

THE MARCELA TRUST

England & Wales · Charity number 1127514

Details

Status Registered

Legal form Trust

Registered 2009-01-14

Register [View on the Charity Commission register](#)

Contact

Address East Hill House
76 High Street
Colchester
CO1 1UF

Phone 07885144890

Activities

Objects: THE TRUSTEES SHALL HOLD THE TRUST FUND AND THE INCOME THEREOF UPON TRUST TO PAY THE INCOME THEREOF TO SUCH CHARITIES OR TO APPLY THE SAME FOR SUCH EXCLUSIVELY CHARITABLE PURPOSES AS THE TRUSTEES SHALL FROM TIME TO TIME IN THEIR ABSOLUTE DISCRETION THINK FIT

Activities: The charity provides support to selected causes in line with the Charity's objects.

Classification

- **How:** Makes Grants To Organisations, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes
- **Who:** Children/young People, Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATIONAL
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£8,308,948	£6,075,644	£69,291,488	98
2024-07-31	£8,382,463	£6,296,240	£68,708,159	110
2023-07-31	£8,231,910	£6,179,458	£68,170,984	108
2022-07-31	£6,933,643	£5,853,517	£69,599,591	111
2021-07-31	£4,532,121	£4,424,119	£66,864,209	111
2020-07-31	£5,040,204	£5,257,019	£70,723,653	114

Trustees

Name	Role	Appointed
JEANETTE FRANKLIN	Chair	2014-12-04
DAWN PAMELA ROSE		
MARK ROBERT SPRAGG		
PAUL HOTHAM		2014-12-04

THE MARCELA TRUST

England & Wales - Charity number 1127514

Accounts

Charity number: 1127514

The Marcela Trust

Trustees' Report and Financial Statements

For the Year Ended 31 July 2025

The Marcela Trust

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The Marcela Trust

Reference and Administrative Details of the Charity, its Trustees and Advisers For the Year Ended 31 July 2025

Trustees

Mrs J Franklin MBE
Mrs D P Rose
Mr M R Spragg
Mr P Hotham

Charity registered number

1127514

Principal office

The Trustees' Office
The Marcela Trust
East Hill House
76 High Street
Colchester
CO1 1UF

Independent auditor

Kreston Reeves Audit LLP
Statutory Auditor
Springfield House
Springfield Road
Horsham
West Sussex
RH12 2RG

Bankers

HSBC Bank UK
16 Goring Road
Worthing
West Sussex
BN12 4AW

Solicitors

Dean Wilson
Ridgeland House
165 Dyke Road
Brighton
BN3 1TL

The Marcela Trust

Trustees' Report For the Year Ended 31 July 2025

The Trustees present their annual report together with the audited financial statements of the Charity for the 1 August 2024 to 31 July 2025.

Objectives and activities

a. Policies and objectives

In December 2009 the Trust received a donation of 95.5% of the share capital of Omarca Investment Holdings Limited, a dormant intermediary holding company which holds 100% of the shares of OMC Investments Limited. The principal activities of OMC Investments Limited, which was founded in 1971, are property investment, management and development and the operation of three hotels through its subsidiary companies. Both Omarca Investment Holdings Limited and OMC Investments Limited are companies registered in England and Wales.

The Trust is named after Marcela Botnar (1928-2014), the wife of the founder of OMC Investments Limited, Octav Botnar (1913-1998). The aim of the Trust is to administer donations received from OMC Investments Limited which are made from that Company's operating profits. The Trustees do not actively fundraise. Restricted donations are administered in accordance with the wishes of the donor. In the absence of any restrictions, the Trustees are empowered to invest the funds in accordance with Trust Law as they deem fit and to support charitable activities and organisations of merit and integrity, at their discretion in accordance with the Trust Deed and having due regard for the public benefit guidance published by the Charity Commission for England and Wales.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Grant-making policies

Since the Trust's inception in 2009, the Trustees have made grants using restricted and unrestricted funds donated by OMC Investments Limited, administering restricted funds in accordance with the wishes of the donor and unrestricted funds to support charitable activities and organisations of merit and integrity, at their discretion in accordance with the Trust Deed.

c. Main activities undertaken to further the Charity's purposes for the public benefit

The Trustees consider that through its aims and the donations it has made, the Trust has provided public benefit. Specifically, through donations made in previous financial years, the Trust has provided clear public benefit by funding projects in the fields of medical research, the Arts, education and the relief of poverty in disadvantaged communities. All of the beneficiaries of the Trust's donations rely fundamentally, if not exclusively, on financial support from the charitable and not for profit sectors in order to fund the services, research, activities and philanthropic work they carry out.

The Marcela Trust

Trustees' Report (continued) For the Year Ended 31 July 2025

Achievements and performance

a. Main achievements of the Charity

Donations of £450,000 (2024: £450,000) were received from OMC Investments Limited in the financial year. Donations from the Trust to other charitable organisations and activities amounting to £400,000 (2024: £280,000) were made in the year in furtherance of the Trust's legal purposes and for the public benefit, as explained below.

- £150,000 was donated to The Florence Nightingale Foundation, Registered Charity No. 229229 to fund scholarships to develop the leadership skills of nurses and midwives.
- £50,000 was donated to The Nuffield Orthopaedic Centre Charity, Registered Charity No. 1006509 to contribute towards the cost of the new Nuffield Ambulatory Surgical Centre.
- £100,000 was donated to Colchester Mercury Theatre Limited, Registered Charity No. 232387 to fund various youth employment projects.
- £100,000 was donated to the Colchester Museums Development Foundation, Registered Charity No. 1192018 to fund various youth employment projects.

b. Performance review

A consolidated statement of financial activities is presented on page 12.

Charitable donations made by the Trust are administered in accordance with the wishes of the donor in the case of restricted donations and in the case of unrestricted donations, in accordance with the Trust Deed and at the trustees' discretion, as explained in this report.

As the Trust is the ultimate majority shareholder of the trading and investment company, OMC Investments Limited, the results of that company and its subsidiary companies are consolidated into the financial statements of the Marcela Trust. How the consolidated figures impact on the Trust's accounts is explained in the Notes to the Financial Statements.

The Directors' Report included in the Financial Statements of OMC Investments Limited outlines the significant factors affecting that company's performance and outlook and the trustees are kept informed of the company's activities at Trustee meetings during the year.

c. Performance and impact of subsidiary undertakings

OMC Investments Limited makes charitable donations to the Trust from its annual operating profits, and the Trust administers the donations as mentioned in this report. The trustees do not actively fund raise.

In the financial year ended 31 July 2025 the turnover of OMC Investments was up on the previous year following a number of positive rent reviews and other lease events and the acquisition of an additional investment property as outlined in that Company's annual report. This resulted in an operating profit of £1,237,022 (2024: £845,109). The trading figures of OMC Investments and its two subsidiary companies which operate luxury hotels in Leeds and Colchester (at a loss of £35,545 and a profit of £37,869 respectively) are consolidated in the Trust's financial statements here.

Since the General Election in July 2024 the Bank of England has reduced interest rates by 1.25% to 4% at the time of writing. This has had little effect on the commercial property investment market in terms of either pricing or availability of stock in the sub £10 million sector and the market remains subdued.

Pressure on household incomes remains unabated as the cost of living continues to rise, with food price inflation being a particular concern. While OMC Investments' independent tenants have so far shown resilience in the face of the sluggish economy, the squeeze on household incomes continues to impact the revenues and financial performances of OMC Investments' two subsidiary companies operating in the leisure sector.

The Marcela Trust

Trustees' Report (continued) For the Year Ended 31 July 2025

Achievements and performance (continued)

d. Investment policy and performance

The Trustees are empowered to invest the funds of the Trust in stocks, shares, securities, debts, options or other investments as they consider fit and in accordance with Trust Law. The trustees have had no significant funds to invest in the current year. The uncommitted funds at the year end were held in the Trust's bank account in readiness for charitable donations post year end and in order to discharge audit and accountancy fees.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The Trust

Since its inception in 2009, the Trust's sole source of income has been represented by donations received from OMC Investments Limited. The Trust has no operating activities of its own and its only unavoidable overheads are audit and accountancy fees, insurance and bank charges.

Reserves are defined as those unrestricted funds that are freely available for general purposes, excluding fixed assets. The Trustees consider that a level of reserves of £20,000 is appropriate, equivalent to approximately 24 months of currently estimated operating expenditure.

At the year-end, the Charity held unrestricted reserves of £518,627. This is above the assessed level, largely due to the receipt of a donation from the trading subsidiary OMC Investments Limited a few days prior to the financial year end and two grants made by the charity not being encashed by the beneficiaries until after the financial year end. Excess funds above the target level are held by the charity for the purpose of making future grant payments

The Group

The reserves of the OMC Investments Limited sub group are £68,772,861 (2024: £68,229,016). This is largely represented by investment and development properties and properties used within the group totalling £63,607,500 (2024: £61,398,340) and net current assets of £5,165,361 (2024: £6,830,676). The directors of the group manage the property portfolio with the aim of maintaining and improving the value and earning potential of the portfolio for the longer term while maintaining a cautious attitude to risk and making donations from income, subject to ongoing and future investment considerations, to the Marcela Trust to fund the Trust's charitable donations.

The Marcela Trust

Trustees' Report (continued) For the Year Ended 31 July 2025

c. Principal risks and uncertainties

The Trustees have reviewed the major potential financial risks to which the Trust may be exposed and systems and procedures are in place to mitigate such risks. The Trust currently has no direct operational activities which could represent other risk exposure.

The Trust's main asset is 95.5% of the shares of Omarca Investment Holdings Limited, which is a dormant intermediary holding company which owns 100% of the shares of OMC Investments Limited. OMC Investments Limited's principal activities are property investment, management and development and the operation of three hotels through its subsidiary companies.

The risks to which OMC Investments Limited is exposed are therefore by extraction, indirect risks for the Marcela Trust.

According to the financial statements of OMC Investments Limited, the increased costs of employment and reduction in business rates relief created by the November 2024 budget have added to inflationary pressures. Food cost inflation is high and the overall cost of living continues to rise.

This will continue to have a double-edged impact on OMC Investments' subsidiaries which operate in the leisure sector, in the form of higher operating costs combined with lower revenues due to renewed pressure on consumer spending. The subsidiary companies are mitigating this situation by reducing employee numbers through natural wastage, reducing opening hours, changes to working practices and constant review of suppliers to maintain optimum purchase prices.

The Company's independent tenants who operate in the retail and leisure sectors face the same pressures. There is therefore a risk of business failure if tenants are unable to or do not act quickly enough and are not sufficiently financially robust to deal with these pressures.

This represents a degree of risk to OMC Investments in the form of risk of business failure of tenants and pressure on rents in the retail and hospitality sectors. This in turn could negatively affect the outlook for property valuations.

While the Directors consider that the Company's investment portfolio across well-positioned office, leisure and high street retail locations in Central London, Central Leeds and a number of market towns and small cities in the East and South of England represents a broad and reasonable risk profile under normal circumstances, at the time of writing the direct and indirect impacts on the business of higher employment and business rates costs, pressures on consumer spending and a stagnating economy, are uncertain.

d. Principal funding

The Trust received donations amounting to £450,000 in the financial year (2024: £450,000) from OMC Investments Limited. The donations meet and correspond with the objectives of the Trust which are for general charitable purposes and in the case of restricted donations, are administered in accordance with the donor's wishes.

The Marcela Trust

Trustees' Report (continued) For the Year Ended 31 July 2025

Structure, governance and management

a. Constitution

The Marcela Trust is a registered charity, number 1127514, and is constituted under a Trust deed.

b. Methods of appointment or election of trustees

The management of the Group and the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

c. Organisational structure and decision-making policies

The Trust was established by Deed on 1st December 2008 as amended by a Deed of Amendment dated 5 January 2009. It was formed for general charitable purposes in the expectation that it was to receive a donation of shares in Omarca Investment Holdings Limited. It is registered by the Charity Commission under Registration Number 1127514.

The Trustees are responsible for the appointment of trustees and meet periodically during the year when funds become available for making donations and/or to discuss progress reports from beneficiaries of the Trust and other important issues. The day to day management of the Trust is undertaken by the trustees. Appropriate induction and training of new trustees is undertaken as necessary. Trustees who acted during the year are listed at the beginning of the report.

d. Pay policy for key management personnel (including those of subsidiaries)

The Trustees consider that they, together with the directors of the subsidiary company OMC Investments Limited, comprise the Key Management Personnel (see Note 11 to the accounts). The Trustees give their time freely. The pay and remuneration of the directors of OMC Investments Limited are set by the Board and are reviewed annually based on the nature, role and extent of the respective director's responsibilities and comparable remuneration levels in relevant industry sectors.

Plans for future periods

Charitable activity in the coming financial year will depend on the level of donations received from OMC Investments Limited. The Trustees do not actively fund raise. Unencumbered funds held at the year end are sufficient to discharge the Trust's audit and accountancy fees, insurance and bank charges and to make donations to organisations of merit and integrity at the discretion of the trustees. On receipt of further donations from OMC Investments Limited if any, during the coming year, the Trustees expect to continue to support charitable activities and organisations at their discretion (or in the case of restricted donations in accordance with the wishes of the donor) in accordance with the general charitable purposes set out in the Trust Deed and having due regard for the public benefit guidance published by the Charity Commission for England and Wales.

Statement of trustees' responsibilities

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

The Marcela Trust

Trustees' Report (continued) For the Year Ended 31 July 2025

Statement of trustees' responsibilities (continued)

The law applicable to charities in England & Wales 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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

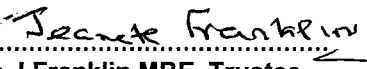
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditor

The audit registration of Kreston Reeves LLP was transferred to Kreston Reeves Audit LLP on 6 October 2025. Kreston Reeves Audit LLP were formally appointed as auditor to the company on 6 October 2025.

Approved by order of the members of the board of Trustees and signed on their behalf by:


.....
Mrs J Franklin MBE, Trustee

Date: 25.7.25

The Marcela Trust

Independent Auditor's Report to the Members of The Marcela Trust

Opinion

We have audited the financial statements of The Marcela Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 July 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 July 2025 and of the Group's incoming resources and application of resources, including 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 Charities Act 2011.

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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

The Marcela Trust

Independent Auditor's Report to the Members of The Marcela Trust (continued)

Other information

The other information comprises the information included in the 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 the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the parent Charity has not kept sufficient accounting records; or
- the parent Charity financial statements are not in agreement with the accounting records and returns; 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, the trustees are responsible for the preparation of the financial statements which 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 Group's and the parent 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 Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of The Marcela Trust (continued)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity, the group and their sectors as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to employment law, anti-bribery, GDPR, the Companies Act and the Charity Commission. 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 Charities SORP (FRS 102) Second Edition (released October 2019), and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated 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 related to management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of subsidiaries and valuation of investment properties, as well as posting inappropriate journal entries to increase revenue or reduce expenditure within the trading subsidiaries' accounts. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations including health and safety and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Checking and reperforming the reconciliation of key control accounts for trading subsidiaries; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Reviewing the fair value of investments held in subsidiary companies, with reference to their net assets at the reporting date; and
- Reading minutes of meetings of those charged with governance and reviewing correspondence with relevant tax and regulatory authorities; and
- Obtaining and reviewing bank audit confirmation letters to verify cash at bank levels at the reporting date; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Review of the property valuation reports, assessment of significant underlying assumptions and of management's experts' independence and objectivity; and

Independent Auditor's Report to the Members of The Marcela Trust (continued)

- Proof in total workings and substantive testing conducted on income streams for trading subsidiaries; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. .

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's Report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Marcela Trust

Independent Auditor's Report to the Members of The Marcela Trust (continued)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves Audit LLP
Statutory Auditor
Horsham

Date: 5 March 2026

Kreston Reeves Audit LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

The Marcela Trust

**Consolidated Statement of financial activities
For the Year Ended 31 July 2025**

	Note	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:				
Other trading activities	4	7,990,313	7,990,313	8,051,211
Investments	5	318,635	318,635	331,252
Total income		8,308,948	8,308,948	8,382,463
Expenditure on:				
Raising funds	6	5,665,190	5,665,190	6,005,645
Charitable activities		410,454	410,454	290,595
Total expenditure		6,075,644	6,075,644	6,296,240
Net income before net gains/(losses) on investments		2,233,304	2,233,304	2,086,223
Net gains/(losses) on investments		25,390	25,390	(99)
Net income before taxation		2,258,694	2,258,694	2,086,124
Taxation	12	(589,025)	(589,025)	(467,289)
Net movement in funds before other recognised gains/(losses)		1,669,669	1,669,669	1,618,835
Other recognised gains/(losses):				
Losses on revaluation of fixed assets		(1,086,340)	(1,086,340)	(1,081,660)
Net movement in funds		583,329	583,329	537,175
Reconciliation of funds:				
Total funds brought forward		68,708,159	68,708,159	68,170,984
Net income attributable to the parent charity		1,571,839	1,571,839	1,553,162
Net (losses)/gains attributable to the parent charity		(1,013,059)	(1,013,059)	(1,032,930)
		69,266,939	69,266,939	68,691,216
Net income attributable to non-controlling interests		72,440	72,440	65,772
Net (losses)/gains attributable to non-controlling interests		(47,891)	(47,891)	(48,829)
Total funds carried forward		69,291,488	69,291,488	68,708,159

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 36 form part of these financial statements.

