
As at 1 March 2018	3,746,404	3,845,223
Sale Proceeds	(190,826)	(140,398)
 Additions	 187,046	 124,340
Change in cash held for Settlements	(15,067)	16,058
Costs of managing Investments	(25,828)	(25,402)
Transfer to unquoted Investments property funds	-	-
Unrealised valuation net (loss)/gain	(61,901)	(87,980)
Realised net gain/(loss)	25,037	14,563
 At 28 February 2019	 <u>3,664,865</u>	 <u>3,746,404</u>
Being:		
Investments managed by Brewin Dolphin	3,614,352	3,680,825
 Cash held for settlements	 <u>50,513</u>	 <u>65,579</u>
	<u>3,664,865</u>	<u>3,746,404</u>
 Analysis of Investments		
UK Equities	1,408,331	1,491,721
UK Bonds	598,693	611,297
Overseas Equities	822,027	663,665
Overseas Bonds	44,700	45,650
Other	740,601	868,492
Total	<u>3,614,352</u>	<u>3,680,825</u>
 Historical cost of investments	 <u>2,784,566</u>	 <u>2,709,245</u>
	2019	2018
	Total	Total
	£	£
Unlisted investments		
As at 1 March 2018	7,212,565	7,375,826
Sale proceeds property fund units	(513,671)	(1,162,217)
Reduction in capital, cash withdrawn from investment manager.	(250,000)	(350,000)
Purchase of Sarasin Alpha CIF for Endowments	-	2,032,285
 Purchase of property fund units	 256,569	 -

The George Müller Charitable Trust

Notes to the accounts for the year ended 28 February 2019

Change in cash held for settlements	263,072	(874,174)
Unrealised valuation net gain/(loss)	(15,282)	151,844
Realised net gain/(loss)	-	39,001
At 28 February 2019	<u>6,953,253</u>	<u>7,212,565</u>
 Sarasins CIF Endowment Fund	 -	 -
Sarasin Endowments Fund Class A Inc	5,406,003	5,448,696
Units in Property Funds	1,537,488	1,762,309
Cash	9,762	1,560
	<u>6,953,253</u>	<u>7,212,565</u>
Total value of investments		
 Quoted Investments	 3,614,352	 3,680,825
Units in property funds	1,537,488	1,762,309
Sarasin Alpha CIF for Endowments	-	-
Sarasin Endowments Fund Class A Inc.	5,406,003	5,448,696
Cash held for settlements	60,275	67,139
Total value of investments	<u>10,618,118</u>	<u>10,958,969</u>

The unlisted investments in property funds are in units in the Property Income Trust for Charities managed by Mayfair Capital Investment Management (£899,900 2018: £1,390,976) and units in the Cordea Charities Property Fund (£637,588 2018: £371,333).

13. Programme Related Investments

	2019 £ Microfinance Loans	2019 £ Community House Mortgages	2019 £ Total	2018 £ Total
As at 1 March 2018	186,927	915,061	1,101,988	1,361,960
Additions (new loans)	-	1,517	1,517	167,987
Cash held for lending	(97)	-	(97)	(3,816)
Exchange rate gains (losses)	10,856	-	10,856	(43,619)
Amounts repaid	(140,072)		(140,072)	(378,648)
Defaults and provisions (charged) credited to Charitable activities - grants	(164)	-	(164)	(1,876)
At 28 February 2019	<u>57,450</u>	<u>916,578</u>	<u>974,028</u>	<u>1,101,988</u>

The George Müller Charitable Trust

Notes to the accounts for the year ended 28 February 2019

Programme related investments consist of:

1. Global microfinance loans which are small short term loans to entrepreneurs in poverty. They are interest free. As the trustees have decided to realise these investments over the next year, these loans are now included in current assets.
2. Three mortgages to enable the purchase of two houses to be run as a Christian community house and a drug rehabilitation centre. These properties were previously owned by the charity. Interest is charged on the loans on preferential terms. The loans are secured on the properties.

The following is a breakdown of Programme related investments between fixed and current assets:

	2019	2018
Fixed Assets	916,578	915,061
Current Assets	57,450	186,927
Total	974,028	1,101,988

14. Stocks

	2019 £	2018 £
Goods for resale	1,622	2,422

15. Debtors

	2019 £	2018 £
Prepayments and accrued income	8,000	14,798
Income tax recoverable	11,174	33,381
Total	19,174	48,179

16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade Creditors	5,494	5,533
Social Security and other taxes	2,536	2,103
Accruals and deferred income	15,280	32,656
Sundry creditors and SKI gifts not yet paid	61,279	5,930
Other creditors - pension obligation	14,482	18,537
Total	99,071	64,779

The George Müller Charitable Trust

Notes to the accounts for the year ended 28 February 2019

17. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Other creditors - pension obligation	<u>60,745</u>	<u>88,771</u>

18. Movement in Unrestricted Designated Funds

	Unrestricted Tangible Fixed Asset Fund £	Programme Related Investment Fund £	Total Unrestricted Designated Funds £
As at 1 March 2018	194,270	1,101,988	1,296,708
Transfer from (to) Unrestricted Funds	124,597	(140,072)	(15,475)
Transfer to Expendable Endowment Fund	-	1,518	1,518
Transfers between funds	-	-	-
Net income/(expenditure)	(8,464)	(262)	(8,726)
Other gains and losses	-	10,856	10,856
As at 28 February 2019	<u>310,853</u>	<u>974,028</u>	<u>1,284,881</u>

The transfer from the Unrestricted Fund to the Unrestricted Tangible Fixed Asset Fund of £124,597 represents the fixed asset additions in the year. The transfer to the Unrestricted Fund of £140,072 represents net repayments of microfinance loans. The transfer of £1,518 from the Expendable endowment fund is in respect of a further advance made against a mortgage loan.

