



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 2021

The George Müller Charitable Trust

Trustees' Annual Report for the year ended 28 February 2021

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Mission

Further clarification has been brought to our mission statement this year to help us express the breadth of current and future activities. The George Müller Charitable Trust exists to strengthen the Church to meet the needs of the vulnerable by inspiring faith, nurturing families, resourcing ministry and transforming communities. 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.

Charitable 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.

Annual Report

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 2021.

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).

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Activities, Achievements and Performance

At each board meeting, the trustees have spent time reviewing their practice, going through one of the seven points of the Charity Governance Code. 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 saw Chair of trustees and both the Chairs of the subcommittees stand down due to increasing commitments in other areas of their individual lives. We are very grateful to Stewart North, Ed Marsh and Tony Davies for their leadership, sacrifice and service. All three remain on the board, with Tony Davies remaining company secretary. Existing trustee, Derek Powell was voted into the role of chair for all three of these positions and we are already benefiting from his hard work, diligence and energy.

Covid-19 pandemic

The pandemic and subsequent lockdowns have inevitably had an impact on our activities this year. The museum has remained closed for the majority of the time, reopening in line with timings and guidance set out by the UK government. Staff have been able to fulfil their roles whilst working from home and many services have been moved online such as the practical theology course and delivering lessons to schools. However, because of these adaptations, we have not had the need to furlough any members of staff this year, a sign of God's guiding and provision in what has been a turbulent time for many.

Inspiring Faith

The George Müller Museum was open for the few months permitted in 2020 due to lockdown restrictions. Even within this time, visitor numbers were restricted due to these limitations. However, the flow of traffic was immediate and steady, with people keen to book a visit. With the building closed, attention turned to our online offering with the Museum Coordinator offering a number of lessons to schools via videocall that were well received by staff and pupils. Further resources have also been developed and placed on our website.

The Mix, a quarterly youth worship event, also has had to move online, though the infrastructure has largely remained the same, with a Müllers representative leading and developing a team of local youth workers. Feedback has shown that youth leaders have appreciated a youth focussed online option for teenagers who have otherwise struggled to engage with their church's digital services.

Nurturing Families

Further investment of time and expertise have been directed to the Bristol Youth Ministry Network (BYMN) that seeks to equip, encourage and connect those whose Christian faith motivates them to work with young people. Two new, local youth workers have joined the leadership team which has expanded capacity and accountability. A new website has been launched along with social media channels. A new podcast has been launched, including interviews with youth ministers from around the region, sharing their story and best practice. The programme has been tailored to empower youth leaders to empower family-based discipleship.

We continue to prayerfully and financially support organisations engaged with caring for vulnerable children around the world, from those in care in the UK, to girls at risk of sexual exploitation in India or children with learning disabilities in China.

Resourcing Ministry

The Practical Theology Course continues to be popular, with all available places taken up for the 2020/21 course. It has had to be online in its entirety, but careful attention has been paid to the format, delivery and community element of the course. It has given opportunity to explore using blended learning as a long term option of study for future years.

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Church consultancy and mentoring has continued to further equip church leaders and their teams to minister in the Bristol region.

Transforming Communities

The Scriptural Knowledge Institute (SKI) has been a key mechanism for us in offering prayerful and financial support to missionaries around the globe in a time of unprecedented need. 224 individuals and organisations have benefitted from the disbursement of funds through Müllers. At the peak of the Covid crisis, we were led to pray for extra funds to come in, specifically for the purpose of giving away to our partners. God provided nearly double what we had been asking him for in unrequested, unexpected and unrestricted funding. This enabled us to extend generosity to three partners who were highly involved in providing medical care and food parcels to the most impoverished people of their communities.

The properties in Müllers' possession continue to be leased to those pioneering community living with a view to caring for the vulnerable.

Plans for the Future

Inspiring Faith

The immediate focus will be the reopening of our museum as soon as is safely and practically possible. We shall build upon our digital engagement with schools, sharing the story of George Müller with them in a way relevant to the curriculum. We will continue to lead the youth workers in The Mix team, developing their experience of inter-denominational, regional leadership and, at the same time, offering young people a life changing encounter with Jesus.

Nurturing Families

We shall continue our partnership with recipients around the world who are caring for vulnerable children. We will plan a new programme for the BYMN, continuing to equip youth workers for ministering to young people whilst also equipping families for discipleship too. We shall launch a similar network for those involved in children and families ministry, supporting, resourcing and connecting them to strengthen their work across the region.

Resourcing Ministry

We will improve our offering for church leaders, starting new leadership development groups to go along side our consultancy offering. We shall explore the digital offering of the PTC, placing some videos online to increase those who can access the teaching retrospectively.