The Marcela Trust

**Consolidated Balance Sheet
As at 31 July 2025**

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	13	10,161,226	10,189,824
Investment property	14	53,881,500	51,779,340
		<u>64,042,726</u>	<u>61,969,164</u>
Current assets			
Stocks	16	27,417	26,169
Debtors	17	1,178,668	1,245,729
Cash at bank and in hand		7,148,350	8,451,392
		<u>8,354,435</u>	<u>9,723,290</u>
Current liabilities			
Creditors: amounts falling due within one year	18	(2,263,152)	(2,136,813)
		<u>6,091,283</u>	<u>7,586,477</u>
Net current assets			
		<u>70,134,009</u>	<u>69,555,641</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	19	(842,521)	(847,482)
		<u>69,291,488</u>	<u>68,708,159</u>
Net assets			
		<u>69,291,488</u>	<u>68,708,159</u>
Charity funds			
Unrestricted funds	20	66,187,115	65,628,335
Total funds attributable to the parent charity		<u>66,187,115</u>	<u>65,628,335</u>
Non-controlling interests		<u>3,104,373</u>	<u>3,079,824</u>
Total funds		<u>69,291,488</u>	<u>68,708,159</u>

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:

.....
Mrs J Franklin MBE, Trustee
(Chair of Trustees)

Jeanette Franklin
25-2-26

Date:

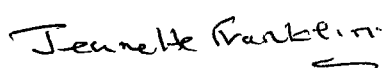
The notes on pages 17 to 36 form part of these financial statements.

The Marcela Trust

**Charity Balance Sheet
As at 31 July 2025**

	Note	2025 £	2024 £
Fixed assets			
Investments	15	65,668,488	65,149,192
		<u>65,668,488</u>	<u>65,149,192</u>
Current assets			
Cash at bank and in hand		527,363	486,143
		<u>527,363</u>	<u>486,143</u>
Current liabilities			
Creditors: amounts falling due within one year	18	(8,736)	(7,000)
		<u>518,627</u>	<u>479,143</u>
Net current assets			
		<u>66,187,115</u>	<u>65,628,335</u>
Total net assets			
		<u>66,187,115</u>	<u>65,628,335</u>
Charity funds			
Restricted funds	20	-	-
Unrestricted funds	20	66,187,115	65,628,335
		<u>66,187,115</u>	<u>65,628,335</u>
Total funds			
		<u>66,187,115</u>	<u>65,628,335</u>

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:



Mrs J Franklin MBE
 (Chair of Trustees)

Date: 25-2-'26

The notes on pages 17 to 36 form part of these financial statements.

The Marcela Trust

**Consolidated Statement of Cash Flows
For the Year Ended 31 July 2025**

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	24	1,687,673	1,784,974
Cash flows from investing activities			
Dividends, interests and rents from investments		318,635	331,252
Purchase of tangible fixed assets		(3,324,372)	(57,314)
Proceeds of disposal of investments and tangible fixed assets		26,249	374
Net cash (used in)/provided by investing activities		(2,979,488)	274,312
Cash flows from financing activities			
Interest paid		(11,227)	-
Net cash (used in)/provided by financing activities		(11,227)	-
Change in cash and cash equivalents in the year		(1,303,042)	2,059,286
Cash and cash equivalents at the beginning of the year		8,451,392	6,392,106
Cash and cash equivalents at the end of the year	25	7,148,350	8,451,392

The notes on pages 17 to 36 form part of these financial statements

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2025

1. General information

The Marcela Trust is registered by the Charity Commission, incorporated in England & Wales. Details of the registered address can be found on the reference and administrative details page.

The Marcela Trust owns 95.5% of the share capital of Omarca Investment Holdings Limited. Omarca Investment Holdings Limited holds 100% of the share capital of OMC Investments Limited. All of the companies are registered in England and Wales.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone because the charity has taken advantage of the exemption available.

These financial statements are presented in sterling which is the functional currency of the group and are rounded to the nearest £1.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for the next 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**Notes to the Financial Statements
For the Year Ended 31 July 2025**

2. Accounting policies (continued)

2.3 Income

Income in respect of donations is accounted for on a receivable basis once the charity has entitlement to the income, it is probable that the income will be received and the amount of income can be measured reliably. For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from other trading activities represents the amount derived from the sale of properties, rents receivable, car parking charges and hotel operations (net of VAT) receivable by the subsidiary companies.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The corporation tax charge relates to taxable profits arising in the trading subsidiaries.

The Charity receives no exemption in respect of Value Added Tax (VAT) and is not VAT registered.

**Notes to the Financial Statements
For the Year Ended 31 July 2025**

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 3 to 5 years
---------------------	----------------

2.8 Investments

Investments in subsidiaries are held at fair value.

2.9 Investment property

Investment property is carried at fair value determined periodically by external valuers and the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchase on a first in, first out basis.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

**Notes to the Financial Statements
For the Year Ended 31 July 2025**

2. Accounting policies (continued)

2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.15 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to determining the fair value of the investment properties, which are sensitive to fluctuations in the property market.

The Marcela Trust

**Notes to the Financial Statements
For the Year Ended 31 July 2025**

4. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2025 £	Total funds 2025 £
Trading income from subsidiary undertakings	7,990,313	7,990,313

	Unrestricted funds 2024 £	Total funds 2024 £
Trading income from subsidiary undertakings	8,051,211	8,051,211

5. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £
Investment income	318,635	318,635

	Unrestricted funds 2024 £	Total funds 2024 £
Investment income	331,252	331,252

The Marcela Trust

**Notes to the Financial Statements
For the Year Ended 31 July 2025**

6. Expenditure on raising funds

Costs of raising funds

	Unrestricted funds 2025 £	Total funds 2025 £
Interest payable on overdue tax	11,227	11,227
Legal and professional	182,521	182,521
Direct costs of let properties and hotel operations	1,525,678	1,525,678
Recruitment and welfare	45,679	45,679
Office administration	118,316	118,316
Travel	35,909	35,909
Rent, rates and service charges	107,585	107,585
Light, heat and cleaning	359,354	359,354
Bad debts	(592)	(592)
Repairs and maintenance	120,192	120,192
Bank charges	110,339	110,339
Advertising	9,984	9,984
Insurance	126,845	126,845
Fees payable to the charity's auditor for the auditing of accounts of subsidiaries of the charity	39,939	39,939
Wages and salaries	2,597,778	2,597,778
National insurance	55,634	55,634
Pension costs	55,191	55,191
Depreciation	163,611	163,611
	5,665,190	5,665,190

**Notes to the Financial Statements
For the Year Ended 31 July 2025**

6. Expenditure on raising funds (continued)

Costs of raising funds (continued)

	Unrestricted funds 2024 £	Total funds 2024 £
Legal and professional	187,849	187,849
Direct costs of let properties and hotel operations	1,696,207	1,696,207
Recruitment and welfare	44,933	44,933
Office administration	110,188	110,188
Travel	34,233	34,233
Rent, rates and service charges	84,690	84,690
Light, heat and cleaning	388,405	388,405
Repairs and maintenance	140,251	140,251
Bank charges	112,740	112,740
Advertising	9,856	9,856
Insurance	131,921	131,921
Fees payable to the charity's auditor for the auditing of accounts of subsidiaries of the charity	31,685	31,685
Wages and salaries	2,704,573	2,704,573
National insurance	52,704	52,704
Pension costs	58,189	58,189
Depreciation	217,221	217,221
	<u>6,005,645</u>	<u>6,005,645</u>

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2025

7. Analysis of grants

	Grants to Institutions 2025 £	Total funds 2025 £
Grants paid	400,000	400,000

The Group made the following grants to institutions during 2025 from unrestricted funds:

- Florence Nightingale Foundation - £150,000
- The Nuffield Orthopaedic Centre Appeal - £50,000
- Colchester Mercury Theatre - £100,000
- Colchester Museums Development Foundation - £100,000

	Grants to Institutions 2024 £	Total funds 2024 £
Grants paid	282,500	282,500

The Group made the following grants to institutions during 2024 from unrestricted funds:

- Fauna & Flora International - £280,000
- Colchester Arts Centre - £2,500

**Notes to the Financial Statements
For the Year Ended 31 July 2025**

8. Support costs

	Unrestricted funds 2025 £	Total funds 2025 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	3,982	3,982
Fees payable to the charity's auditor for non-audit costs	6,472	6,472
Total 2025	<u>10,454</u>	<u>10,454</u>
	Unrestricted funds 2024 £	Total funds 2024 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	3,252	3,252
Fees payable to the charity's auditor for non-audit costs	4,843	4,843
Total 2024	<u>8,095</u>	<u>8,095</u>

Audit fees of the subsidiary companies are allocated to raising funds and the audit fee of the Charity is allocated to charitable activities and were unrestricted in the current and preceding year.

9. Auditor's remuneration

	2025 £	2024 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	3,982	3,252
Fees payable to the Charity's auditor in respect of:		
The auditing of accounts of subsidiaries of the Charity	39,939	31,685
The preparation of the Charity's annual accounts	6,472	4,843
All non-audit services not included above	<u>29,117</u>	<u>24,800</u>

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2025

10. Staff costs

	Group 2025 £	Group 2024 £
Wages and salaries	2,597,778	2,704,573
Social security costs	55,634	52,704
Pensions	55,191	58,189
	<u>2,708,603</u>	<u>2,815,466</u>

The average number of persons employed by the Charity during the year was as follows:

	Group 2025 No.	Group 2024 No.
Management	12	12
Administration	4	4
Hotel staff (excluding hotel manager)	82	94
	<u>98</u>	<u>110</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2025 No.	Group 2024 No.
In the band £220,001 - £230,000	1	1
In the band £150,001 - £160,000	1	1

The charity considers the key management personnel to comprise of the directors of OMC Investments Limited for both the current and prior financial year. The total employment benefits including Employer's national insurance of the key management personnel were £415,653 (2024: £409,629). The value of the contributions paid to a defined contribution pension scheme amounted to £13,803 (2024: £13,553)

11. Trustees' remuneration and expenses

One of the trustees is a director of a subsidiary company. One director receives remuneration, benefits and reimbursed expenses in respect of their employment by that company. No remuneration or reimbursed expenses have been paid to the trustees, in their role as trustees, by the charity.

Trustees' emoluments for the period (including employer's national insurance and employer pension costs) were as follows:

D P Rose £227,910 (2024: £226,806).

The remuneration paid to D P Rose is in respect of her employment as a director by the trading subsidiary and not for her role as a trustee of the charity.

During the year, no trustees received any remuneration or other benefits (2024 - £NIL).

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2025

11. Trustees' remuneration and expenses (continued)

During the year ended 31 July 2025, no trustee expenses have been incurred (2024 - £NIL).

12. Taxation

	2025 £	2024 £
Corporation tax		
Current tax on net income for the year	582,000	467,289
Adjustments in respect of previous periods	7,025	-
Taxation on net income	589,025	467,289

The tax assessed for the year is higher than (2024 - the same as) the standard rate of corporation tax in the UK of 25% (2024 - 25%). The differences are explained below:

	2025 £	2024 £
Net income before tax	2,258,694	2,086,124
Net income multiplied by the effective rate of corporation tax in the UK of 21% (2024 - 25%).	564,674	521,531
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	17,490	27,943
Depreciation for year in excess of capital allowances/(Capital allowances for year in excess of depreciation)	-	(11,508)
Utilisation of tax losses	(1,848)	-
Adjustments to tax charge in respect of prior periods	7,025	(7,711)
Short-term timing difference leading to an increase/(decrease) in taxation	1,710	(4,789)
Other timing differences leading to an increase/(decrease) in taxation	(26)	(58,177)
Total tax charge for the year	589,025	467,289

The tax charge is in relation to the trading subsidiaries.

On 24 May 2021, the Finance Bill 2021 was substantively enacted, increasing the main rate of corporation tax to 25% on 1 April 2023 for companies with taxable profits above £250,000. Companies with taxable profits below £50,000 will continue to pay corporation tax at 19% and a marginal relief will apply between these thresholds.

Deferred taxes have been measured using the rates substantively enacted at the reporting date in these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 July 2025**

13. Tangible fixed assets

Group and Charity

	Freehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 August 2024	9,619,000	3,525,477	13,144,477
Additions	-	28,872	28,872
Disposals	-	(25,693)	(25,693)
Revaluations	107,000	-	107,000
At 31 July 2025	<u>9,726,000</u>	<u>3,528,656</u>	<u>13,254,656</u>
Depreciation			
At 1 August 2024	-	2,954,653	2,954,653
Charge for the year	-	163,611	163,611
On disposals	-	(24,834)	(24,834)
At 31 July 2025	<u>-</u>	<u>3,093,430</u>	<u>3,093,430</u>
Net book value			
At 31 July 2025	<u>9,726,000</u>	<u>435,226</u>	<u>10,161,226</u>
At 31 July 2024	<u>9,619,000</u>	<u>570,824</u>	<u>10,189,824</u>

The freehold property class of fixed assets has a current value of £9,726,000 (2024: £9,619,000) and a carrying amount at historical cost of £17,829,640 (2024: £17,829,640).

The three properties included within this class of fixed assets were not included in external valuations undertaken during the year ended 31 July 2025. These properties were last revalued externally at 31 July 2022. These properties have been revalued in both the current and prior year by the directors of OMC Investments Limited, one of whom is a Chartered Surveyor. The basis of the valuation was open market value assuming the properties would be sold subject to existing leases. These properties have a current value of £9,726,000 (2024: £9,619,000) and a carrying amount at historical cost of £17,829,640 (2024: £17,829,640). The depreciation on this historical cost is £Nil (2024: £Nil).

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2025

14. Investment property

Group

	Freehold investment property £
Valuation	
At 1 August 2024	51,779,340
Additions	3,295,500
Deficit on revaluation	(1,193,340)
At 31 July 2025	<u>53,881,500</u>

The investment properties class of fixed assets have a current value of £53,881,500 (2024: £51,779,340) and a carrying amount at historical cost of £92,706,224 (2024 - £89,410,724).

Included within the investment properties class of fixed assets are properties which were revalued on 24 July 2025 by Sowerbys who are external to the company. Such properties have a current value of £325,000 (2024: £325,000) and a carrying amount at historical cost of £282,998 (2024: £282,998). The directors of OMC Investments Limited do not consider this value to be materially different at the year end. The depreciation on this historical cost is £Nil (2024: £Nil).

Included within the investment properties class of fixed assets are properties which were revalued on 25 July 2025 by T B J Noble Bsc (Hons) MRICS of Nicholas Percival Limited who are external to the company. Such properties have a current value of £1,100,000 (2024: £1,153,340) and a carrying amount at historical cost of £2,828,901 (2024: £2,828,901). The directors of OMC Investments Limited do not consider this value to be materially different at the year end. The depreciation on this historical cost is £Nil (2024: £Nil).

The remaining properties included within the investment property class of fixed assets were not included in external valuations undertaken during the year ended 31 July 2025. These properties have been revalued in the current year by the directors of OMC Investments Limited, one of whom is a Chartered Surveyor. The basis of the valuation was open market value assuming the properties would be sold subject to existing leases. The directors consider the carrying value to be a fair reflection of the fair value of the properties at 31 July 2025. These properties have a current value of £52,456,500 (2024: £50,301,000) and a carrying amount at historical cost of £89,594,325 (2024: £86,298,825). The depreciation on this historical cost is £Nil (2024: £Nil).

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2025

15. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 August 2024	65,149,192
Revaluations	519,296
At 31 July 2025	<u>65,668,488</u>
Net book value	
At 31 July 2025	<u>65,668,488</u>
At 31 July 2024	<u>65,149,192</u>

Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Principal place of business	Principal activity	Holding
Omarca Investment Holdings Limited	02264609	3 Robert Street, London, WC2N 6RL	Dormant intermediary holding company	95%
OMC Investments Limited*	00991581	3 Robert Street, London, WC2N 6RL	Property development	100%
QHH Limited*	07637088	9 Quebec Street, Leeds, LS1 2HA	Hotel and luxury apartments	100%
Greyfriars Colchester Limited*	08835219	High Street, Colchester, CO1 1UG	Luxury hotel and restaurant	100%
Castel Salbek Limited*	1028644	3 Robert Street, London, WC2N 6RL	Dormant	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) for the period £	Net assets £
Omarca Investment Holdings Limited	-	-	-	4,000,000
OMC Investments Limited*	4,080,904	3,089,473	991,431	69,075,627
QHH Limited*	2,400,415	2,435,969	(35,554)	(94,076)
Greyfriars Colchester Limited*	1,860,663	1,822,794	37,869	(3,559,248)
Castel Salbek Limited*	-	-	-	100

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2025

15. Fixed asset investments (continued)

* These companies are 100% subsidiaries of Omarca Investment Holdings Limited.

16. Stocks

	Group 2025 £	Group 2024 £
Finished goods and goods for resale	27,417	26,169

The cost of stocks recognised as an expense in the year amounted to £Nil (2024: £Nil).