19. Movement in Restricted Funds

	SKI £	Hope 18 £	The Churches City Fund £	Restricted Legacy £	Total £
As at 1 March 2018	101,083	17,070	17,230	35,000	170,383
Net incoming funds	(14,385)	(17,070)	11,859	(22,000)	(41,596)
Transfer to unrestricted general fund	-	-	-	(10,000)	(10,000)
As at 28 February 2019	<u>86,698</u>	<u>-</u>	<u>29,089</u>	<u>3,000</u>	<u>118,787</u>

SKI donor balances represent amounts given to the Charity in the year ended 28th February 2019 for the work of SKI but not distributed at 28 February 2019. Hope 18, The Churches City Fund and restricted legacy balances represent amounts given to the Charity in the years ended 28th February 2018 and 28th February 2019 not distributed at 28th February 2019. The transfer to the unrestricted general fund was in regard to a legacy restricted to benefit children in the Bristol area and the trustees allocated the sum of £10,000 towards the children's aspects of the new museum.

The George Müller Charitable Trust

Notes to the accounts for the year ended 28 February 2019

20. Movement in Endowment Funds

	2019	2018
As at 1 March 2018	11,426,243	11,103,525
Income	33,130	108,117
Expenditure on Charitable Activities	(7,300)	-
Expenditure on raising funds – management fees	(41,464)	(40,990)
Net gains/(losses) on investments	(52,146)	117,428
Transfers from (to) other funds	(1,518)	138,163
As at 28 February 2019	11,356,945	11,426,243

Transfers to other funds are in respect of a further mortgage advance of £1,518

21. Movement in all Funds

	Unrestricted General Funds 2019 £	Unrestrict ed Designated Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
As at 1 March 2018	641,392	1,296,708	170,383	11,426,243	13,534,726	13,296,780
Total income & endowments	557,784	-	1,208,286	33,130	1,799,200	1,903,425
Total Expenditure	(453,256)	(8,726)	(1,249,882)	(48,764)	(1,760,628)	(1,738,382)
Net gains/(losses) on investments	-	-	-	(52,146)	(52,146)	117,428
Transfers between funds	25,475	(13,957)	(10,000)	(1,518)	-	-
Other Gains & Losses	1,383	10,856	-	-	12,239	(44,525)
As at 28 February 2019	772,778	1,284,881	118,787	11,356,945	13,533,391	13,534,726

22. Analysis of net assets between funds

	Unrestricted General Funds 2019 £	Unrestricted Designated Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total Funds 2019 £
Tangible Fixed Assets	-	310,853	-	-	310,853
Fixed Asset Investments	-	-	-	10,618,118	10,618,118
Programme Related Investments	-	974,028	-	-	974,028
Other Net Assets	772,778	-	118,787	738,827	1,630,392
Total	772,778	1,284,881	118,787	11,356,945	13,533,391

The George Müller Charitable Trust

Notes to the accounts for the year ended 28 February 2019

The Unrestricted General Fund represents those net assets held for carrying out the general activities of the Charity.

The Unrestricted Designated Fund is a fund representing the net book value of fixed assets held for charitable purposes, net assets held of Microfinance loans and three mortgages. The Microfinance loans are small short term loans to entrepreneurs in poverty and are interest free.

Analysis of net assets between funds - 2018

	Unrestricted General Funds 2018	Unrestricted Designated Funds 2018	Restricted Fund 2018	Endowment Funds 2018	Total Funds 2018
	£	£	£	£	£
Tangible Fixed Assets	-	194,720	-	-	194,720
Fixed Asset Investments	-	-	-	10,958,969	10,958,969
Programme Related Investments	-	1,101,988	-	-	1,101,988
Other Net Assets	641,392		170,383	467,274	1,279,049
Total	641,392	1,296,708	170,383	11,426,243	13,534,726

23. Pension Commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension charge represents contributions payable by the Charity to the fund and amounted to £6,115 (2018: £4,187). There were £859 of contributions payable to the fund at the balance sheet date (2018: £930).

24. Related party transactions

There have been no related party transactions in the year ended 28 February 2019 or the year ended 28 February 2018.

25. Capital commitments

The charity exchanged contracts on the land and shell of a building called Loft House on 28 February 2019 (see note 11). The contract was for the total sum of £1,023,080, against which a deposit of £102,308 had been paid at 28 February 2019, leaving an outstanding balance of £920,772. On 28 February 2019, the Charity was also committed to expenditure of £539,467 on the fit out of Loft House. The whole of this amount was outstanding as at the 28th February 2019.