Transforming Communities

SKI will continue to prayerfully and financially support those who serve the most vulnerable people of the world. We will conduct an internal review of the SKI procedures to ensure robust governance and compliance is in place.

Financial Review

The net increase in funds for the year, after investment gains of £624,475 (2020: £260,216), was £724,386 (2020: £310,051). The investment gains are the principal reason for the significant movement in the funds for the year.

In terms of the income of the Charity: donations received increased 8% over last year at £1,261,542 (2020: £1,165,596), this increase came from the Bristol City Churches Fund ; legacy income fell to £29,211 (2020: £54,377) and investment income fell to £373,266 (2020: £401,671); rental income increased to £99,559 (2020: £93,988) due to more of Muller House being let out following the move of the offices and museum to Loft House in Ashley Down. The mortgage interest earned on the two community mortgages reduced to £14,770 (2020: £23,428) as during the previous year one mortgage was completely repaid and one partly repaid.

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The staff costs were broadly in line with last year with an inflationary pay increase. Property maintenance costs at £38,394 were higher than last year (£18,511) due to expenditure on the repairs to a wall in one of the Cotham Park community houses.

Governance costs represent 2.2 % of income (2020: 2.3 %) and the cost of trustees' indemnity insurance was £349 (2020: £434).

Reserves

The total held by the charity at the end of the year were £14,563,049. This consists of an Expendable Endowment Fund of £11,785,777, Unrestricted Designated Funds of £2,276,415, Restricted Funds of £169,370 and Unrestricted General Funds of £331,487 (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 fund raising 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.

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. The Unrestricted General Fund at £331,487 represents approximately 6 months expenditure based on budgeted expenditure for 2021/22. The slightly higher than planned unrestricted reserves at the year-end resulted from the transfer of £170,000 from the endowment fund in the earlier part of the year to bolster reserves in the light of the predicted negative impact of the Covid-19 pandemic on the charity's income for the year. As it turned out, the impact of Covid-19 on the results was not as great as anticipated so that the reserves target at the year end was exceeded. The projected unrestricted reserves at the end of the financial year 28 February 2022 should be 6 months expenditure which is at the top end of the target range on the basis of the deficit budget for the year, and in future years will be brought further within it.

Reserves are necessary because:

1. Donations and legacies and investment income 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

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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 in 2020/21 continued 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. The long-term impact of the Covid-19 pandemic is yet to be seen, however the Charity's approach to its reserves and strong financial management should enable it to come through this period of uncertainty.
- 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 Charity Leader, 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 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%. Both discretionary managed portfolios achieved this for the period under review principally due to the strong recovery in

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the markets in the later part of the year and with income holding up reasonably well despite the impact of the global pandemic.

During the year, a divestment of cash of £170,000 was made as explained in the note on the reserves. The Trustees monitor the performance of the investment managers and meet with them regularly. The analysis of the investments is set out in note 11.

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 core 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 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.

Governance of the charity

The board of trustees meets five times each year and is assisted by the Financial and Administrative committee, consisting of five Trustees, the Charity Leader and the Charity Accountant and the SKI committee (formerly Distribution Committee) consists of three Trustees, the Charity Leader and the Missions Coordinator.

The charity leader is a senior staff member responsible for supervising the work of the staff and assisting the board in setting strategy and implementing this strategy. The responsibilities of the committees of trustees are framed within the 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 charity leader and other staff as required to join the trustees' meetings.

The trustees are applying the charity governance code to the governance of the charity. The trustees are taking on board the principles by discussing one principle in turn at each of its meetings and considering how the charity's governance should reflect this.

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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. The trustees seek to preserve a balance between maintaining experience and continuity of knowledge with fresh perspectives brought in by new trustees. Trustees are actively engaged in developing a pipeline of potential new trustees who can assume in time senior positions on the board. 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.

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

Trustees: D.J Powell (Chairman)
A.C. Davies (Company Secretary)
Q.T.S. Elston (retired 17 June 2020)
T.D. Grieve
J.N. Kingston
E.J. Marsh
S.D. North (Vice Chairman)
E.F.C. Small
W.P. Massey (appointed 24 March 2021)

Company registered number 03471812

Charity registered number 1066832

Registered office: 45-47 Loft House
College Road
Bristol
BS7 9FG

Auditors: Mazars LLP
Chartered Accountants
90 Victoria Street
Bristol
BS1 6DP

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

Solicitors: Meade King
Springfield House

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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 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

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- 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 7th July 2021 and signed on their behalf by:

D.J. Powell
Chairman

A.C. Davies
Trustee & Company Secretary

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Independent auditor's report to the Trustees 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 2021 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 2021 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustee's annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover

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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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report have 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 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 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 specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees 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

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

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.