17. Debtors

	Group 2025 £	Group 2024 £
Due after more than one year		
Other debtors	537,392	551,322
	537,392	551,322
Due within one year		
Trade debtors	162,760	188,130
Other debtors	103,456	93,963
Prepayments and accrued income	375,060	412,314
	1,178,668	1,245,729

18. Creditors: Amounts falling due within one year

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Trade creditors	168,576	249,432	-	-
Corporation tax	336,905	475,000	-	-
Other taxation and social security	401,930	355,122	-	-
Other creditors	236,812	169,250	-	-
Accruals and deferred income	1,118,929	888,009	8,736	7,000
	2,263,152	2,136,813	8,736	7,000

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2025

Deferred income

	2025 £	2024 £
Deferred income at the start of the year	523,513	323,987
Incoming resources deferred during the year	673,792	425,677
Amounts released from previous years	(523,513)	(323,987)
Deferred income at the end of the year	673,792	425,677

Deferred income is in relation to rental income invoiced in advance.

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

	Group 2025 £	Group 2024 £
Other creditors	842,521	847,482

20. Statement of funds - Group

The purpose for which funds are held is detailed in the Trustee's Report on pages 2 to 6.

Statement of funds - current year

	Balance at 1 August 2024 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	Balance at 31 July 2025 £
Unrestricted funds						
Reserves	68,708,159	8,308,948	(6,075,644)	(589,025)	(1,060,950)	69,291,488

Statement of funds - prior year

	Balance at 1 August 2023 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	Balance at 31 July 2024 £
Unrestricted funds						
Reserves	68,170,984	8,382,463	(6,296,240)	(467,289)	(1,081,759)	68,708,159

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2025

21. Summary of funds - Charity

Summary of funds - current year

	Balance at 1 August 2024	Income	Expenditure	Gain / (losses)	Balance at 31 July 2025
	£	£	£	£	£
General Funds - all funds	<u>65,628,335</u>	<u>450,000</u>	<u>(410,516)</u>	<u>519,296</u>	<u>66,187,115</u>

Summary of funds - prior year

	Balance at 1 August 2023	Income	Expenditure	Gain / (losses)	Balance at 31 July 2024
	£	£	£	£	£
General Funds - all funds	<u>65,108,103</u>	<u>450,000</u>	<u>(288,157)</u>	<u>358,389</u>	<u>65,628,335</u>

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	10,161,226	10,161,226
Investment property	53,881,500	53,881,500
Debtors due after more than one year	537,392	537,392
Current assets	7,817,043	7,817,043
Creditors due within one year	(2,263,152)	(2,263,152)
Creditors due in more than one year	(842,521)	(842,521)
Total	<u>69,291,488</u>	<u>69,291,488</u>

The Marcela Trust

**Notes to the Financial Statements
For the Year Ended 31 July 2025**

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	10,189,824	-	10,189,824
Investment property	51,779,340	-	51,779,340
Debtors due after more than one year	551,322	-	551,322
Current assets	9,171,968	-	9,171,968
Creditors due within one year	(2,136,813)	-	(2,136,813)
Creditors due in more than one year	(847,482)	-	(847,482)
Total	68,708,159	-	68,708,159

23. Non-controlling interest

	£
Equity	
At 1 August 2024	3,079,824
Proportion of profit after taxation for the year	24,549
	3,104,373

**Notes to the Financial Statements
For the Year Ended 31 July 2025**

24. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2025 £	Group 2024 £
Net income for the year (as per Statement of Financial Activities)	1,669,669	1,618,835
Adjustments for:		
Depreciation charges	163,611	217,096
Dividends, interests and rents from investments	(318,635)	(331,252)
Loss/(profit) on the sale of fixed assets	(25,390)	-
Increase in stocks	(1,248)	(947)
(Increase)/decrease in debtors	67,061	(18,438)
Increase in creditors	259,473	219,015
Taxation	(138,095)	80,665
Interest payable	11,227	-
Net cash provided by operating activities	1,687,673	1,784,974

25. Analysis of cash and cash equivalents

	Group 2025 £	Group 2024 £
Cash in hand	7,148,350	8,451,392
Total cash and cash equivalents	7,148,350	8,451,392

26. Analysis of changes in net debt

	At 1 August 2024 £	Cash flows £	At 31 July 2025 £
Cash at bank and in hand	8,451,392	(1,303,042)	7,148,350
	8,451,392	(1,303,042)	7,148,350

27. Pension commitments

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £55,191 (2024: £58,188). At the balance sheet date £8,991 (2024: £8,578) were payable to the fund and are included in creditors.

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2025

28. Related party transactions

Mr P Hotham

(Trustee)

During the year the charity paid donations of £Nil (2024: £280,000) to Fauna & Flora International (Registered Charity No. 1011102). Mr P Hotham is an employee of Fauna & Flora International.

Mrs J Franklin MBE

(Trustee)

During the year the charity paid donations of £50,000 (2024: £Nil) to The Nuffield Orthopaedic Centre Charity (Registered Charity No. 1006509). Mrs J Franklin is a trustee of The Nuffield Orthopaedic Centre.

THE MARCELA TRUST

England & Wales - Charity number 1127514

Accounts

Charity number: 1127514

The Marcela Trust

Trustees' Report and Financial Statements

For the Year Ended 31 July 2024

The Marcela Trust

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The Marcela Trust

Reference and Administrative Details of the Charity, its Trustees and Advisers For the Year Ended 31 July 2024

Trustees

Mrs J Franklin MBE
Mrs D P Rose
Mr M R Spragg
Mr P Hotham

Charity registered number

1127514

Principal office

The Trustees' Office
The Marcela Trust
East Hill House
76 High Street
Colchester
CO1 1UF

Independent auditor

Kreston Reeves LLP
Chartered Accountants
Springfield House
Springfield Road
Horsham
West Sussex
RH12 2RG

Bankers

HSBC Bank UK
16 Goring Road
Worthing
West Sussex
BN12 4AW

Solicitors

Dean Wilson
Ridgeland House
165 Dyke Road
Brighton
BN3 1TL

The Marcela Trust

Trustees' Report For the Year Ended 31 July 2024

The trustees present their annual report together with the audited financial statements of the Charity for the 1 August 2023 to 31 July 2024.

Objectives and activities

a. Policies and objectives

In December 2009 the Trust received a donation of 95.5% of the share capital of Omarca Investment Holdings Limited, a dormant intermediary holding company which holds 100% of the shares of OMC Investments Limited. The principal activities of OMC Investments Limited, which was founded in 1971, are property investment, management and development and the operation of three hotels through its subsidiary companies. Both Omarca Investment Holdings Limited and OMC Investments Limited are companies registered in England and Wales.

The Trust is named after Marcela Botnar (1928-2014), the wife of the founder of OMC Investments Limited, Octav Botnar (1913-1998). The aim of the Trust is to administer donations received from OMC Investments Limited which are made from that Company's operating profits. The trustees do not actively fundraise. Restricted donations are administered in accordance with the wishes of the donor. In the absence of any restrictions, the trustees are empowered to invest the funds in accordance with Trust Law as they deem fit and to support charitable activities and organisations of merit and integrity, at their discretion in accordance with the Trust Deed and having due regard for the public benefit guidance published by the Charity Commission for England and Wales.

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Grant-making policies

Since the Trust's inception in 2009, the trustees have made grants using restricted and unrestricted funds donated by OMC Investments Limited, administering restricted funds in accordance with the wishes of the donor and unrestricted funds to support charitable activities and organisations of merit and integrity, at their discretion in accordance with the Trust Deed.

c. Main activities undertaken to further the Charity's purposes for the public benefit

The trustees consider that through its aims and the donations it has made, the Trust has provided public benefit. Specifically, through donations made in previous financial years, the Trust has provided clear public benefit by funding projects in the fields of medical research, the Arts, education and the relief of poverty in disadvantaged communities. All of the beneficiaries of the Trust's donations rely fundamentally, if not exclusively, on financial support from the charitable and not for profit sectors in order to fund the services, research, activities and philanthropic work they carry out.

Achievements and performance

a. Main achievements of the Charity

Donations of £450,000 (2023: £450,000) were received from OMC Investments Limited in the financial year. Donations from the Trust to other charitable organisations and activities amounting to £280,000 (2023: £352,000) were made in the year in furtherance of the Trust's legal purposes and for the public benefit, as explained below.

- £280,000 was donated to Fauna & Flora International, Registered Charity No. 1011102 to fund selected charitable community initiatives in the remote Zarand region of Western Transylvania.

The Marcela Trust

Trustees' Report (continued) For the Year Ended 31 July 2024

Achievements and performance (continued)

b. Performance review

A consolidated statement of financial activities is presented on page 12.

Charitable donations made by the Trust are administered in accordance with the wishes of the donor in the case of restricted donations and in the case of unrestricted donations, in accordance with the Trust Deed and at the trustees' discretion, as explained in this report.

As the Trust is the ultimate majority shareholder of the trading and investment company, OMC Investments Limited, the results of that company and its subsidiary companies are consolidated into the financial statements of the Marcela Trust. How the consolidated figures impact on the Trust's accounts is explained in the Notes to the Financial Statements.

The Directors' Report included in the Financial Statements of OMC Investments Limited outlines the significant factors affecting that company's performance and outlook and the trustees are kept informed of the company's activities at trustee meetings during the year.

c. Performance and impact of subsidiary undertakings

OMC Investments Limited makes charitable donations to the Trust from its annual operating profits, and the Trust administers the donations as mentioned in this report. The trustees do not actively fund raise.

In the financial year ended 31 July 2024, while the turnover of OMC Investments Limited was slightly down on the previous year, operating profit was higher at £845,109 (2023: loss of £659,950). The trading figures of OMC Investments Limited and its two subsidiary companies which operate hotels in Leeds and Colchester (at a profit of £169,831 and a loss of £142,415 respectively) are consolidated here in the Trust's accounts.

The improved operating profit of OMC Investments Limited chiefly reflects the difference in fair value movements in the Company's property portfolio between this year and last.

Interest rates remained at 5.25% throughout the financial year as part of the Bank of England's measures to bring inflation under control. This has continued to temper property values, which in turn have continued to subdue the investment market. As a result, Company funds awaiting investment have grown and interest income increased to £367,476 (2023: £193,186).

The environment of relatively high interest rates and higher inflation has continued to impact on consumer spending and to prolong the so-called "cost of living crisis". While the Company's established tenants have proven to be resilient so far against these economic conditions, the Company's hotel and restaurant in Colchester experienced lower guest and visitor numbers and lower spending per guest compared with the previous year.

OMC Investments Limited made one donation to the Marcela Trust in July 2024 in the sum of £450,000.

Forecasts have been prepared for the next twelve months. The directors consider that the Company remains robust and that revenues and profits will be steady in the coming year.

d. Investment policy and performance

The trustees are empowered to invest the funds of the Trust in stocks, shares, securities, debts, options or other investments as they consider fit and in accordance with Trust Law. The trustees have had no significant funds to invest in the current year. The uncommitted funds at the year end were held in the Trust's bank account in readiness for charitable donations post year end and in order to discharge audit and accountancy fees.

The Marcela Trust

Trustees' Report (continued) For the Year Ended 31 July 2024

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The Trust

Since its inception in 2009, the Trust's sole source of income has been represented by donations received from OMC Investments Limited. The Trust has no operating activities of its own and its only unavoidable overheads are audit and accountancy fees, insurance and bank charges. At the year end the Trust had unencumbered funds on deposit of £486,143 (2023: £322,775). These funds are held by the charity for the purpose of making donations in future reporting periods.

The Group

The reserves of the OMC Investments Limited sub group are £65,154,915 (2023: £67,853,684). This is largely represented by investment and development properties and properties used within the group totalling £61,398,340 (2023: £62,480,000) and net current assets of £3,756,575 (2023: £5,373,684). The directors of the group manage the property portfolio with the aim of maintaining and improving the value and earning potential of the portfolio for the longer term while maintaining a cautious attitude to risk and making donations from income, subject to ongoing and future investment considerations, to the Marcela Trust to fund the Trust's charitable donations.

c. Principal risks and uncertainties

The trustees have reviewed the major potential financial risks to which the Trust may be exposed and systems and procedures are in place to mitigate such risks. The Trust currently has no direct operational activities which could represent other risk exposure.

The Trust's main asset is 95.5% of the shares of Omarca Investment Holdings Limited, which is a dormant intermediary holding company which owns 100% of the shares of OMC Investments Limited. OMC Investments Limited's principal activities are property investment, management and development and the operation of three hotels through its subsidiary companies.

The risks to which OMC Investments Limited is exposed are therefore by extraction, indirect risks for the Marcela Trust.

According to the financial statements of OMC Investments Limited, risks have arisen as a result of measures announced in the new Labour Government's recent Autumn Budget, notably the increase in Employer's National Insurance costs to 15%, the reduction of the threshold at which Employer's NI starts to be paid to £5,000 from £9,100 from April 2025, which together with the increase in National Minimum Wage next year will increase the cost of employing a person on NMW by c. 10% or £2,600 p.a.

As a further Budget measure, business rates relief will be reduced from 75% to 40% on properties in the retail and hospitality sectors from April 2025.

These additional costs will have a particular impact upon those of the Company's tenants which operate in retail and hospitality, including the Company's subsidiary companies, as businesses in these sectors employ relatively large numbers of people while operating on very low margins.

This represents a degree of risk to the Company in the form of risk of business failure of tenants and pressure on rents in the retail and hospitality sectors in particular. If that is the case, this in turn will also adversely affect property valuation levels.

The Marcela Trust

Trustees' Report (continued) For the Year Ended 31 July 2024

While the Directors consider that the Company's investment portfolio across well-positioned office, leisure and high street retail locations in Central London, Central Leeds and a number of market towns and small cities in the South and East of England represents a broad and reasonable risk profile under normal circumstances, at the time of writing the consequences of higher taxation on employment and increased business rates costs for retail and hospitality in particular, at a time of weak economic growth, are uncertain.

d. Principal funding

The Trust received donations amounting to £450,000 in the financial year (2023: £450,000) from OMC Investments Limited. The donations meet and correspond with the objectives of the Trust which are for general charitable purposes and in the case of restricted donations, are administered in accordance with the donor's wishes.

Structure, governance and management

a. Constitution

The Marcela Trust is a registered charity, number 1127514, and is constituted under a Trust deed.

b. Methods of appointment or election of trustees

The management of the Group and the Charity is the responsibility of the trustees who are elected and co-opted under the terms of the Trust deed.

c. Organisational structure and decision-making policies

The Trust was established by Deed on 1st December 2008 as amended by a Deed of Amendment dated 5 January 2009. It was formed for general charitable purposes in the expectation that it was to receive a donation of shares in Omarca Investment Holdings Limited. It is registered by the Charity Commission under Registration Number 1127514.

The Trustees are responsible for the appointment of trustees and meet periodically during the year when funds become available for making donations and/or to discuss progress reports from beneficiaries of the Trust and other important issues. The day to day management of the Trust is undertaken by the trustees. Appropriate induction and training of new trustees is undertaken as necessary. Trustees who acted during the year are listed at the beginning of the report.

d. Pay policy for key management personnel (including those of subsidiaries)

The Trustees consider that they, together with the directors of the subsidiary company OMC Investments Limited, comprise the Key Management Personnel (see Note 11 to the accounts). The Trustees give their time freely. The pay and remuneration of the directors of OMC Investments Limited are set by the Board and are reviewed annually based on the nature, role and extent of the respective director's responsibilities and comparable remuneration levels in relevant industry sectors.

Plans for future periods

Charitable activity in the coming financial year will depend on the level of donations received from OMC Investments Limited. The trustees do not actively fund raise. Unencumbered funds held at the year end are sufficient to discharge the Trust's audit and accountancy fees, insurance and bank charges and to make donations to organisations of merit and integrity at the discretion of the trustees. On receipt of further donations from OMC Investments Limited if any, during the coming year, the trustees expect to continue to support charitable activities and organisations at their discretion (or in the case of restricted donations in accordance with the wishes of the donor) in accordance with the general charitable purposes set out in the Trust Deed and having due regard for the public benefit guidance published by the Charity Commission for England and Wales.

The Marcela Trust

Trustees' Report (continued) For the Year Ended 31 July 2024

Statement of trustees' responsibilities

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

The law applicable to charities in England & Wales 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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

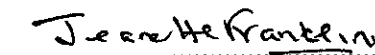
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Approved by order of the members of the board of trustees and signed on their behalf by:


.....
Mrs J Franklin MBE, Trustee

Date: 12 December 2024

The Marcela Trust

Independent Auditor's Report to the Members of The Marcela Trust

Opinion

We have audited the financial statements of The Marcela Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 July 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 July 2024 and of the Group's incoming resources and application of resources, including 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 Charities Act 2011.