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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of The George Muller Charitable Trust and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

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

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 charity's trustees 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 charity's trustees 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 charity and the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Richard Bott (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Mazars LLP, 90 Victoria Street, Bristol, BS1 6DP
29 July 2021

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Statement of Financial Activities incorporating Statement of Total Realised Gains and Losses for the year ended 28 February 2021

Current Year

		Unrestric- ted General Funds 2021 £	Unrestricted Designated Funds 2021 £	Restricted Funds 2021 £	Expendable Endowment Fund 2021 £	Total Funds 2021 £	Total Funds 2020 £
	Note						
Income and endowments from							
<i>Donations and legacies</i>	3	64,982	-	1,225,771	-	1,290,753	1,219,973
<i>Investments</i>	4	373,266	-	-	-	373,266	401,671
<i>Charitable Activities</i>	5	116,352	-	-	-	116,352	120,184
Total Income and endowments		554,600	-	1,225,771	-	1,780,371	1,741,828
Expenditure on							
<i>Raising Funds</i>	6 6,7	-	-	-	28,217	28,217	36,028
<i>Charitable activities</i>	8,9	469,219	35,395	1,147,629	-	1,652,243	1,655,965
Total Expenditure	6	469,219	35,395	1,147,629	28,217	1,680,460	1,691,993
<i>Net gains/(losses) on investments</i>	12	-	-	-	624,475	624,475	260,216
Net income/(expenditure)	18,19	85,381	(35,395)	78,142	596,258	724,386	310,051
<i>Transfers between funds</i>	20,21	172,216	(2,216)	-	(170,000)	-	-
<i>Other gains/(losses)</i>	13,21	(2,982)	(1,797)	-	-	(4,779)	-
Net movement in funds		254,615	(39,408)	78,142	426,258	719,607	310,051
<i>Total funds brought forward</i>	18,19 20,21	76,872	2,315,823	91,228	11,359,519	13,843,442	13,533,391
Total funds carried forward	18,19 20,21	331,487	2,276,415	169,370	11,785,777	14,563,049	13,843,442

The George Müller Charitable Trust

Statement of Financial Activities incorporating Statement of Total Realised Gains and Losses for the year ended 29 February 2020

		Unrestric- ted General Funds 2020 £	Unrestricted Designated Funds 2020 £	Restricted Funds 2020 £	Expendable Endowment Fund 2020 £	Total Funds 2020 £	Total Funds 2019 £
	Note						
Income and endowments from							
<i>Donations and legacies</i>	3	62,255	-	1,137,235	20,483	1,219,973	1,278,163
<i>Investments</i>	4	401,671	-	-	-	401,671	393,713
<i>Charitable Activities</i>	5	120,184	-	-	-	120,184	127,324
<i>Other income</i>		-	-	-	-	-	-
Total Income and endowments		584,110	-	1,137,235	20,483	1,741,828	1,799,200
Expenditure on							
<i>Raising Funds</i>	6 6,7	-	-	-	36,028	36,028	41,464
<i>Charitable activities</i>	8,9	467,568	21,603	1,166,794	-	1,655,965	1,719,164
Total Expenditure	6	467,568	21,603	1,166,794	36,028	1,691,993	1,760,628
<i>Net gains/(losses) on investments</i>	12	-	-	-	260,216	260,216	(52,146)
Net income/(expenditure)	18,19	116,542	(21,603)	(29,559)	244,671	310,051	(13,574)
<i>Transfers between funds</i>	20,21	(812,448)	1,052,545	2,000	(242,097)	-	-
<i>Other gains/(losses)</i>	13,21	-	-	-	-	-	12,239
Net movement in funds		(695,906)	1,030,942	(27,559)	2,574	310,051	(1,335)
<i>Total funds brought forward</i>	18,19 20,21	772,778	1,284,881	118,787	11,356,945	13,533,391	13,534,726
Total funds carried forward	18,19 20,21	76,872	2,315,823	91,228	11,359,519	13,843,442	13,533,391

The George Müller Charitable Trust

Summary Income and Expenditure Account for the year ended 28 February 2021

	Unrestricted Income Funds	Restricted Fund	Total Income Funds	Total Income Funds
	2021	2021	2021	2020
	£	£	£	£
Income	554,600	1,225,771	1,780,371	1,721,345
Less: Total Expenditure	(504,614)	(1,147,629)	(1,652,243)	(1,655,965)
Transfers from Expendable endowment fund	170,000	-	170,000	242,097
Other Gains (losses)	(4,779)	-	(4,779)	-
Net movement in funds	215,207	78,142	293,349	307,477

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 15 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 15 incorporates the statement of total recognised gains and losses.

The notes on pages 20 to 35 form part of these financial statements.

The George Müller Charitable Trust

Company number 03471812

Balance Sheet as at 28 February 2021

	Notes	2021 £	2020 £
Fixed Assets			
Intangible fixed assets	10	13,680	12,600
Tangible fixed assets	11	1,832,346	1,864,957
Fixed asset investments	12	11,791,920	11,358,177
Programme related investments	13	409,250	406,675
		<u>14,047,196</u>	<u>13,642,409</u>
Current Assets			
Stock	14	2,112	2,326
Debtors	15	36,095	43,404
Programme related investments	13	22,935	31,592
Cash at bank and in hand		576,927	280,370
		<u>638,069</u>	<u>357,692</u>
Creditors: Amounts falling due within one year	16	<u>(96,631)</u>	<u>(110,686)</u>
Net current assets		541,438	247,006
Creditors: Amounts falling due after more than one year	17	(25,585)	(45,973)
Net assets		<u><u>14,563,049</u></u>	<u><u>13,843,442</u></u>
Charity funds			
Unrestricted funds		331,487	76,872
Unrestricted designated funds	18	2,276,415	2,315,823
Restricted funds	19	169,370	91,228
Expendable endowment fund	20	11,785,777	11,359,519
Total funds	21	<u><u>14,563,049</u></u>	<u><u>13,843,442</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 7th July 2021 and signed on its behalf by:

D. J. Powell
Chairman

A.C. Davies
Trustee & Company Secretary

The George Müller Charitable Trust

Statement of cash flows for the year ended 28 February 2021

	Total Funds	Total Funds
	2021	2020
	£	£
Net cash provided by (used in) operating activities note 2	(230,581)	213,465
Cash flows from investing activities:		
Dividends and interest	373,266	401,671
Purchase of property, plant and equipment	(1,265)	(1,575,706)
Computer software development costs	(2,600)	(12,600)
Investment fees/property fund	(2,351)	(9,287)
Sale of quoted investments	374,854	275,368
Capital withdrawn from investments	170,000	-
Purchase of quoted investments from additional cash invested	-	(500,000)
Purchase of quoted investments from other cash	(387,603)	(247,090)
Change in cash held for settlements	7,616	(34,862)
Net cash provided by (used in) investing activities	531,917	(1,702,506)
Change in cash and cash equivalents in the reporting period	301,336	(1,489,041)
Cash and cash equivalents at the beginning of the reporting period	280,370	1,769,411
Change in cash and cash equivalents due to exchange rate movements	(4,779)	-
Cash and cash equivalents at the end of the reporting period	576,927	280,370

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 20 to 35 form part of these financial statements.

The George Müller Charitable Trust

Notes to the accounts for the year ended 28 February 2021

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 45-47 Loft House, College Road, Bristol BS7 9FG.

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 the Charity's financial position, plans and reserves taking into account the reduced expectations of investment income in 2021/22 and subsequent years following the economic impact on financial markets of Covid-19 and the likelihood of reduced donations as well as the inevitable fact that the needs of beneficiaries will be greater. Although the eventual outcomes from Covid-19 are uncertain, and likely to remain so for some years, the trustees 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 charitable purpose within the Charity's objects. Restricted funds can only be used for the stated restricted purpose. Restricted funds include Donor Balances which represent funds given to the Charity for the work of SKI, see the accounts note 8.

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) Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost less accumulated amortisation. Software development costs are recognised as an intangible fixed asset where the cost of development is over £1,000 and it can be demonstrated that the software when brought into use will produce economic and charitable benefits for a period longer than one year. Software development costs are amortised to write off the cost less estimated residual value of each asset over 5 years using the straight line method.

g) Tangible fixed assets and depreciation

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

Tangible fixed assets are stated at cost less depreciation. From 1 March 2019, depreciation was not provided on Freehold land and buildings. Prior to this a rate of 2% was provided. Other than Freehold land and buildings, 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:

Building Plant & Equipment	10% straight line
Museum Content	10% straight line
Furniture Fixtures & Fittings	10% straight line
Office equipment	33.33% straight line

h) 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.

i) 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.