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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

The Marcela Trust

Independent Auditor's Report to the Members of The Marcela Trust (continued)

Other information

The other information comprises the information included in the 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 the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the parent Charity has not kept sufficient accounting records; or
- the parent Charity financial statements are not in agreement with the accounting records and returns; 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, the trustees are responsible for the preparation of the financial statements which 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 Group's and the parent 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 Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

The Marcela Trust

Independent Auditor's Report to the Members of The Marcela Trust (continued)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity, the group and their sectors as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to employment law, anti-bribery, GDPR, the Companies Act and the Charity Commission. 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 Charities SORP (FRS 102) Second Edition (released October 2019), and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated 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 related to management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of subsidiaries and valuation of investment properties, as well as posting inappropriate journal entries to increase revenue or reduce expenditure within the trading subsidiaries' accounts. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations including health and safety and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Checking and reperforming the reconciliation of key control accounts for trading subsidiaries; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Reviewing the fair value of investments held in subsidiary companies, with reference to their net assets at the reporting date; and
- Reading minutes of meetings of those charged with governance and reviewing correspondence with relevant tax and regulatory authorities; and
- Obtaining and reviewing bank audit confirmation letters to verify cash at bank levels at the reporting date; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Review of the property valuation reports, assessment of significant underlying assumptions and of management's experts' independence and objectivity; and

The Marcela Trust

Independent Auditor's Report to the Members of The Marcela Trust (continued)

- Proof in total workings and substantive testing conducted on income streams for trading subsidiaries; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's Report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Marcela Trust

Independent Auditor's Report to the Members of The Marcela Trust (continued)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Horsham

Date: 16 December 2024

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

The Marcela Trust

**Consolidated Statement of financial activities
For the Year Ended 31 July 2024**

	Note	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:				
Other trading activities	4	8,051,211	8,051,211	8,079,373
Investments	5	331,252	331,252	152,537
Total income		8,382,463	8,382,463	8,231,910
Expenditure on:				
Raising funds	6	6,005,645	6,005,645	5,819,563
Charitable activities		290,595	290,595	359,895
Total expenditure		6,296,240	6,296,240	6,179,458
Net income before net (losses)/gains on investments		2,086,223	2,086,223	2,052,452
Net (losses)/gains on investments		(99)	(99)	17,483
Net income before taxation		2,086,124	2,086,124	2,069,935
Taxation	12	(467,289)	(467,289)	(421,739)
Net income after taxation		1,618,835	1,618,835	1,648,196
Transfers between funds	20	-	-	-
Net movement in funds before other recognised gains/(losses)		1,618,835	1,618,835	1,648,196
Other recognised gains/(losses):				
Losses on revaluation of fixed assets		(1,081,660)	(1,081,660)	(3,076,803)
Net movement in funds		537,175	537,175	(1,428,607)
Reconciliation of funds:				
Total funds brought forward		68,170,984	68,170,984	69,599,591
Net income attributable to the parent charity		1,553,162	1,553,162	1,561,236
Net (losses)/gains attributable to the parent charity		(1,032,930)	(1,032,930)	(2,921,224)
		68,691,216	68,691,216	68,239,603
Net income attributable to non-controlling interests		65,772	65,772	69,477
Net (losses)/gains attributable to non-controlling interests		(48,829)	(48,829)	(138,096)
Total funds carried forward		68,708,159	68,708,159	68,170,984

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

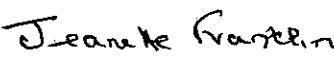
The notes on pages 16 to 34 form part of these financial statements.

The Marcela Trust

**Consolidated Balance Sheet
As at 31 July 2024**

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	13	10,189,824	9,762,993
Investment property	14	51,779,340	53,447,987
		<u>61,969,164</u>	<u>63,210,980</u>
Current assets			
Stocks	16	26,169	25,222
Debtors	17	1,245,729	1,227,291
Cash at bank and in hand		8,451,392	6,392,106
		<u>9,723,290</u>	<u>7,644,619</u>
Creditors: amounts falling due within one year	18	(2,136,813)	(1,857,421)
Net current assets		<u>7,586,477</u>	<u>5,787,198</u>
Total assets less current liabilities		<u>69,555,641</u>	<u>68,998,178</u>
Creditors: amounts falling due after more than one year	19	(847,482)	(827,194)
Net assets		<u><u>68,708,159</u></u>	<u><u>68,170,984</u></u>
Charity funds			
Unrestricted funds	20	65,628,335	65,108,103
Total funds		<u>65,628,335</u>	<u>65,108,103</u>
Non-controlling interests		<u>3,079,824</u>	<u>3,062,881</u>
		<u><u>68,708,159</u></u>	<u><u>68,170,984</u></u>

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:



Mrs J Franklin MBE, Trustee
 (Chair of Trustees)

Date: 12 December 2024

The notes on pages 16 to 34 form part of these financial statements.

The Marcela Trust

**Charity Balance Sheet
As at 31 July 2024**

	Note	2024 £	2023 £
Fixed assets			
Investments	15	65,149,192	64,790,803
		<u>65,149,192</u>	<u>64,790,803</u>
Current assets			
Cash at bank and in hand		486,143	322,775
		<u>486,143</u>	<u>322,775</u>
Creditors: amounts falling due within one year	18	(7,000)	(5,475)
		<u></u>	<u></u>
Net current assets		479,143	317,300
Total net assets		<u>65,628,335</u>	<u>65,108,103</u>
Charity funds			
Restricted funds	20	-	-
Unrestricted funds	20	65,628,335	65,108,103
		<u></u>	<u></u>
Total funds		<u>65,628,335</u>	<u>65,108,103</u>

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:

Jeanette Franklin
Mrs J Franklin MBE
 (Chair of Trustees)

Date: 12 December 2024

The notes on pages 16 to 34 form part of these financial statements.

The Marcela Trust

**Consolidated Statement of Cash Flows
For the Year Ended 31 July 2024**

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	24	1,784,974	2,049,556
Cash flows from investing activities			
Dividends, interests and rents from investments		331,252	152,537
Purchase of tangible fixed assets		(57,314)	(177,009)
Disposal of investments and tangible fixed assets		374	311,376
Net cash provided by investing activities		274,312	286,904
Change in cash and cash equivalents in the year		2,059,286	2,336,460
Cash and cash equivalents at the beginning of the year		6,392,106	4,055,646
Cash and cash equivalents at the end of the year	25	8,451,392	6,392,106

The notes on pages 16 to 34 form part of these financial statements

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2024

1. General information

The Marcela Trust is registered by the Charity Commission, incorporated in England & Wales. Details of the registered address can be found on the reference and administrative details page.

The Marcela Trust owns 95.5% of the share capital of Omarca Investment Holdings Limited. Omarca Investment Holdings Limited holds 100% of the share capital of OMC Investments Limited. All of the companies are registered in England and Wales.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone because the charity has taken advantage of the exemption available.

These financial statements are presented in sterling which is the functional currency of the group and are rounded to the nearest £1.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for the next 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**Notes to the Financial Statements
For the Year Ended 31 July 2024**

2. Accounting policies (continued)

2.3 Income

Income in respect of donations is accounted for on a receivable basis once the charity has entitlement to the income, it is probable that the income will be received and the amount of income can be measured reliably. For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from other trading activities represents the amount derived from the sale of properties, rents receivable, car parking charges and hotel operations (net of VAT) receivable by the subsidiary companies.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The corporation tax charge relates to taxable profits arising in the trading subsidiaries.

The Charity receives no exemption in respect of Value Added Tax (VAT) and is not VAT registered.

**Notes to the Financial Statements
For the Year Ended 31 July 2024**

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 3 to 5 years
---------------------	----------------

2.8 Investments

Investments in subsidiaries are held at fair value.

2.9 Investment property

Investment property is carried at fair value determined periodically by external valuers and the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchase on a first in, first out basis.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

**Notes to the Financial Statements
For the Year Ended 31 July 2024**

2. Accounting policies (continued)

2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.15 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to determining the fair value of the investment properties, which are sensitive to fluctuations in the property market.

The Marcela Trust

**Notes to the Financial Statements
For the Year Ended 31 July 2024**

4. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2024 £	Total funds 2024 £
Trading income from subsidiary undertakings	8,051,211	8,051,211

	Unrestricted funds 2023 £	Total funds 2023 £
Trading income from subsidiary undertakings	8,079,373	8,079,373

5. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £
Investment income	331,252	331,252

	Unrestricted funds 2023 £	Total funds 2023 £
Investment income	152,537	152,537

The Marcela Trust

**Notes to the Financial Statements
For the Year Ended 31 July 2024**

6. Expenditure on raising funds

Costs of raising funds

	Unrestricted funds 2024 £	Total funds 2024 £
Legal and professional	187,849	187,849
Direct costs of let properties and hotel operations	1,696,207	1,696,207
Recruitment and welfare	44,933	44,933
Office administration	110,188	110,188
Travel	34,233	34,233
Rent, rates and service charges	84,690	84,690
Light, heat and cleaning	388,405	388,405
Repairs and maintenance	140,251	140,251
Bank charges	112,740	112,740
Advertising	9,856	9,856
Insurance	131,921	131,921
Fees payable to the charity's auditor for the auditing of accounts of subsidiaries of the charity	31,685	31,685
Wages and salaries	2,704,573	2,704,573
National insurance	52,704	52,704
Pension costs	58,189	58,189
Depreciation	217,221	217,221
	<u>6,005,645</u>	<u>6,005,645</u>

The Marcela Trust

**Notes to the Financial Statements
For the Year Ended 31 July 2024**

6. Expenditure on raising funds (continued)

Costs of raising funds (continued)

	Unrestricted funds 2023 £	Total funds 2023 £
Legal and professional	154,152	154,152
Direct costs of let properties and hotel operations	1,439,810	1,439,810
Recruitment and welfare	38,120	38,120
Office administration	114,301	114,301
Travel	34,263	34,263
Rent, rates and service charges	105,993	105,993
Light, heat and cleaning	556,335	556,335
Repairs and maintenance	135,142	135,142
Bank charges	175,917	175,917
Advertising	7,904	7,904
Insurance	124,964	124,964
Fees payable to the charity's auditor for the auditing of accounts of subsidiaries of the charity	28,505	28,505
Wages and salaries	2,569,753	2,569,753
National insurance	56,564	56,564
Pension costs	63,291	63,291
Depreciation	214,549	214,549
	<u>5,819,563</u>	<u>5,819,563</u>

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2024

7. Analysis of grants

	Grants to Institutions 2024 £	Total funds 2024 £
Grants paid	<u>282,500</u>	<u>282,500</u>

The Group made the following grants to institutions during 2024 from unrestricted funds:

- Fauna & Flora International - £280,000
- Colchester Arts Centre - £2,500

	Grants to Institutions 2023 £	Total funds 2023 £
Grants paid	<u>353,500</u>	<u>353,500</u>

The Group made the following grants to institutions during 2023 from unrestricted funds:

- St Helena Hospice - £1,500
- Society of Portrait Sculptors - £2,000
- Fauna & Flora International - £150,000
- Consensus Action on Salt, Sugar & Health - £200,000

**Notes to the Financial Statements
For the Year Ended 31 July 2024**

8. Support costs

	Unrestricted funds 2024 £	Total funds 2024 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	3,252	3,252
Fees payable to the charity's auditor for non-audit costs	4,843	4,843
Total 2024	8,095	8,095
	Unrestricted funds 2023 £	Total funds 2023 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	2,870	2,870
Fees payable to the charity's auditor for non-audit costs	3,525	3,525
Total 2023	6,395	6,395

Audit fees of the subsidiary companies are allocated to raising funds and the audit fee of the Charity is allocated to charitable activities and were unrestricted in the current and preceding year.

9. Auditor's remuneration

	2024 £	2023 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	3,252	2,870
Fees payable to the Charity's auditor in respect of:		
The auditing of accounts of subsidiaries of the Charity	31,685	28,505
The preparation of the Charity's annual accounts	4,843	3,525
All non-audit services not included above	24,800	8,920

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2024

10. Staff costs

	Group 2024 £	Group As restated 2023 £
Wages and salaries	2,704,573	2,569,753
Social security costs	52,704	56,564
Pensions	58,189	63,291
	<u>2,815,466</u>	<u>2,689,608</u>

The average number of persons employed by the Charity during the year was as follows:

	Group 2024 No.	Group 2023 No.
Management	12	12
Administration	4	4
Hotel staff (excluding hotel manager)	94	92
	<u>110</u>	<u>108</u>

The number of employees whose employee benefits including National Insurance contributions (excluding employer pension costs) exceeded £60,000 was:

	Group 2024 No.	Group 2023 No.
In the band £220,001 - £230,000	1	1
In the band £150,000 - £160,000	1	1

The total employment benefits including employer pension contributions of the key management personnel were £409,629 (2023: £402,887).

11. Trustees' remuneration and expenses

One of the trustees is a director of a subsidiary company. One director receives remuneration, benefits and reimbursed expenses in respect of their employment by that company. No remuneration or reimbursed expenses have been paid to the trustees, in their role as trustees, by the charity.

Trustees' emoluments for the period (including employer's national insurance) were as follows:
D P Rose £226,806 (2023: £224,614).

The remuneration paid to D P Rose is in respect of her employment as a director by the trading subsidiary and not for her role as a trustee of the charity.

During the year, no trustees received any remuneration or other benefits (2023 - £).

During the year ended 31 July 2024, no trustee expenses have been incurred (2023 - £NIL).

**Notes to the Financial Statements
For the Year Ended 31 July 2024**

12. Taxation

	2024	2023
	£	£
Corporation tax		
Current tax on net income for the year	467,289	421,739
Taxation on net income	467,289	467,104

The tax assessed for the year is the same as (2023 - lower than) the effective rate of corporation tax in the UK of 25% (2023 - 21%). The differences are explained below:

	2024	2023
	£	£
Net income before tax	2,086,124	2,069,935
Net income multiplied by the effective rate of corporation tax in the UK of 21% (2023 - 21%).	521,531	434,686
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	27,943	97,624
Capital allowances for year in excess of depreciation	(11,508)	(39,781)
Adjustments to tax charge in respect of prior periods	(7,711)	26,739
Short term timing difference leading to an increase/(decrease) in taxation	(4,789)	-
Other timing differences leading to an increase/(decrease) in taxation	(58,177)	(97,529)
Deferred taxation - losses to be utilised	-	45,365
Total tax charge for the year	467,289	467,104

The tax charge is in relation to the trading subsidiaries.

On 24 May 2021, the Finance Bill 2021 was substantively enacted, increasing the main rate of corporation tax to 25% on 1 April 2023 for companies with taxable profits above £250,000. Companies with taxable profits below £50,000 will continue to pay corporation tax at 19% and a marginal relief will apply between these thresholds.

Deferred taxes have been measured using the rates substantively enacted at the reporting date in these financial statements.

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2024

13. Tangible fixed assets

Group and Charity

	Freehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 August 2023	9,032,013	3,468,537	12,500,550
Additions	-	57,314	57,314
Disposals	-	(374)	(374)
Revaluations	586,987	-	586,987
At 31 July 2024	<u>9,619,000</u>	<u>3,525,477</u>	<u>13,144,477</u>
Depreciation			
At 1 August 2023	-	2,737,557	2,737,557
Charge for the year	-	217,221	217,221
On disposals	-	(125)	(125)
At 31 July 2024	<u>-</u>	<u>2,954,653</u>	<u>2,954,653</u>
Net book value			
At 31 July 2024	<u>9,619,000</u>	<u>570,824</u>	<u>10,189,824</u>
At 31 July 2023	<u>9,032,013</u>	<u>730,980</u>	<u>9,762,993</u>

The freehold property class of fixed assets has a current value of £9,619,000 (2023 - £9,032,013) and a carrying amount at historical cost of £17,829,640 (2023 - £17,829,640).

The three properties included within this class of fixed assets were not included in external valuations undertaken during the year ended 31 July 2024. These properties were last revalued externally at 31 July 2022. These properties have been revalued in both the current and prior year by the directors of OMC Investments Limited, one of whom is a Chartered Surveyor. The basis of the valuation was open market value assuming the properties would be sold subject to existing leases. These properties have a current value of £9,619,000 (2023 - £9,032,013) and a carrying amount at historical cost of £17,829,640 (2023 - £17,829,640). The depreciation on this historical cost is £nil.

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2024

14. Investment property

Group

	Freehold investment property £
Valuation	
At 1 August 2023	53,447,987
Deficit on revaluation	(1,668,647)
At 31 July 2024	<u>51,779,340</u>

The investment properties class of fixed assets have a current value of £51,779,340 (2023 - £53,447,987) and a carrying amount at historical cost of £89,410,724 (2023 - £89,410,724).

Included within the investment properties class of fixed assets are properties which were revalued on 12 July 2024 by Sowerybys who are external to the company. Such properties have a current value of £325,000 (2023 - £325,000) and a carrying amount at historical cost of £282,998 (2023 - £282,998). The directors do not consider this value to be materially different at the year end. The depreciation on this historical cost is £nil.

Included within the investment properties class of fixed assets are properties which were revalued on 19 July 2024 by T B J Noble Bsc (Hons) MRICS of Nicholas Percival Limited who are external to the company. Such properties have a current value of £1,153,340 (2023 - £1,150,000) and a carrying amount at historical cost of £2,828,901 (2023 - £2,828,901). The depreciation on this historical cost is £nil.

The remaining properties included within the investment property class of fixed assets were not included in external valuations undertaken during the year ended 31 July 2024. These properties have been revalued in the current year by the directors of OMC Investments Limited, one of whom is a Chartered Surveyor. The basis of the valuation was open market value assuming the properties would be sold subject to existing leases. The directors consider the carrying value to be a fair reflection of the fair value of the properties at 31 July 2024. These properties have a current value of £50,301,000 (2023 - £51,972,987) and a carrying amount at historical cost of £86,298,825 (2023 - £86,298,825). The depreciation on this historical cost is £nil.