The George Müller Charitable Trust

Notes to the accounts for the year ended 28 February 2021

1 Accounting Policies (continued)

j) 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) two mortgages provided, one of which enabled the purchase of a community house in Bristol and the other 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 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/gains are charged to Other gains/losses in the SOFA.

k) Stock

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

l) 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.

m) 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 3 (2020:5)

n) 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.

o) VAT

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

p) 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 2021

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

	Total Funds 2021 £	Total Funds 2020 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	724,386	310,051
Adjustments for:		
Depreciation and amortisation charges	35,395	21,603
(Gains)/losses on investments	(624,475)	(260,216)
Defaults & provisions	(249)	713
Investment fees	28,217	36,028
Exchange rate losses/ (gains) on PR investments	1,797	2,447
Mortgages	(2,575)	-
Microfinance repaid	7,109	22,698
Mortgage repaid	-	509,903
Dividends and interest	(373,266)	(401,671)
(Increase)/decrease in stocks	214	(704)
(Increase)/decrease in debtors	7,309	(24,230)
Increase/(decrease) in creditors	(34,443)	(3,157)
Net cash provided by (used in) operating activities	(230,581)	213,465

3 Donations and legacies

	Unrestricted General Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
Donations	42,429	1,219,113	-	1,261,542	1,165,596
Legacies	22,553	6,658	-	29,211	54,377
Total	64,982	1,225,771	-	1,290,753	1,219,973

Donations and legacies - prior year

	Unrestricted General Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £
Donations	48,361	1,117,235	-	1,165,596
Legacies	13,894	20,000	20,483	54,377
Total	62,255	1,137,235	20,483	1,219,973

The George Müller Charitable Trust

Notes to the accounts for the year ended 28 February 2021

4 Investment Income

	Unrestricted		
	General	Total Funds	Total Funds
	Funds	2021	2020
	£	£	£
Dividends Receivable	371,519	371,519	401,099
Interest on cash deposits	1,747	1,747	572
Total	373,266	373,266	401,671

All of the 2020 investment income was in the Unrestricted General Fund

5 Income from charitable activities

	Unrestricted		
	General	Total Funds	Total Funds
	Funds	2021	2020
	£	£	£
Rental Income	99,559	99,559	93,988
Interest on Community House Mortgages	14,770	14,770	23,428
Family Records	1,999	1,999	1,642
Sale of Books	24	24	1,126
Total	116,352	116,352	120,184

All of the 2020 income from charitable activities was in the Unrestricted General Fund

6 Analysis of expenditure by type

	Staff Costs	Other Costs	Grants	Total	Total
	2021	2021	2021	2021	2020
	£	£	£	£	£
Investment Management Costs	-	28,217	-	28,217	36,028
Cost of raising funds	-	28,217	-	28,217	36,028
Global Partnerships (SKI)	40,227	29,360	1,285,421	1,355,008	1,391,026
Inspiring Faith	32,214	29,166		61,380	63,350
Nurturing Families	14,129	7,814		21,943	22,277
Resourcing Ministry	25,210	20,499		45,709	48,109
Transforming Communities	13,560	40,689	75,403	129,652	90,718
Governance	17,179	21,372	-	38,551	40,485
Charitable Activities	142,519	148,900	1,360,824	1,652,243	1,655,965
Total expenditure	142,519	177,117	1,360,824	1,680,460	1,691,993

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 2021

6 Analysis of expenditure by type - Prior Year

	Staff Costs	Other Costs	Grants	Total
	2020	2020	2020	2020
	Restated	Restated	Restated	Restated
	£	£	£	£
Investment Management Costs	-	36,028	-	36,028
Cost of raising funds	-	36,028	-	36,028
Global Partnerships (SKI)	37,852	35,522	1,317,652	1,391,026
Inspiring Faith	29,989	33,361		63,350
Nurturing Families	13,327	8,950		22,277
Resourcing Ministry	23,975	24,134		48,109
Transforming Communities	12,136	37,882	40,700	90,718
Governance	18,711	21,774	-	40,485
Charitable Activities	135,990	161,623	1,358,352	1,655,965
Total expenditure	135,990	197,651	1,358,352	1,691,993

Prior year expenditure was restated for comparability reasons due to changes in the allocation of staff time in the current year following a reassessment.

- 7 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.

	2021	2020
	£	£
		Restated
Grants to 125 (2020:133) individual Christian workers	686,276	698,975
Grants above £5,000 to Organisations (details below, where grants were above £5,000 in the current or preceding period)	538,951	560,633
Grants below £5,000 to Organisations	60,195	57,330
Defaults and exchange (gains)/ losses for Programme related investments (see note 13)	1,548	3,160
Total	1,286,970	1,320,098

Grants to organisations above £5,000 (details below, where grants were above £5,000 in either the current or preceding period)

	2021	2020
	£	£
Gospel of Kingdom Associates	22,265	28,295
Rwandan Orphan project	71,782	75,713
Haven Home Orphanage	49,639	63,588
25:40 Romania	24,066	25,025
Ebenezer Children's Centre	32,777	36,869
Subtotal carried forward	200,529	229,490