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2024

15. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 August 2023	64,790,803
Revaluations	358,389
At 31 July 2024	<u>65,149,192</u>
Net book value	
At 31 July 2024	<u>65,149,192</u>
At 31 July 2023	<u>64,790,803</u>

Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Principal place of business	Principal activity	Holding
Omarca Investment Holdings Limited	02264609	3 Robert Street, London, WC2N 6RL	Dormant intermediary holding company	95%
OMC Investments Limited*	00991581	3 Robert Street, London, WC2N 6RL	Property development	100%
QHH Limited*	07637088	9 Quebec Street, Leeds, LS1 2HA	Hotel and luxury apartments	100%
Greyfriars Colchester Limited*	08835219	High Street, Colchester, CO1 1UG	Luxury hotel and restaurant	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) for the period £	Net assets £
Omarca Investment Holdings Limited	-	-	-	4,000,000
OMC Investments Limited*	3,900,818	3,155,522	745,296	68,534,196
QHH Limited*	2,497,127	1,327,296	169,831	(58,522)
Greyfriars Colchester Limited*	2,004,935	2,147,350	(142,415)	(3,597,117)

* These companies are 100% subsidiaries of Omarca Investment Holdings Limited.

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2024

16. Stocks

	Group 2024 £	Group 2023 £
Finished goods and goods for resale	26,169	25,222

The cost of stocks recognised as an expense in the year amounted to £Nil (2023: £Nil).

17. Debtors

	Group 2024 £	Group 2023 £
Due after more than one year		
Other debtors	551,322	565,253
	551,322	565,253
Due within one year		
Trade debtors	188,130	211,693
Other debtors	93,963	81,503
Prepayments and accrued income	412,314	368,842
	1,245,729	1,227,291

18. Creditors: Amounts falling due within one year

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Trade creditors	249,432	162,190	-	-
Corporation tax	475,000	394,355	-	-
Other taxation and social security	355,122	407,247	-	-
Other creditors	169,250	166,907	-	-
Accruals and deferred income	888,009	726,722	7,000	5,475
	2,136,813	1,857,421	7,000	5,475

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2024

Deferred income

	2024 £	2023 £
Deferred income at the start of the year	425,677	323,987
Incoming resources deferred during the year	523,513	425,677
Amounts released from previous years	(425,677)	(323,987)
Deferred income at the end of the year	523,513	425,677

Deferred income is in relation to rental income invoiced in advance.

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

	Group 2024 £	Group 2023 £
Other creditors	847,482	827,194

20. Statement of funds - Group

The purpose for which funds are held is detailed in the Trustee's Report on pages 2 to 7.

Statement of funds - current year

	Balance at 1 August 2023 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	Balance at 31 July 2024 £
Unrestricted funds						
Reserves	68,170,984	8,382,463	(6,296,240)	(467,289)	(1,081,759)	68,708,159

Statement of funds - prior year

	Balance at 1 August 2022 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	Balance at 31 July 2023 £
Unrestricted funds						
General Funds - all funds	69,599,591	8,231,910	(6,179,458)	(421,739)	(3,059,320)	68,170,984

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2024

21. Summary of funds - Charity

Summary of funds - current year

	Balance at 1 August 2023	Income	Expenditure	Gain / (losses)	Balance at 31 July 2024
	£	£	£	£	£
General Funds - all funds	<u>65,108,103</u>	<u>450,000</u>	<u>(288,157)</u>	<u>358,389</u>	<u>65,628,335</u>

Summary of funds - prior year

	Balance at 1 August 2022	Income	Expenditure	Gain / (losses)	Balance at 31 July 2023
	£	£	£	£	£
General Funds - all funds	<u>66,468,091</u>	<u>450,000</u>	<u>(358,457)</u>	<u>(1,451,531)</u>	<u>65,108,103</u>

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	10,189,824	10,189,824
Investment property	51,779,340	51,779,340
Debtors due after more than one year	551,322	551,322
Current assets	9,171,968	9,171,968
Creditors due within one year	(2,136,813)	(2,136,813)
Creditors due in more than one year	(847,482)	(847,482)
Total	<u>68,708,159</u>	<u>68,708,159</u>

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2024

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	9,762,993	-	9,762,993
Investment property	53,447,987	-	53,447,987
Debtors due after more than one year	565,253	-	565,253
Current assets	7,079,366	-	7,079,366
Creditors due within one year	(1,857,421)	-	(1,857,421)
Creditors due in more than one year	(827,194)	-	(827,194)
Total	68,170,984	-	68,170,984

23. Non-controlling interest

	£
Equity	
At 1 August 2023	3,062,881
Proportion of profit after taxation for the year	16,943
	3,079,824

24. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2024 £	Group 2023 £
Net income for the period (as per Statement of Financial Activities)	1,618,835	1,648,196
Adjustments for:		
Depreciation charges	217,096	214,548
Dividends, interests and rents from investments	(331,252)	(152,537)
Decrease/(increase) in stocks	(947)	4,349
(Increase)/decrease in debtors	(18,438)	78,692
Increase in creditors	219,015	256,308
Taxation	80,665	-
Net cash provided by operating activities	1,784,974	2,049,556

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2024

25. Analysis of cash and cash equivalents

	Group 2024 £	Group 2023 £
Cash in hand	8,451,392	6,392,106
Total cash and cash equivalents	8,451,392	6,392,106

26. Analysis of changes in net debt

	At 1 August 2023 £	Cash flows £	At 31 July 2024 £
Cash at bank and in hand	6,392,106	2,059,286	8,451,392
	6,392,106	2,059,286	8,451,392

27. Pension commitments

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £58,188 (2023: £63,291). At the balance sheet date £8,578 (2023: £6,733) were payable to the fund and are included in creditors.

28. Related party transactions

Mr P Hotham (Trustee)

During the year the charity paid donations of £280,000 (2023: £150,000) to Fauna & Flora International (Registered Charity No. 1011102). Mr P Hotham is an employee of Fauna & Flora International..

THE MARCELA TRUST

England & Wales - Charity number 1127514

Accounts

Charity number: 1127514

The Marcela Trust

Trustees' Report and Financial Statements

For the Year Ended 31 July 2023

The Marcela Trust

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The Marcela Trust

Reference and Administrative Details of the Charity, its Trustees and Advisers For the Year Ended 31 July 2023

Trustees

Mrs J Franklin MBE
Mrs D P Rose
Mr M R Spragg
Mr P Hotham

Charity registered number

1127514

Principal office

The Trustees' Office
The Marcela Trust
East Hill House
76 High Street
Colchester
CO1 1UF

Independent auditors

Kreston Reeves LLP
Chartered Accountants
Springfield House
Springfield Road
Horsham
West Sussex
RH12 2RG

Bankers

HSBC Bank UK
16 Goring Road
Worthing
West Sussex
BN12 4AW

Solicitors

Dean Wilson
Ridgeland House
165 Dyke Road
Brighton
BN3 1TL

The Marcela Trust

Trustees' Report For the Year Ended 31 July 2023

The trustees present their annual report together with the audited financial statements of the Charity for the 1 August 2022 to 31 July 2023.

Objectives and activities

a. Policies and objectives

In December 2009 the Trust received a donation of 95.5% of the share capital of Omarca Investment Holdings Limited, a dormant intermediary holding company which holds 100% of the shares of OMC Investments Limited. The principal activities of OMC Investments Limited, which was founded in 1971, are property investment, management and development and the operation of three hotels through its subsidiary companies. Both Omarca Investment Holdings Limited and OMC Investments Limited are companies registered in England and Wales.

The Trust is named after Marcela Botnar (1928-2014), the wife of the founder of OMC Investments Limited, Octav Botnar (1913-1998). The aim of the Trust is to administer donations received from OMC Investments Limited which are made from that Company's operating profits. The trustees do not actively fundraise. Restricted donations are administered in accordance with the wishes of the donor. In the absence of any restrictions, the trustees are empowered to invest the funds in accordance with Trust Law as they deem fit and to support charitable activities and organisations of merit and integrity, at their discretion in accordance with the Trust Deed and having due regard for the public benefit guidance published by the Charity Commission for England and Wales.

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Grant-making policies

Since the Trust's inception in 2009, the trustees have made grants using restricted and unrestricted funds donated by OMC Investments Limited, administering restricted funds in accordance with the wishes of the donor and unrestricted funds to support charitable activities and organisations of merit and integrity, at their discretion in accordance with the Trust Deed.

c. Main activities undertaken to further the Charity's purposes for the public benefit

The trustees consider that through its aims and the donations it has made, the Trust has provided public benefit. Specifically, through donations made in previous financial years, the Trust has provided clear public benefit by funding projects in the fields of medical research, the Arts, education and the relief of poverty in disadvantaged communities. All of the beneficiaries of the Trust's donations rely fundamentally, if not exclusively, on financial support from the charitable and not for profit sectors in order to fund the services, research, activities and philanthropic work they carry out.

The Marcela Trust

Trustees' Report (continued) For the Year Ended 31 July 2023

Achievements and performance

a. Main achievements of the Charity

Donations of £450,000 (2022: £450,000) were received from OMC Investments Limited in the financial year. Donations from the Trust to other charitable organisations and activities amounting to £352,000 (2022: £427,000) were made in the year in furtherance of the Trust's legal purposes and for the public benefit, as explained below.

- £2,000 was donated to The Society of Portrait Sculptors, Registered Charity No. 1046243 to fund the running of childrens classes.
- £150,000 was donated to Fauna & Flora International, Registered Charity No. 1011102 to fund selected charitable community initiatives in the remote Zarand region of Western Transylvania.
- £200,000 was donated to Consensus Action on Sugar and Health, Registered Charity No. 1098818 to fund their work on improving the food environment in order to reduce and prevent obesity, Type 2 diabetes and cancers arising from the consumption of foods high in fat, salt and saturated fat.

b. Performance review

A consolidated statement of financial activities is presented on page 13.

Charitable donations made by the Trust are administered in accordance with the wishes of the donor in the case of restricted donations and in the case of unrestricted donations, in accordance with the Trust Deed and at the trustees' discretion, as explained in this report.

As the Trust is the ultimate majority shareholder of the trading and investment company, OMC Investments Limited, the results of that company and its subsidiary companies are consolidated into the financial statements of the Marcela Trust. How the consolidated figures impact on the Trust's accounts is explained in the Notes to the Financial Statements.

The Directors' Report included in the Financial Statements of OMC Investments Limited outlines the significant factors affecting that company's performance and outlook and the trustees are kept informed of the company's activities at trustee meetings during the year.

c. Performance and impact of subsidiary undertakings

OMC Investments Limited makes charitable donations to the Trust from its annual operating profits, and the Trust administers the donations. The trustees do not actively fund raise.

In the financial year ended 31 July 2023 the turnover of OMC Investments Limited increased by c. £1 million (33%) compared with the previous financial year. The trading figures of OMC Investments Limited's two subsidiary companies which operate hotels in Leeds and Colchester (a loss of £53,849 and £165,178 respectively) are consolidated here alongside the results of OMC Investments Limited which reported a loss of £888,503 after negative fair value movements of £3,076,803.

The increased turnover during the period reflected the additional income from new leases at No. 3 Robert Street and a large retail store investment acquired in June 2022.

As result of the soaring costs of electricity, oil, gas and food in the period following the Russian invasion of Ukraine in February 2022, the rate of inflation rose consistently during the period under review. This resulted in the Bank of England continuing to increase interest rates month on month until September 2023.

In response, commercial property investment values have fallen and uncertainty took hold in the capital and debt markets. Sellers have been reluctant to put stock on the market at reduced values and buyers have had difficulty finding debt at a viable rate. Hence, investment opportunities have been scarce even for cash buyers.

The Marcela Trust

Trustees' Report (continued) For the Year Ended 31 July 2023

Achievements and performance (continued)

The Directors' valuation of the majority of the portfolio at 31 July 2023 produced a reduced valuation for most properties as cited above, reflecting the prevailing market conditions.

The Company's tenants have proven to be resilient following the vicissitudes of the Pandemic and inflationary economic conditions, and rents are consistently being paid in full and on time.

The three hotels operated by the Company's subsidiary companies have had a difficult trading year. Revenues have been impacted by room cancellations during the constant rail strikes and cautious consumer spending due to the "cost of living crisis". While in the case of the two hotels in Leeds revenue levels were higher than the previous year, turnover at all three hotels was inadequate to counter the massively increased costs of electricity, gas, food and wages during the period. The trading results of the two subsidiary companies are reported in their respective financial statements.

OMC Investments Limited made one donation to the Marcela Trust in July 2023 in the sum of £450,000.

A forecast has been prepared for the next twelve months. The directors consider that the Company remains robust and that revenues and profits will be steady in the coming year.

d. Investment policy and performance

The trustees are empowered to invest the funds of the Trust in stocks, shares, securities, debts, options or other investments as they consider fit and in accordance with Trust Law. The trustees have had no significant funds to invest in the current year. The uncommitted funds at the year end were held in the Trust's bank account in readiness for charitable donations post year end and in order to discharge audit and accountancy fees.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The Trust

Since its inception in 2009, the Trust's sole source of income has been represented by donations received from OMC Investments Limited. The Trust has no operating activities of its own and its only unavoidable overheads are audit and accountancy fees, insurance and bank charges. At the year end the Trust had unencumbered funds on deposit of £322,775 (2022: £230,357). These funds are held by the charity for the purpose of making donations in future reporting periods.

The Group

The reserves of the OMC Investments Limited sub group are £67,853,684 (2022: £69,373,834). This is largely represented by investment and development properties and properties used within the group totalling £62,480,000 (2022: £65,866,803) and net current assets of £5,373,684 (2022: £3,507,031). The directors of the group manage the property portfolio with the aim of maintaining and improving the value and earning potential of the portfolio for the longer term while maintaining a cautious attitude to risk and making donations from income, subject to ongoing and future investment considerations, to the Marcela Trust to fund the Trust's charitable donations.

The Marcela Trust

Trustees' Report (continued) For the Year Ended 31 July 2023

c. Principal risks and uncertainties

The trustees have reviewed the major potential financial risks to which the Trust may be exposed and systems and procedures are in place to mitigate such risks. The Trust currently has no direct operational activities which could represent other risk exposure.

The Trust's main asset is 95.5% of the shares of Omarca Investment Holdings Limited, which is a dormant intermediary holding company which owns 100% of the shares of OMC Investments Limited. OMC Investments Limited's principal activities are property investment, management and the operation of three hotels through its subsidiary companies.

The risks to which OMC Investments Limited is exposed are therefore by extraction, indirect risks for the Marcela Trust. According to the financial statements of OMC Investments Limited, the Russian invasion of Ukraine in February 2022 created conditions of high inflation which in turn resulted in interest rates being increased month on month throughout 2022 until September 2023. These events have impacted consumer spending and business profitability and represent a risk to the businesses of the Company's tenants and its subsidiary companies.

Against this background, in recent weeks the rate of inflation has been falling and the Bank of England has paused further interest rate increases. These are positive signs for the economy and therefore for the Company.

The outbreak of war in Gaza in October 2023 however has the potential to create instability on many levels. At the time of writing the consequences of the conflict on a national and wider international scale are uncertain.

The Directors consider that the Company's investment portfolio across well-positioned office, leisure and high street locations in Central London, Central Leeds and a number of market towns and small cities in the South and East of England represents a reasonable and broad risk profile under normal circumstances.

d. Principal funding

The Trust received donations amounting to £450,000 in the financial year (2022: £450,000) from OMC Investments Limited. The donations meet and correspond with the objectives of the Trust which are for general charitable purposes and in the case of restricted donations, are administered in accordance with the donor's wishes.

Structure, governance and management

a. Constitution

The Marcela Trust is a registered charity, number 1127514, and is constituted under a Trust deed.

b. Methods of appointment or election of trustees

The management of the Group and the Charity is the responsibility of the trustees who are elected and co-opted under the terms of the Trust deed.

The Marcela Trust

Trustees' Report (continued) For the Year Ended 31 July 2023

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

The Trust was established by Deed on 1st December 2008 as amended by a Deed of Amendment dated 5 January 2009. It was formed for general charitable purposes in the expectation that it was to receive a donation of shares in Omarca Investment Holdings Limited. It is registered by the Charity Commission under Registration Number 1127514.

The Trustees are responsible for the appointment of trustees and meet periodically during the year when funds become available for making donations and/or to discuss progress reports from beneficiaries of the Trust and other important issues. The day to day management of the Trust is undertaken by the trustees. Appropriate induction and training of new trustees is undertaken as necessary. Trustees who acted during the year are listed at the beginning of the report.

d. Pay policy for key management personnel (including those of subsidiaries)

The Trustees consider that they, together with the directors of the subsidiary company OMC Investments Limited, comprise the Key Management Personnel (see Note 11 to the accounts). The Trustees give their time freely. The pay and remuneration of the directors of OMC Investments Limited are set by the Board and are reviewed annually based on the nature, role and extent of the respective director's responsibilities and comparable remuneration levels in relevant industry sectors.