The George Müller Charitable Trust

Notes to the accounts for the year ended 28 February 2021

7 SKI (continued)

	2021	2020
	£	£
Subtotal brought forward	200,529	229,490
Bright Hope World	26,000	25,000
Shared Hope	30,000	34,000
Hebron Hostel Trust	13,362	14,937
Africa Naturally	7,196	8,602
Casa Hogar Lamedas Pampa	5,445	7,251
UNIVIDA	7,965	2,700
Hands at Work in Africa-Bandeni	34,622	14,413
Hands at Work in Africa - Oshoek	31,569	19,258
Helping Them to Smile	8,110	18,500
Five Talents	10,000	-
Holland Wharf Girls Hostel	14,641	14,911
The Joseph Project	6,858	7,236
House of Hope	12,606	7,281
SSS Nepal	8,575	11,861
GTSSS	5,684	1,000
DFN UK	11,333	23,512
New Victory Child Care	8,710	16,150
Send a Cow	16,060	10,200
Love Bristol	7,190	12,694
Sub:Mission Zambia	4,896	5,185
The Hiding Place	1,138	7,570
Mongolia Community Project	18,115	10,124
Growing Hope - Janet Phythian	2,330	9,402
Solid Rock International Ministries	15,580	24,056
YWAM	23,739	23,959
CeHBED Orphanage	6,698	1,340
Total	538,951	560,633

8 Net income/(expenditure)

This is after (crediting)/charging:

	2021	2020
	£	£
Depreciation/amortisation of tangible and intangible fixed assets owned by the charity	35,395	21,603
Auditors' remuneration	11,830	8,728

The George Müller Charitable Trust

Notes to the accounts for the year ended 28 February 2021

9 Staff Costs

	2021	2020
	£	£
Wages and Salaries	128,958	119,754
Social Security costs	5,283	8,952
Other Pension costs	8,278	7,284
Total	142,519	135,990
Management	2	2
Administration	5	4
Total	7	6

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 Charity Leader 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 (2020: £nil). The Charity Leader received total employment benefits of £39,393.

10 Intangible Fixed Assets

	Computer Software in Development	Total 2021
	£	£
Cost as at 1 March 2020	12,600	12,600
Additions	2,600	2,600
As at 28 February 2021	15,200	15,200
Amortisation	1,520	1,520
Net Book Value as at 28 February 2021	13,680	13,680

The George Müller Charitable Trust

Notes to the accounts for the year ended 28 February 2021

11 Tangible Fixed Assets

	Land and Buildings £	Building Plant & Machinery	Museum Content £	Furniture Fixtures & Fittings £	Office Equipment £	Total 2021 £
Cost as at 1 March 2020	1,693,914	111,821	104,690	56,919	18,543	1,985,886
Additions	-	-	-	-	1,265	1,265
As at 28 February 2021	1,693,914	111,821	104,690	56,919	19,808	1,987,151
Accumulated Depreciation						
As at 1 March 2020	94,743	6,523	6,107	6,243	7,314	120,930
Charge for the year	-	11,182	10,469	5,692	6,532	33,875
As at 28 February 2021	94,743	17,705	16,576	11,935	13,846	154,805
Net Book Value as at 28 February 2021	1,599,171	94,116	88,114	44,984	5,962	1,832,346
Net Book Value as at 29 February 2020	1,599,171	105,298	98,583	50,676	11,229	1,864,957

Freehold land and buildings are included at cost which in aggregate is considerably less than their market value. As all these properties are maintained to a high standard, management have conducted an impairment review showing that the carrying value is less than the recoverable amount. Consequently, no depreciation has been charged on these assets. A review for indicators of impairment is carried out annually by the trustees.

The George Müller Charitable Trust

Notes to the accounts for the year ended 28 February 2021

12 Fixed Asset Investments

	2021	2020
Listed investments	Total	Total
Market Value	£	£
As at 1 March 2020	4,163,765	3,664,865
Sale Proceeds	(374,854)	(275,368)
Additions from additional cash invested	-	500,000
Other Additions	383,486	237,543
Change in cash held for settlements	(8,381)	38,486
Costs of managing investments	(25,866)	(26,741)
Unrealised valuation net (loss)/gain	148,334	(42,224)
Realised net gain/(loss)	47,048	67,205
At 28 February 2021	<u>4,333,532</u>	<u>4,163,765</u>
Being:		
Investments managed by Brewin Dolphin	4,305,432	4,101,418
Cash held for settlements	28,100	62,347
	<u>4,333,532</u>	<u>4,163,765</u>
Analysis of Investments		
UK Equities	1,464,515	1,489,508
UK Bonds	487,178	667,498
Overseas Equities	1,253,178	1,002,197
Overseas Bonds	72,483	43,900
Other	1,028,078	898,315
Total	<u>4,305,432</u>	<u>4,101,418</u>
Historical cost of investments	<u>3,311,003</u>	<u>3,255,521</u>
	2021	2020
	Total	Total
	£	£
Unlisted investments		
As at 1 March 2020	7,194,412	6,953,253
Reduction in capital, cash withdrawn from investment manager.	(170,000)	-
Purchase of Sarasin Alpha CIF for Endowments	4,117	9,547
Change in cash held for settlements	1,010	(6,883)
Unrealised valuation net gain/(loss)	428,849	238,495
At 28 February 2021	<u>7,458,388</u>	<u>7,194,412</u>

The George Müller Charitable Trust

Notes to the accounts for the year ended 28 February 2021

12 Fixed Asset Investments (continued)

	2021	2020
	Total	Total
	£	£
Sarasin Endowments Fund Class A Inc	6,024,790	5,693,003
Units in Property Funds	1,429,709	1,498,530
Cash	3,889	2,879
Total value of investments	<u>7,458,388</u>	<u>7,194,412</u>
	2021	2020
	Total	Total
	£	£
Quoted Investments	4,305,432	4,101,418
Units in property funds	1,429,709	1,498,530
Sarasin Endowments Fund Class A Inc.	6,024,790	5,693,003
Cash held for settlements	31,989	65,226
Total value of investments	<u>11,791,920</u>	<u>11,358,177</u>

The unlisted investments in property funds are in units in the Property Income Trust for Charities managed by Mayfair Capital Investment Management £821,300 (2020: £874,000) and units in the Cordea Charities Property Fund £608,409 (2020: £624,530).

13 Programme Related Investments

	Microfinance	Community	Total	Total
	Loans	House	2021	2020
	£	£	£	£
As at 1 March 2020	31,592	406,675	438,267	974,028
Additions (new loans)	-	2,575	2,575	-
Exchange rate gains (losses)	(1,797)	-	(1,797)	(2,447)
Amounts repaid	(7,109)	-	(7,109)	(532,601)
Defaults and provisions (charged) credited to Charitable activities - grants	249	-	249	(713)
At 28 February 2021	<u>22,935</u>	<u>409,250</u>	<u>432,185</u>	<u>438,267</u>

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 included in current assets.

2. Two 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.

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Notes to the accounts for the year ended 28 February 2021

Programme related investments (continued)

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

	2021	2020
	£	£
Fixed Assets	409,250	406,675
Current Assets	22,935	31,592
Total	432,185	438,267

Programme Related Investments - Prior Year

	Microfinance Loans	Community House Mortgages	Total 2020
	£	£	£
As at 1 March 2019	57,450	916,578	974,028
Exchange rate gains (losses)	(2,447)	-	(2,447)
Amounts repaid	(22,698)	(509,903)	(532,601)
Defaults and provisions (charged) credited to Charitable activities - grants	(713)	-	(713)
At 29 February 2020	31,592	406,675	438,267

14 Stocks

	2021	2020
	£	£
Total	2,112	2,326

15 Debtors

	2021	2020
	£	£
Debtors and prepayments	25,748	33,338
Income tax recoverable	10,347	10,066
Total	36,095	43,404

16 Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade Creditors	14,789	12,781
Social Security and other taxes	4,549	3,155
Accruals and deferred income	18,452	28,087
Sundry creditors and SKI gifts not yet paid	50,286	51,891
Other creditors - pension obligation	8,555	14,772
Total	96,631	110,686

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17 Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Other creditors - pension obligation	25,585	45,973

18 Movement in Unrestricted Designated Funds

	Unrestricted Fixed Asset Fund £	Programme Related Investment Fund £	Total Unrestricted Designated Funds £
As at 1 March 2020	1,877,556	438,267	2,315,823
Transfer from (to) Unrestricted Funds	3,865	(6,081)	(2,216)
Net income/(expenditure)	(35,395)	-	(35,395)
Other Gains (Losses)	-	(1,797)	(1,797)
As at 28 February 2021	1,846,026	430,389	2,276,415

The transfer from the Unrestricted Fund to the Unrestricted Fixed Asset Fund of £3,865 represents fixed and intangible asset additions in the year. The transfer to the Unrestricted Fund of £6,081 represents net repayments of microfinance loans of £8,657 less an increase of £2,576 in the amount repayable on a mortgage loan during the year.