Plans for future periods

Charitable activity in the coming financial year will depend on the level of donations received from OMC Investments Limited. The trustees do not actively fund raise. Unencumbered funds held at the year end are sufficient to discharge the Trust's audit and accountancy fees, insurance and bank charges and to make donations to organisations of merit and integrity at the discretion of the trustees. On receipt of further donations from OMC Investments Limited if any, during the coming year, the trustees expect to continue to support charitable activities and organisations at their discretion (or in the case of restricted donations in accordance with the wishes of the donor) in accordance with the general charitable purposes set out in the Trust Deed and having due regard for the public benefit guidance published by the Charity Commission for England and Wales.

The Marcela Trust

Trustees' Report (continued) For the Year Ended 31 July 2023

Statement of trustees' responsibilities

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

The law applicable to charities in England & Wales 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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

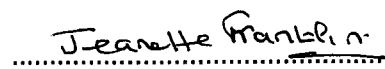
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Approved by order of the members of the board of trustees and signed on their behalf by:


.....
Mrs J Franklin MBE, Trustee

Date: 7 December 2023

The Marcela Trust

Independent Auditors' Report to the Members of The Marcela Trust

Opinion

We have audited the financial statements of The Marcela Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 July 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 July 2023 and of the Group's incoming resources and application of resources, including 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 Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

The Marcela Trust

Independent Auditors' Report to the Members of The Marcela Trust (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The trustees are responsible for the other information contained within the Annual Report. 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. 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the parent Charity has not kept sufficient accounting records; or
- the parent Charity financial statements are not in agreement with the accounting records and returns; 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, the trustees are responsible for the preparation of the financial statements which 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 Group's and the parent 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 Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the Members of The Marcela Trust (continued)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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.

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity, the group and their sectors as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to employment law, anti-bribery, GDPR, the Companies Act and the Charity Commission. 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 Charities SORP (FRS 102) Second Edition (released October 2019), and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated 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 related to management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of subsidiaries and valuation of investment properties, as well as posting inappropriate journal entries to increase revenue or reduce expenditure within the trading subsidiaries' accounts. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations including health and safety and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Checking and reperforming the reconciliation of key control accounts for trading subsidiaries; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Reviewing the fair value of investments held in subsidiary companies, with reference to their net assets at the reporting date; and
- Reading minutes of meetings of those charged with governance and reviewing correspondence with relevant tax and regulatory authorities; and
- Obtaining and reviewing bank audit confirmation letters to verify cash at bank levels at the reporting date; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Review of the property valuation reports, assessment of significant underlying assumptions and of management's experts' independence and objectivity; and

The Marcela Trust

Independent Auditors' Report to the Members of The Marcela Trust (continued)

- Proof in total workings and substantive testing conducted on income streams for trading subsidiaries; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Marcela Trust

Independent Auditors' Report to the Members of The Marcela Trust (continued)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Auditors' 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Horsham

Date: 2/12/2023

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

The Marcela Trust

**Consolidated Statement of financial activities
For the Year Ended 31 July 2023**

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Other trading activities	4	8,079,373	8,079,373	6,916,849
Investments	6	152,537	152,537	16,794
Total income		8,231,910	8,231,910	6,933,643
Expenditure on:				
Raising funds	7	5,819,563	5,819,563	5,421,077
Charitable activities		359,895	359,895	432,440
Total expenditure		6,179,458	6,179,458	5,853,517
Net income before net gains/(losses) on investments		2,052,452	2,052,452	1,080,126
Net gains/(losses) on investments		17,483	17,483	(54,653)
Net income before taxation		2,069,935	2,069,935	1,025,473
Taxation	13	(421,739)	(421,739)	(45,365)
Net income after taxation		1,648,196	1,648,196	980,108
Transfers between funds	21	-	-	-
Net movement in funds before other recognised gains/(losses)		1,648,196	1,648,196	980,108
Other recognised gains/(losses):				
(Losses)/gains on revaluation of fixed assets		(3,076,803)	(3,076,803)	1,755,274
Net movement in funds		(1,428,607)	(1,428,607)	2,735,382
Reconciliation of funds:				
Total funds brought forward		69,599,591	69,599,591	66,864,209
Net income attributable to the parent charity		1,561,236	1,561,236	988,843
Net (losses)/gains attributable to the parent charity		(2,921,224)	(2,921,224)	1,623,856
		68,239,603	68,239,603	69,476,908
Net income attributable to non-controlling interests		69,477	69,477	45,918
Net (losses)/gains attributable to non-controlling interests		(138,096)	(138,096)	76,765
Total funds carried forward		68,170,984	68,170,984	69,599,591

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 37 form part of these financial statements.

The Marcela Trust

**Consolidated Balance Sheet
As at 31 July 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	9,762,993	10,278,251
Investment property	15	53,447,987	56,358,447
		63,210,980	66,636,698
Current assets			
Stocks	17	25,222	29,571
Debtors	18	1,227,291	1,305,983
Cash at bank and in hand		6,392,106	4,055,646
		7,644,619	5,391,200
Creditors: amounts falling due within one year	19	(1,857,421)	(1,605,277)
Net current assets		5,787,198	3,785,923
Total assets less current liabilities		68,998,178	70,422,621
Creditors: amounts falling due after more than one year	20	(827,194)	(823,030)
Net assets		68,170,984	69,599,591
Charity funds			
Unrestricted funds	21	65,108,103	66,468,091
Total funds		65,108,103	66,468,091
Non-controlling interests		3,062,881	3,131,500
		68,170,984	69,599,591

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:

Jeanette Franklin
.....
Mrs J Franklin MBE, Trustee

Date: 7 December 2023

The notes on pages 17 to 37 form part of these financial statements.

The Marcela Trust

**Charity Balance Sheet
As at 31 July 2023**

	Note	2023 £	2022 £
Fixed assets			
Investments	16	64,790,803	66,242,334
		<u>64,790,803</u>	<u>66,242,334</u>
Current assets			
Cash at bank and in hand		322,775	230,357
		<u>322,775</u>	<u>230,357</u>
Creditors: amounts falling due within one year	19	(5,475)	(4,600)
		<u></u>	<u></u>
Net current assets		317,300	225,757
Net assets		65,108,103	66,468,091
		<u><u>65,108,103</u></u>	<u><u>66,468,091</u></u>
Charity funds			
Restricted funds	21	-	-
Unrestricted funds	21	65,108,103	66,468,091
		<u>65,108,103</u>	<u>66,468,091</u>
Total funds		65,108,103	66,468,091
		<u><u>65,108,103</u></u>	<u><u>66,468,091</u></u>

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:

Jeanette Franklin

Mrs J Franklin MBE, Trustee

Date: 7 December 2023

The notes on pages 17 to 37 form part of these financial statements.

The Marcela Trust

**Consolidated Statement of Cash Flows
For the Year Ended 31 July 2023**

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	25	2,049,556	2,237,762
Cash flows from investing activities			
Dividends, interests and rents from investments		152,537	16,794
Purchase of tangible fixed assets		(177,009)	(69,392)
Purchase of investments		-	(9,272,330)
Disposal of investments and tangible fixed assets		311,376	426,131
Net cash provided by/(used in) investing activities		286,904	(8,898,797)
Change in cash and cash equivalents in the year		2,336,460	(6,661,035)
Cash and cash equivalents at the beginning of the year		4,055,646	10,716,681
Cash and cash equivalents at the end of the year	26	6,392,106	4,055,646

The notes on pages 17 to 37 form part of these financial statements

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2023

1. General information

The Marcela Trust is registered by the Charity Commission, incorporated in England & Wales. Details of the registered address can be found on the reference and administrative details page.

The Marcela Trust owns 95.5% of the share capital of Omarca Investment Holdings Limited. Omarca Investment Holdings Limited holds 100% of the share capital of OMC Investments Limited. All of the companies are registered in England and Wales.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone because the charity has taken advantage of the exemption available.

These financial statements are presented in sterling which is the functional currency of the group and are rounded to the nearest £1.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for the next 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**Notes to the Financial Statements
For the Year Ended 31 July 2023**

2. Accounting policies (continued)

2.3 Income

Income in respect of donations is accounted for on a receivable basis once the charity has entitlement to the income, it is probable that the income will be received and the amount of income can be measured reliably. For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from other trading activities represents the amount derived from the sale of properties, rents receivable, car parking charges and hotel operations (net of VAT) receivable by the subsidiary companies.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.5 Government grants

Government grants received relate to the Coronavirus Job Retention Scheme, Eat Out To Help Out, local government grants and small business grants. Such grants are credited to the Consolidated Statement of Financial Activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**Notes to the Financial Statements
For the Year Ended 31 July 2023**

2. Accounting policies (continued)

2.7 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The corporation tax charge relates to taxable profits arising in the trading subsidiaries.

The Charity receives no exemption in respect of Value Added Tax (VAT) and is not VAT registered.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and equipment	- 3 to 5 years straight line basis
---------------------	------------------------------------

2.9 Investments

Investments in subsidiaries are held at fair value.

2.10 Investment property

Investment property is carried at fair value determined periodically by external valuers and the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

2.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchase on a first in, first out basis.

2.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Notes to the Financial Statements
For the Year Ended 31 July 2023**

2. Accounting policies (continued)

2.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.15 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.16 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**Notes to the Financial Statements
For the Year Ended 31 July 2023**

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to determining the fair value of the investment properties, which are sensitive to fluctuations in the property market.

4. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Trading income from subsidiary undertakings	8,079,373	8,079,373
	<u>8,079,373</u>	<u>8,079,373</u>
	Unrestricted funds 2022 £	Total funds 2022 £
Trading income from subsidiary undertakings	6,916,849	6,916,849
	<u>6,916,849</u>	<u>6,916,849</u>

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2023

5. Government grants receivable

		Total funds 2023 £
Government grants receivable by subsidiary undertakings		-
	Unrestricted funds 2022 £	Total funds 2022 £
Government grants receivable by subsidiary undertakings	112,187	112,187

The government grants receivable are included within total trading income from subsidiaries as detailed in note 4.

Greyfriars Colchester Limited;

The entity received government assistance in the form of the local government support grants totalling £Nil (2022: £77,874).

QHH Limited;

The entity received government assistance in the form of the local government support grants totalling £Nil (2022: £34,313).

OMC Investments Limited;

The entity received no government assistance in the form of government grants.

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Investment income	152,537	152,537
	Unrestricted funds 2022 £	Total funds 2022 £
Investment income	16,794	16,794

The Marcela Trust

**Notes to the Financial Statements
For the Year Ended 31 July 2023**

7. Expenditure on raising funds

Costs of raising funds

	Unrestricted funds 2023 £	Total funds 2023 £
Legal and professional	154,152	154,152
Direct costs of let properties and hotel operations	1,439,810	1,439,810
Recruitment and welfare	38,120	38,120
Office administration	114,301	114,301
Travel	34,263	34,263
Rent, rates and service charges	105,993	105,993
Light, heat and cleaning	556,335	556,335
Repairs and maintenance	135,142	135,142
Bank charges	175,917	175,917
Advertising	7,904	7,904
Insurance	124,964	124,964
Fees payable to the charity's auditor for the auditing of accounts of subsidiaries of the charity	28,505	28,505
Wages and salaries	2,569,753	2,569,753
National insurance	56,564	56,564
Pension costs	63,291	63,291
Depreciation	214,549	214,549
	5,819,563	5,819,563

The Marcela Trust

**Notes to the Financial Statements
For the Year Ended 31 July 2023**

7. Expenditure on raising funds (continued)

Costs of raising funds (continued)

	Unrestricted funds 2022 £	Total funds 2022 £
Legal and professional	218,521	218,521
Direct costs of let properties and hotel operations	1,458,656	1,458,656
Recruitment and welfare	33,124	33,124
Office administration	112,242	112,242
Travel	33,129	33,129
Rent, rates and service charges	164,447	164,447
Light, heat and cleaning	299,851	299,851
Repairs and maintenance	121,472	121,472
Bank charges	127,412	127,412
Advertising	11,807	11,807
Insurance	106,347	106,347
Fees payable to the charity's auditor for the auditing of accounts of subsidiaries of the charity	23,603	23,603
Wages and salaries	2,383,582	2,383,582
National insurance	53,759	53,759
Pension costs	60,600	60,600
Depreciation	212,525	212,525
	<u>5,421,077</u>	<u>5,421,077</u>

The Marcela Trust

**Notes to the Financial Statements
For the Year Ended 31 July 2023**

8. Analysis of grants

	Grants to Institutions 2023 £	Total funds 2023 £
Grants paid	353,500	353,500

The Group made the following grants to institutions during 2023 from unrestricted funds:

- St Helena Hospice - £1,500
- Society of Portrait Sculptors - £2,000
- Fauna & Flora International - £150,000
- Consensus Action on Salt, Sugar & Health - £200,000

	Grants to Institutions 2022 £	Total funds 2022 £
Grants paid	427,000	427,000

The Group made the following grants to institutions during 2022 from unrestricted funds:

- Nuffield Orthopaedic Centre - £275,000
- Society of Portrait Sculptors - £2,000
- Fauna & Flora International - £150,000

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2023

9. Support costs

	Unrestricted funds 2023 £	Total funds 2023 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	2,870	2,870
Fees payable to the charity's auditor for non-audit costs	3,525	3,525
Total 2023	6,395	6,395

	Unrestricted funds 2022 £	Total funds 2022 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	2,380	2,380
Fees payable to the charity's auditor for non-audit costs	3,060	3,060
Total 2022	5,440	5,440

Audit fees of the subsidiary companies are allocated to raising funds and the audit fee of the Charity is allocated to charitable activities and were unrestricted in the current and preceding year.

10. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	31,375	26,483
Fees payable to the Charity's auditor in respect of: The auditing of accounts of associates of the Charity	12,445	11,690

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2023

11. Staff costs

	Group 2023 £	Group As restated 2022 £
Wages and salaries	2,569,753	2,383,582
Social security costs	56,564	53,759
Pensions	63,291	60,600
	<u>2,689,608</u>	<u>2,497,941</u>

The average number of persons employed by the Charity during the year was as follows:

	Group 2023 No.	Group 2022 No.
Management	12	9
Administration	4	4
Hotel staff (excluding hotel manager)	92	98
	<u>108</u>	<u>111</u>

The number of employees whose employee benefits including National Insurance contributions (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	Group 2022 No.
In the band £220,001 - £230,000	1	1
In the band £150,000 - £160,000	1	1

The total employment benefits including employer pension contributions of the key management personnel were £402,887 (2022: £394,066).

12. Trustees' remuneration and expenses

One of the trustees is a director of a subsidiary company. One director receives remuneration, benefits and reimbursed expenses in respect of their employment by that company. No remuneration or reimbursed expenses have been paid to the trustees, in their role as trustees, by the charity.

Trustees' emoluments for the period (including employer's national insurance) were as follows:
D P Rose £224,614 (2022: £224,879).

The remuneration paid to D P Rose is in respect of her employment as a director by the trading subsidiary and not for her role as a trustee of the charity.

During the year ended 31 July 2023, no trustee expenses have been incurred (2022 - £NIL).

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2023

13. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on net income for the year	421,739	-
Total current tax	421,739	-
Deferred tax		
Changes to tax rates	-	(14,326)
Tax losses carried forward	-	59,691
Total deferred tax	-	45,365
Taxation on net income	421,739	45,365

The tax assessed for the year is lower than (2022 - lower than) the effective rate of corporation tax in the UK of 21% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Net income before tax	2,069,935	1,025,473
Net income multiplied by the effective rate of corporation tax in the UK of 21% (2022 - 19%).	434,686	194,840
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	97,624	25,712
Capital allowances for year in excess of depreciation	(39,781)	(43,446)
Utilisation of tax losses	-	(42,261)
Adjustments to tax charge in respect of prior periods	26,739	-
Other timing differences leading to an increase/(decrease) in taxation	(97,529)	(354)
Group relief	-	(135,838)
Subsidiaries not eligible for corporation tax	-	1,347
Deferred taxation - losses to be utilised	-	45,365
Total tax charge for the year	421,739	45,365

The tax charge is in relation to the trading subsidiaries.

On 24 May 2021, the Finance Bill 2021 was substantively enacted, increasing the main rate of corporation tax to 25% on 1 April 2023 for companies with taxable profits above £250,000. Companies with taxable profits below £50,000 will continue to pay corporation tax at 19% and a marginal relief will apply between these thresholds.

Deferred taxes have been measured using the rates substantively enacted at the reporting date in these financial statements.

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2023

14. Tangible fixed assets

Group and Charity

	Freehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 August 2022	9,508,356	3,733,225	13,241,581
Additions	-	177,009	177,009
Disposals	-	(409,800)	(409,800)
Revaluations	(476,343)	-	(476,343)
At 31 July 2023	<u>9,032,013</u>	<u>3,500,434</u>	<u>12,532,447</u>
Depreciation			
At 1 August 2022	-	2,963,330	2,963,330
Charge for the year	-	214,548	214,548
On disposals	-	(408,424)	(408,424)
At 31 July 2023	<u>-</u>	<u>2,769,454</u>	<u>2,769,454</u>
Net book value			
At 31 July 2023	<u>9,032,013</u>	<u>730,980</u>	<u>9,762,993</u>
At 31 July 2022	<u>9,508,356</u>	<u>769,895</u>	<u>10,278,251</u>

The freehold property class of fixed assets has a current value of £9,032,013 (2022 - £9,508,356) and a carrying amount at historical cost of £17,829,640 (2022 - £17,829,640).