Movement in Unrestricted Designated Funds - Prior Year

	Unrestricted Fixed Asset Fund £	Programme Related Investment Fund £	Total Unrestricted Designated Funds £
As at 1 March 2019	310,853	974,028	1,284,881
Transfer from (to) Unrestricted Funds	1,588,306	(25,858)	1,562,448
Transfer to Expendable Endowment Fund	-	(509,903)	(509,903)
Net income/(expenditure)	(21,603)	-	(21,603)
As at 29 February 2020	1,877,556	438,267	2,315,823

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19 Movement in Restricted Funds

	SKI	The Churches	Restricted	Total
	£	City Fund	Legacies	£
As at 1 March 2020	60,031	8,197	23,000	91,228
Income & Endowments	1,077,155	141,958	6,658	1,225,771
Expenditure	(1,065,893)	(75,403)	(6,333)	(1,147,629)
As at 28 February 2021	71,293	74,752	23,325	169,370

SKI donor balances represent amounts given to the Charity in the year ended 28 February 2021 for the work of SKI but not distributed at 28 February 2021. The Churches City Fund is a fund directed at social needs in Bristol such as food poverty and refugees in which the Charity partners with Bristol churches.

Movement in Restricted Funds - Prior Year

	SKI	The Churches	Restricted	Total
	£	City Fund	Legacy	£
As at 1 March 2019	86,698	29,089	3,000	118,787
Income & Endowments	1,099,427	17,808	20,000	1,137,235
Expenditure	(1,126,094)	(40,700)	-	(1,166,794)
Transfer to unrestricted general funds	-	2,000	-	2,000
As at 29 February 2020	60,031	8,197	23,000	91,228

20 Movement in Endowment Funds

	2021	2020
	£	£
As at 1 March 2020	11,359,519	11,356,945
Income	-	20,483
Expenditure on Charitable Activities	-	-
Expenditure on raising funds – management fees	(28,217)	(36,028)
Net gains/(losses) on investments	624,475	260,216
Transfers from (to) other funds	(170,000)	(242,097)
As at 28 February 2021	11,785,777	11,359,519

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Notes to the accounts for the year ended 28 February 2021

21 Movement in all Funds

	Unrestricted General Funds £	Unrestricted Designated Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
As at March 2020	76,872	2,315,823	91,228	11,359,519	13,843,442	13,533,391
Total income & endowments	554,600	-	1,225,771	-	1,780,371	1,741,828
Total expenditure	(469,219)	(35,395)	(1,147,629)	(28,217)	(1,680,460)	(1,691,993)
Net gains/(losses) on investments	-	-	-	624,475	624,475	260,216
Transfers between funds	172,216	(2,216)	-	(170,000)	-	-
Other Gains and Losses	(2,982)	(1,797)	-	-	(4,779)	-
As at 28 February 2021	331,487	2,276,415	169,370	11,785,777	14,563,049	13,843,442

Movement in all Funds - Prior Year

	Unrestricted General Funds £	Unrestricted Designated Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2019 £
As at March 2019	772,778	1,284,881	118,787	11,356,945	13,533,391
Total income & endowments	584,110	-	1,137,235	20,483	1,741,828
Total expenditure	(467,568)	(21,603)	(1,166,794)	(36,028)	(1,691,993)
Net gains/(losses) on investments	-	-	-	260,216	260,216
Transfers between funds	(812,448)	1,052,545	2,000	(242,097)	-
Other Gains and Losses	-	-	-	-	-
As at 29 February 2020	76,872	2,315,823	91,228	11,359,519	13,843,442

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Notes to the accounts for the year ended 28 February 2021

22 Analysis of net assets between funds

	Unrestricted General Funds £	Unrestricted Designated Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £
Tangible & Intangible Fixed Assets	-	1,846,026	-	-	1,846,026
Fixed Asset Investments	6,143	-	-	11,785,777	11,791,920
Programme Related Investments	-	430,389	-	-	430,389
Other Net Assets	325,344	-	169,370	-	494,714
Total	331,487	2,276,415	169,370	11,785,777	14,563,049

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 two mortgages. The Microfinance loans are small short term loans to entrepreneurs in poverty and are interest free.

Analysis of net assets between funds - Prior Year

	Unrestricted General Funds £	Unrestricted Designated Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £
Tangible Fixed Assets	-	1,877,556	-	-	1,877,556
Fixed Asset Investments	-	-	-	11,358,177	11,358,177
Programme Related Investments	-	438,267	-	-	438,267
Other Net Assets	76,872	-	91,228	1,342	169,442
Total	76,872	2,315,823	91,228	11,359,519	13,843,442

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 £8,278 (2020: £7,284). There were £2,202 of contributions payable to the fund at the balance sheet date (2020: £949). The aforementioned charge is separate from the pension obligation noted in Note 16 other creditors and explained in the accounting policy m.

24 Related party transactions

There have been no related party transactions in the year ended 28 February 2021 or the year ended 29 February 2020.

25 Capital commitments

The Charity had no capital commitments as at 28 February 2021 (2020: £nil)