The three properties included within this class of fixed assets were not included in external valuations undertaken during the year ended 31 July 2023. These properties were last revalued externally at 31 July 2022. These properties have been revalued in the current year by the directors of OMC Investments Limited, one of whom is a Chartered Surveyor. The basis of the valuation was open market value assuming the properties would be sold subject to existing leases. The directors consider the carrying value to be a fair reflection of the fair value of the properties at 31 July 2023. These properties have a current value of £9,032,013 (2022 - £9,508,356) and a carrying amount at historical cost of £17,829,640 (2022 - £17,829,640). The depreciation on this historical cost is £nil.

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2023

15. Investment property

Group

	Freehold investment property £
Valuation	
At 1 August 2022	56,358,447
Disposals	(310,000)
Deficit on revaluation	(2,600,460)
At 31 July 2023	<u>53,447,987</u>

The investment properties class of fixed assets have a current value of £53,447,987 (2022 - £56,358,447) and a carrying amount at historical cost of £89,410,724 (2022 - £89,663,201).

Included within the investment properties class of fixed assets are properties which were revalued on 26 July 2023 by Sowerybys who are external to the company. Such properties have a current value of £325,000 (2022 - £375,000) and a carrying amount at historical cost of £282,998 (2022 - £282,998). The directors do not consider this value to be materially different at the year end. The depreciation on this historical cost is £nil.

Included within the investment properties class of fixed assets are properties which were revalued on 31 July 2023 by T B J Noble Bsc (Hons) MRICS of Nicholas Percival Limited who are external to the company. Such properties have a current value of £1,150,000 (2022 - £1,300,000) and a carrying amount at historical cost of £2,828,901 (2022 - £2,828,901). The depreciation on this historical cost is £nil.

The remaining properties included within the investment property class of fixed assets were not included in external valuations undertaken during the year ended 31 July 2023. These properties were either last revalued externally at 31 July 2022 or were properties purchased during the year ended 31 July 2022. These properties have been revalued in the current year by the directors of OMC Investments Limited, one of whom is a Chartered Surveyor. The basis of the valuation was open market value assuming the properties would be sold subject to existing leases. The directors consider the carrying value to be a fair reflection of the fair value of the properties at 31 July 2023. These properties have a current value of £51,972,987 (2022 - £54,373,448) and a carrying amount at historical cost of £86,298,825 (2022 - £86,298,825). The depreciation on this historical cost is £nil.

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2023

16. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 August 2022	66,242,334
Revaluations	(1,451,531)
At 31 July 2023	<u>64,790,803</u>
Net book value	
At 31 July 2023	<u>64,790,803</u>
At 31 July 2022	<u>66,242,334</u>

Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Principal place of business	Principal activity	Holding
Omarca Investment Holdings Limited	02264609	3 Robert Street, London, WC2N 6RL	Dormant intermediary holding company	95%
OMC Investments Limited*	00991581	3 Robert Street, London, WC2N 6RL	Property development	100%
QHH Limited*	07637088	9 Quebec Street, Leeds, LS1 2HA	Hotel and luxury apartments	100%
Greyfriars Colchester Limited*	08835219	High Street, Colchester, CO1 1UG	Luxury hotel and restaurant	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) for the period £	Net assets £
Omarca Investment Holdings Limited	-	-	-	4,000,000
OMC Investments Limited*	4,118,077	5,006,580	(888,503)	68,238,900
QHH Limited*	2,199,160	2,253,009	(53,849)	(228,353)
Greyfriars Colchester Limited*	2,113,805	2,278,983	(165,178)	(3,454,702)

* These companies are 100% subsidiaries of Omarca Investment Holdings Limited.

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2023

17. Stocks

	Group 2023 £	Group 2022 £
Finished goods and goods for resale	25,222	29,571

The cost of stocks recognised as an expense in the year amounted to £Nil (2022: £26).

18. Debtors

	Group 2023 £	Group 2022 £
Due after more than one year		
Other debtors	565,253	579,184
	565,253	579,184
Due within one year		
Trade debtors	211,693	104,165
Other debtors	81,503	155,187
Prepayments and accrued income	368,842	467,447
	1,227,291	1,305,983

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2023

19. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade creditors	162,190	368,562	-	-
Corporation tax	394,355	-	-	-
Other taxation and social security	407,247	286,758	-	-
Other creditors	166,907	266,987	-	-
Accruals and deferred income	726,722	682,970	5,475	4,600
	1,857,421	1,605,277	5,475	4,600

Deferred income

	2023 £	2022 £
Deferred income at the start of the year	425,677	323,987
Incoming resources deferred during the year	523,513	425,677
Amounts released from previous years	(425,677)	(323,987)
Deferred income at the end of the year	523,513	425,677

Deferred income is in relation to rental income invoiced in advance.

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

	Group 2023 £	Group 2022 £
Other creditors	827,194	823,030

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2023

21. Statement of funds - Group

The purpose for which funds are held is detailed in the Trustee's Report on pages 2 to 7.

Statement of funds - current year

	Balance at 1 August 2022 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	Balance at 31 July 2023 £
Unrestricted funds						
General Funds - all funds	<u>69,599,591</u>	<u>8,231,910</u>	<u>(6,179,458)</u>	<u>(421,739)</u>	<u>(3,059,320)</u>	<u>68,170,984</u>

Statement of funds - prior year

	Balance at 1 August 2021 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	Balance at 31 July 2022 £
Unrestricted funds						
General Funds - all funds	<u>66,864,209</u>	<u>6,933,643</u>	<u>(5,853,517)</u>	<u>(45,365)</u>	<u>1,700,621</u>	<u>69,599,591</u>

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2023

22. Summary of funds - Charity

Summary of funds - current year

	Balance at 1 August 2022	Income	Expenditure	Gain / (losses)	Balance at 31 July 2023
	£	£	£	£	£
General Funds - all funds	<u>66,468,091</u>	<u>450,000</u>	<u>(358,457)</u>	<u>(1,451,531)</u>	<u>65,108,103</u>

Summary of funds - prior year

	Balance at 1 August 2021	Income	Expenditure	Gain / (losses)	Balance at 31 July 2022
	£	£	£	£	£
General Funds - all funds	<u>63,855,392</u>	<u>450,000</u>	<u>(432,482)</u>	<u>2,595,181</u>	<u>66,468,091</u>

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	9,762,993	9,762,993
Investment property	53,447,987	53,447,987
Debtors due after more than one year	565,253	565,253
Current assets	7,079,366	7,079,366
Creditors due within one year	(1,857,421)	(1,857,421)
Creditors due in more than one year	(827,194)	(827,194)
Total	<u>68,170,984</u>	<u>68,170,984</u>

The Marcela Trust

**Notes to the Financial Statements
For the Year Ended 31 July 2023**

23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	10,278,251	-	10,278,251
Investment property	56,358,447	-	56,358,447
Debtors due after more than one year	579,184	-	579,184
Current assets	4,812,016	-	4,812,016
Creditors due within one year	(1,605,277)	-	(1,605,277)
Creditors due in more than one year	(823,030)	-	(823,030)
Total	69,599,591	-	69,599,591

24. Non-controlling interest

	£
Equity	
At 1 August 2022	3,131,500
Proportion of profit after taxation for the year	(68,619)
	3,062,881

25. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	Group 2022 £
Net income for the year (as per Statement of Financial Activities)	1,648,196	980,108
Adjustments for:		
Depreciation charges	214,548	212,524
Dividends, interests and rents from investments	(152,537)	(16,794)
Decrease/(increase) in stocks	4,349	(26)
(Increase)/decrease in debtors	78,692	(83,630)
Increase in creditors	256,308	1,100,215
Taxation	-	45,365
Net cash provided by operating activities	2,049,556	2,237,762

The Marcela Trust

Notes to the Financial Statements For the Year Ended 31 July 2023

26. Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash in hand	6,392,106	4,055,646
Total cash and cash equivalents	6,392,106	4,055,646

27. Analysis of changes in net debt

	At 1 August 2022 £	Cash flows £	At 31 July 2023 £
Cash at bank and in hand	4,055,646	2,336,460	6,392,106
	4,055,646	2,336,460	6,392,106

28. Pension commitments

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £63,291 (2022: £60,600). At the balance sheet date £6,733 (2022: £7,811) were payable to the fund and are included in creditors.

29. Related party transactions

Mrs J Franklin (Trustee)

During the year the charity paid donations of £Nil to the Nuffield Orthopaedic Centre Appeal (Registered Charity No. 1046243). Mrs J Franklin MBE is also a trustee of this charity.

Mr P Hotham (Trustee)

During the year the charity paid donations of £150,000 (2022: £150,000) to Fauna & Flora International (Registered Charity No. 1011102). Mr P Hotham is an employee of this charity.

THE MARCELA TRUST

England & Wales - Charity number 1127514

Accounts

Charity number: 1127514

The Marcela Trust

Trustees' report and financial statements

for the year ended 31 July 2022

The Marcela Trust

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The Marcela Trust

Reference and administrative details of the Charity, its Trustees and advisers for the year ended 31 July 2022

Trustees

Mrs J Franklin MBE
Mrs D P Rose
Mr M R Spragg
Mr P Hotham

Charity registered number

1127514

Principal office

The Trustees' Office
The Marcela Trust
East Hill House
76 High Street
Colchester
CO1 1UF

Independent auditors

Kreston Reeves LLP
Chartered Accountants
Springfield House
Springfield Road
Horsham
West Sussex
RH12 2RG

Bankers

HSBC Bank UK
16 Goring Road
Worthing
West Sussex
BN12 4AW

Solicitors

Dean Wilson
Ridgeland House
165 Dyke Road
Brighton
BN3 1TL

The Marcela Trust

Trustees' report for the year ended 31 July 2022

The trustees present their annual report together with the audited financial statements of the Charity for the 1 August 2021 to 31 July 2022.

Objectives and activities

a. Policies and objectives

In December 2009 the Trust received a donation of 95.5% of the share capital of Omarca Investment Holdings Limited, a dormant intermediary holding company which holds 100% of the shares of OMC Investments Limited. The principal activities of OMC Investments Limited, which was founded in 1971, are property investment, management and development and the operation of three hotels through its subsidiary companies. Both Omarca Investment Holdings Limited and OMC Investments Limited are companies registered in England and Wales.

The Trust is named after Marcela Botnar (1928-2014), the wife of the founder of OMC Investments Limited, Octav Botnar (1913-1998). The aim of the Trust is to administer donations received from OMC Investments Limited which are made from that Company's operating profits. The trustees do not actively fundraise. Restricted donations are administered in accordance with the wishes of the donor. In the absence of any restrictions, the trustees are empowered to invest the funds in accordance with Trust Law as they deem fit and to support charitable activities and organisations of merit and integrity, at their discretion in accordance with the Trust Deed and having due regard for the public benefit guidance published by the Charity Commission for England and Wales.

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Grant-making policies

Since the Trust's inception in 2009, the trustees have made grants using restricted and unrestricted funds donated by OMC Investments Limited, administering restricted funds in accordance with the wishes of the donor and unrestricted funds to support charitable activities and organisations of merit and integrity, at their discretion in accordance with the Trust Deed.

c. Main activities undertaken to further the Charity's purposes for the public benefit

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The trustees consider that through its aims and the donations it has made, the Trust has provided public benefit. Specifically, through donations made in previous financial years, the Trust has provided clear public benefit by funding projects in the fields of medical research, the Arts, education and the relief of poverty in disadvantaged communities. All of the beneficiaries of the Trust's donations rely fundamentally, if not exclusively, on financial support from the charitable and not for profit sectors in order to fund the services, research, activities and philanthropic work they carry out.

The Marcela Trust

Trustees' report (continued) for the year ended 31 July 2022

Achievements and performance

a. Main achievements of the Charity

Donations of £450,000 (2021: £200,000) were received from OMC Investments Limited in the financial year. Donations from the Trust to other charitable organisations and activities amounting to £427,000 (2021: £Nil) were made in the year in furtherance of the Trust's legal purposes and for the public benefit, as explained below.

b. Performance review

A consolidated statement of financial activities is presented on page 13.

Charitable donations made by the Trust are administered in accordance with the wishes of the donor in the case of restricted donations and in the the case of unrestricted donations, in accordance with the Trust Deed and at the trustees' discretion, as explained in this report.

As the Trust is the ultimate majority shareholder of the trading and investment company, OMC Investments Limited, the results of that company and its subsidiary companies are consolidated into the financial statements of the Marcela Trust. How the consolidated figures impact on the Trust's accounts is explained in the Notes to the Financial Statements.

The Directors' Report included in the Financial Statements of OMC Investments Limited outlines the significant factors affecting that company's performance and outlook and the trustees are kept informed of the company's activities at trustee meetings during the year.

c. Impact of Covid-19 on the Charity

The trustees' policy is to make donations from cash resources in the Charity's bank account and always to leave funds available for the administration and audit of the Charity. This reduces the risk of financial exposure. The Trust has no direct operational activities which could represent other direct risk exposure.

The Trust's main asset is 95.5% of the shares of Omarca Investment Holdings Limited, which is a dormant intermediary holding company which owns 100% of the shares of OMC Investments Limited. OMC Investments Limited's principal activities are property investment, management and the operation of three hotels through its subsidiary companies.

The risks to which OMC Investments Limited is exposed are therefore by extraction indirect risks for the Marcela Trust. According to the accounts of OMC Investments Limited, the negative impacts and challenges caused by the Covid-19 Pandemic at the time of writing are considered to be largely behind us. The major risks to which the company is currently exposed arise as a direct consequence of the Russian invasion of the Ukraine earlier in 2022. This has caused soaring electricity, gas and oil prices not only in the U.K. where the company operates, but worldwide. This in turn, coupled with the difficulties of exporting grain from the Ukraine, has impacted on prices of the majority of goods including food, resulting in a rapid and sharp rise in inflation, currently at 11.1% (October 2022), the highest rate for 41 years, and the Bank of England has increased interest rates on seven occasions this year in response.

The directors of OMC Investments Limited consider that the company remains fundamentally robust to face the expected economic challenges brought on by high inflation and that revenues and profits will be steady in the coming year.

The Marcela Trust

Trustees' report (continued) for the year ended 31 July 2022

Achievements and performance (continued)

d. Performance and impact of subsidiary undertakings

OMC Investments Limited makes charitable donations to the Trust from its annual operating profits and the Trust administers the donations. The trustees do not actively fund raise.

In the financial year ended 31 July 2022 the Company reported a profit of £2,974,124. The trading figures of OMC Investments Limited's two subsidiary companies which operate hotels in Leeds and Colchester (a profit of £174,457 and a loss of £72,576 respectively) are consolidated in the results of OMC Investments Limited.

The company's business activities and that of its subsidiary companies and some of its tenants, particularly those in the hospitality sector, continued to be impacted by the Pandemic and Government imposed restrictions in the first eight months of the financial period, which saw the rise of the highly infectious Omicron Variant from late November 2021 through to March 2022.

This resulted in mass cancellations of hotel and restaurant bookings for the crucial Christmas period from late November through to the New Year. Similarly, the re-introduction of the "Work from Home" ruling caused a marked slowdown in office letting activity in the London market and cancellations of hotel reservations in the first few months of 2022.

The business climate started to improve from late March 2022 onwards and overseas travel possibilities also started to open up, albeit travel was plagued for months by disruption at the main airports and ports due to labour problems resulting from the Pandemic. This adversely impacted revenues from overseas tourists at our hotels.

Against this background during the financial year five new high street leases and one high street lease renewal were concluded and two new office leases and licences were completed at Robert Street, meaning that all available space in the building is now let.

In October 2021 a small high yielding estate was acquired in Ipswich town centre comprising five retail units. Two new leases and one lease renewal were completed post purchase and a small amount of capital expenditure has been invested in upgrading the external parking and circulation areas.

The shares of the company's subsidiary company in Romania which held the property known as Castel Salbek in Western Transylvania, were sold during the period. The funds were allocated for use towards future asset purchases in the U.K.

Towards the end of the reporting period a large retail store in Scarborough town centre, occupied by a major national retailer, was acquired.

Two donations amounting to £450,000 in total were made to the Marcela Trust during the year.

The negative impacts and challenges caused by the Covid-19 Pandemic are now considered to be largely behind us. However serious economic difficulties have arisen as a direct consequence of the Russian invasion of the Ukraine earlier this year. This has caused soaring electricity, gas and oil prices not only in the U.K. where the company operates, but worldwide. This in turn, coupled with the difficulties of exporting grain from the Ukraine, has impacted on the prices of the majority of goods including food, resulting in a rapid and sharp rise in inflation, currently at 11.1% (October 2022), the highest rate for 41 years, and the Bank of England has increased interest rates on seven occasions this year in response.

A forecast has been prepared for the next twelve months. The directors consider that the company remains robust to face the expected challenges brought on by high inflation and that revenues and profits will be steady.

The Marcela Trust

Trustees' report (continued) for the year ended 31 July 2022

Achievements and performance (continued)

e. Investment policy and performance

The trustees are empowered to invest the funds of the Trust in stocks, shares, securities, debts, options or other investments as they consider fit and in accordance with Trust Law. The trustees have had no significant funds to invest in the current year. The uncommitted funds at the year end were held in the Trust's bank account in readiness for charitable donations post year end and in order to discharge audit and accountancy fees.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The Trust

Since its inception in 2009, the Trust's sole source of income has been represented by donations received from OMC Investments Limited. The Trust has no operating activities of its own and its only unavoidable overheads are audit and accountancy fees, insurance and bank charges. At the year end the Trust had unencumbered funds on deposit of £230,357 (2021: £212,439). These funds are held by the charity for the purpose of making donations in future reporting periods.

The Group

The reserves of the OMC Investments Limited sub group are £69,373,834 (2021: £66,655,970). This is largely represented by investment and development properties and properties used within the group totalling £65,866,803 (2021: £55,265,239) and net current assets of £3,507,031 (2021: £11,390,641). The directors of the group manage the property portfolio with the aim of maintaining and improving the value and earning potential of the portfolio for the longer term while maintaining a cautious attitude to risk and making donations from income, subject to ongoing and future investment considerations, to the Marcela Trust to fund the Trust's charitable donations.

c. Principal risks and uncertainties

The trustees have reviewed the major potential financial risks to which the Trust may be exposed and systems and procedures are in place to mitigate such risks. The Trust currently has no direct operational activities which could represent other risk exposure.

The Trust's main asset is 95.5% of the shares of Omarca Investment Holdings Limited, which is a dormant intermediary holding company which owns 100% of the shares of OMC Investments Limited. OMC Investments Limited's principal activities are property investment, management and the operation of three hotels through its subsidiary companies.

The risks to which OMC Investments Limited is exposed are therefore by extraction, indirect risks for the Marcela Trust. According to the accounts of OMC Investments Limited, the negative impacts and challenges caused by the Covid-19 Pandemic at the time of writing are considered to be largely behind us. The major risks to which the company is exposed arise as a direct consequence of the Russian invasion of the Ukraine earlier in 2022. This has caused soaring electricity, gas and oil prices not only in the U.K. where the company operates, but worldwide. This in turn, coupled with the difficulties of exporting grain from the Ukraine, has impacted on prices of the majority of goods including food, resulting in a rapid and sharp rise in inflation, currently at 11.1% (October 2022), the highest rate for 41 years, and the Bank of England has increased interest rates on seven occasions this year in response.

The Marcela Trust

Trustees' report (continued) for the year ended 31 July 2022

The directors of OMC Investments Limited consider that the company remains fundamentally robust to face the expected economic challenges brought on by high inflation and that revenues and profits will be steady in the coming year.

d. Principal funding

The Trust received donations amounting to £450,000 in the financial year (2021: £200,000) from OMC Investments Limited. The donations meet and correspond with the objectives of the Trust which are for general charitable purposes and in the case of restricted donations, are administered in accordance with the donor's wishes.

Structure, governance and management

a. Constitution

The Marcela Trust is a registered charity, number 1127514, and is constituted under a Trust deed.

b. Methods of appointment or election of trustees

The management of the Group and the Charity is the responsibility of the trustees who are elected and co-opted under the terms of the Trust deed.

c. Organisational structure and decision-making policies

The Trust was established by Deed on 1st December 2008 as amended by a Deed of Amendment dated 5 January 2009. It was formed for general charitable purposes in the expectation that it was to receive a donation of shares in Omarca Investment Holdings Limited. It is registered by the Charity Commission under Registration Number 1127514.

The Trustees are responsible for the appointment of trustees and meet periodically during the year when funds become available for making donations and/or to discuss progress reports from beneficiaries of the Trust and other important issues. The day to day management of the Trust is undertaken by the trustees. Appropriate induction and training of new trustees is undertaken as necessary. Trustees who acted during the year are listed at the beginning of the report.

d. Pay policy for key management personnel (including those of subsidiaries)

The Trustees consider that they, together with the directors of the subsidiary company OMC Investments Limited, comprise the Key Management Personnel (see Note 11 to the accounts). The Trustees give their time freely. The pay and remuneration of the directors of OMC Investments Limited are set by the Board and are reviewed annually based on the nature, role and extent of the respective director's responsibilities and comparable remuneration levels in relevant industry sectors.

Plans for future periods

Charitable activity in the coming financial year will depend on the level of donations received from OMC Investments Limited. The trustees do not actively fund raise. Unencumbered funds held at the year end are sufficient to discharge the Trust's audit and accountancy fees, insurance and bank charges and to make donations to organisations of merit and integrity at the discretion of the trustees. On receipt of further donations from OMC Investments Limited if any, during the coming year, the trustees expect to continue to support charitable activities and organisations at their discretion (or in the case of restricted donations in accordance with the wishes of the donor) in accordance with the general charitable purposes set out in the Trust Deed and having due regard for the public benefit guidance published by the Charity Commission for England and Wales.

The Marcela Trust

Trustees' report (continued) for the year ended 31 July 2022

Statement of trustees' responsibilities

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

The law applicable to charities in England & Wales 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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Approved by order of the members of the board of trustees and signed on their behalf by:



.....
Mrs J Franklin MBE, Trustee

Date: 23-11-22

The Marcela Trust

Independent auditors' report to the Members of The Marcela Trust

Opinion

We have audited the financial statements of The Marcela Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 July 2022 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 July 2022 and of the Group's incoming resources and application of resources, including 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 Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

The Marcela Trust

Independent auditors' report to the Members of The Marcela Trust (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The trustees are responsible for the other information contained within the Annual report. 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. 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent Charity has not kept sufficient accounting records; or
- the parent Charity financial statements are not in agreement with the accounting records and returns; 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, the trustees are responsible for the preparation of the financial statements which 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 Group's and the parent 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 Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the Members of The Marcela Trust (continued)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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.

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity, the group and their sectors as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to employment law, anti-bribery, GDPR, the Companies Act and the Charity Commission. 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 Charities SORP (FRS 102) Second Edition (released October 2019), and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated 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 related to management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of subsidiaries and valuation of investment properties, as well as posting inappropriate journal entries to increase revenue or reduce expenditure within the trading subsidiaries' accounts. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations including health and safety and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Checking and reperforming the reconciliation of key control accounts for trading subsidiaries; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Reviewing the fair value of investments held in subsidiary companies, with reference to their net assets at the reporting date; and
- Reading minutes of meetings of those charged with governance and reviewing correspondence with relevant tax and regulatory authorities; and
- Obtaining and reviewing bank audit confirmation letters to verify cash at bank levels at the reporting date; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Review of the property valuation reports, assessment of significant underlying assumptions and of management's experts' independence and objectivity; and

Independent auditors' report to the Members of The Marcela Trust (continued)

- Proof in total workings and substantive testing conducted on income streams for trading subsidiaries; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Marcela Trust

Independent auditors' report to the Members of The Marcela Trust (continued)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Auditors' 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Horsham

2 December 2022

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

The Marcela Trust

Consolidated Statement of financial activities
for the year ended 31 July 2022

	Note	Unrestricted funds 2022 £	Continuing operations 2022 £	Discontinued operations 2022 £	Total funds 2022 £	Continuing operations 2021 £	Total funds 2021 £
Income from:							
Other trading activities	4	6,916,849	6,916,849	-	6,916,849	4,517,319	4,517,319
Investments	6	16,794	16,794	-	16,794	14,802	14,802
Total income		6,933,643	6,933,643	-	6,933,643	4,532,121	4,532,121
Expenditure on:							
Raising funds	7	5,421,077	5,413,989	7,088	5,421,077	4,419,049	4,419,049
Charitable activities		432,440	432,440	-	432,440	5,070	5,070
Total expenditure		5,853,517	5,846,429	7,088	5,853,517	4,424,119	4,424,119
Net income/(expenditure) before net losses on investments		1,080,126	1,087,214	(7,088)	1,080,126	108,002	108,002
Net losses on investments		(54,653)	(54,653)	-	(54,653)	-	-
Net income/(expenditure) before taxation		1,025,473	1,032,561	(7,088)	1,025,473	108,002	108,002
Taxation	13	(45,365)	(45,365)	-	(45,365)	45,365	45,365
Net income/(expenditure) after taxation		980,108	987,196	(7,088)	980,108	153,367	153,367
Transfers between funds	22	-	(7,088)	7,088	-	-	-
Net movement in funds before other recognised gains/(losses) carried forward		980,108	980,108	-	980,108	153,367	153,367

The Marcela Trust

Consolidated Statement of financial activities (continued)
for the year ended 31 July 2022

	Note	Unrestricted funds 2022 £	Continuing operations 2022 £	Discontinued operations 2022 £	Total funds 2022 £	Continuing operations 2021 £	Total funds 2021 £
Net movement in funds before other recognised gains brought forward		980,108	980,108	-	980,108	153,367	153,367
Other recognised gains/(losses):							
Gains/(losses) on revaluation of fixed assets		1,755,274	1,755,274	-	1,755,274	(4,012,811)	(4,012,811)
Net movement in funds		<u>2,735,382</u>	<u>2,735,382</u>	<u>-</u>	<u>2,735,382</u>	<u>(3,859,444)</u>	<u>(3,859,444)</u>
Reconciliation of funds:							
Total funds brought forward		66,864,209	66,864,209	-	66,864,209	70,723,653	70,723,653
Net income attributable to the parent charity		988,843	988,843	-	988,843	155,243	155,243
Net gains/(losses) attributable to the parent charity		1,623,856	1,623,856	-	1,623,856	(3,831,675)	(3,831,675)
Net income/(expenditure) attributable to non-controlling interests		<u>69,476,908</u>	<u>69,476,908</u>	<u>-</u>	<u>69,476,908</u>	<u>67,047,221</u>	<u>67,047,221</u>
Net gains/(losses) attributable to non-controlling interests		<u>45,918</u>	<u>45,918</u>	<u>-</u>	<u>45,918</u>	<u>(1,876)</u>	<u>(1,876)</u>
Total funds carried forward		<u>69,599,591</u>	<u>69,599,591</u>	<u>-</u>	<u>69,599,591</u>	<u>66,864,209</u>	<u>66,864,209</u>

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 18 to 38 form part of these financial statements.

The Marcela Trust

Consolidated balance sheet as at 31 July 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	10,278,251	10,470,922
Investment property	15	56,358,447	45,707,434
		<u>66,636,698</u>	<u>56,178,356</u>
Current assets			
Stocks	17	29,571	29,545
Debtors	18	1,305,983	1,222,354
Cash at bank and in hand		4,055,646	10,716,681
		<u>5,391,200</u>	<u>11,968,580</u>
Creditors: amounts falling due within one year	19	(1,605,277)	(1,304,169)
Net current assets		<u>3,785,923</u>	<u>10,664,411</u>
Total assets less current liabilities		<u>70,422,621</u>	<u>66,842,767</u>
Creditors: amounts falling due after more than one year	20	(823,030)	(23,923)
Deferred taxation	21	-	45,365
Net assets		<u><u>69,599,591</u></u>	<u><u>66,864,209</u></u>
Charity funds			
Unrestricted funds	22	66,468,091	63,855,392
Total funds		<u>66,468,091</u>	<u>63,855,392</u>
Non-controlling interests		3,131,500	3,008,817
		<u><u>69,599,591</u></u>	<u><u>66,864,209</u></u>

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:



 Mrs J Franklin MBE, Trustee

Date: 23-11-22

The notes on pages 18 to 38 form part of these financial statements.

The Marcela Trust

Charity balance sheet as at 31 July 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	16	66,242,334	63,647,153
		66,242,334	63,647,153
Current assets			
Cash at bank and in hand		230,357	212,439
		230,357	212,439
Creditors: amounts falling due within one year	19	(4,600)	(4,200)
Net current assets		225,757	208,239
Net assets		66,468,091	63,855,392
Charity funds			
Restricted funds	22	-	-
Unrestricted funds	22	66,468,091	63,855,392
Total funds		66,468,091	63,855,392

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:

.....
Mrs J Franklin MBE, Trustee

Date:

The notes on pages 18 to 38 form part of these financial statements.

The Marcela Trust

Consolidated statement of cash flows for the year ended 31 July 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	26	2,237,762	209,418
Cash flows from investing activities			
Dividends, interests and rents from investments		16,794	14,802
Purchase of tangible fixed assets		(69,392)	(378,665)
Purchase of investments		(9,272,330)	(2,123,655)
Disposal of investments and tangible fixed assets		426,131	-
Net cash used in investing activities		(8,898,797)	(2,487,518)
Change in cash and cash equivalents in the year		(6,661,035)	(2,278,100)
Cash and cash equivalents at the beginning of the year		10,716,681	12,994,781
Cash and cash equivalents at the end of the year	27	4,055,646	10,716,681

The notes on pages 18 to 38 form part of these financial statements

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2022

1. General information

The Marcela Trust is registered by the Charity Commission, incorporated in England & Wales. Details of the registered address can be found on the reference and administrative details page.

The Marcela Trust owns 95.5% of the share capital of Omarca Investment Holdings Limited. Omarca Investment Holdings Limited holds 100% of the share capital of OMC Investments Limited. All of the companies are registered in England and Wales, with the exception of Castel Salbek SRL which is registered in Romania.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone because the charity has taken advantage of the exemption available.

These financial statements are presented in sterling which is the functional currency of the group and are rounded to the nearest £1.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for the next 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**Notes to the financial statements
for the year ended 31 July 2022**

2. Accounting policies (continued)

2.3 Income

Income in respect of donations is accounted for on a receivable basis once the charity has entitlement to the income, it is probable that the income will be received and the amount of income can be measured reliably. For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from other trading activities represents the amount derived from the sale of properties, rents receivable, car parking charges and hotel operations (net of VAT) receivable by the subsidiary companies.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.5 Government grants

Government grants received relate to the Coronavirus Job Retention Scheme, Eat Out To Help Out, local government grants and small business grants. Such grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**Notes to the financial statements
for the year ended 31 July 2022**

2. Accounting policies (continued)

2.7 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The corporation tax charge relates to taxable profits arising in the trading subsidiaries.

The Charity receives no exemption in respect of Value Added Tax (VAT) and is not VAT registered.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and equipment	- 3 to 5 years straight line basis
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2.9 Investments

Investments in subsidiaries are held at fair value.

2.10 Investment property

Investment property is carried at fair value determined periodically by external valuers and the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

2.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchase on a first in, first out basis.

2.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Notes to the financial statements
for the year ended 31 July 2022**

2. Accounting policies (continued)

2.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.15 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

2.16 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.17 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.18 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**Notes to the financial statements
for the year ended 31 July 2022**

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to determining the fair value of the investment properties, which are sensitive to fluctuations in the property market.

4. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Trading income from subsidiary undertakings	6,916,849	6,916,849
	<u>6,916,849</u>	<u>6,916,849</u>
	Unrestricted funds 2021 £	Total funds 2021 £
Trading income from subsidiary undertakings	4,517,319	4,517,319
	<u>4,517,319</u>	<u>4,517,319</u>

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2022

5. Government grants receivable

	Unrestricted funds 2022 £	Total funds 2022 £
Government grants receivable by subsidiary undertakings	112,187	112,187

	Unrestricted funds 2021 £	Total funds 2021 £
Government grants receivable by subsidiary undertakings	643,943	643,943

The government grants receivable are included within total trading income from subsidiaries as detailed in note 4.

Greyfriars Colchester Limited;

The entity received government assistance in the form of the coronavirus job retention scheme totalling £Nil (2021: £198,039), local government support grants totalling £77,874 (2021: £109,710) and the eat-out-to-help-out scheme totalling £Nil (2021: £22,172).

QHH Limited;

The entity received government assistance in the form of the coronavirus job retention scheme totalling £Nil (2021: £216,421), local government support grants totalling £34,313 (2021: £92,014) and the eat-out-to-help-out scheme totalling £Nil (2021: £139).

OMC Investments Limited;

The entity received government assistance in the form of the coronavirus job retention scheme totalling £Nil (2021: £5,448).

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Investment income	16,794	16,794

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income	14,802	14,802

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2022

7. Expenditure on raising funds

Costs of raising funds

	Unrestricted funds 2022 £	Total funds 2022 £
Legal and professional	218,521	218,521
Direct costs of let properties and hotel operations	1,458,656	1,458,656
Recruitment and welfare	33,124	33,124
Office administration	112,242	112,242
Travel	33,129	33,129
Rent, rates and service charges	164,447	164,447
Light, heat and cleaning	299,851	299,851
Repairs and maintenance	121,472	121,472
Bank charges	127,412	127,412
Advertising	11,807	11,807
Insurance	106,347	106,347
Fees payable to the charity's auditor for the auditing of accounts of subsidiaries of the charity	23,603	23,603
Wages and salaries	2,412,395	2,412,395
National insurance	53,759	53,759
Pension costs	31,787	31,787
Depreciation	212,525	212,525
	<u>5,421,077</u>	<u>5,421,077</u>

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2022

7. Expenditure on raising funds (continued)

Costs of raising funds (continued)

	Unrestricted funds 2021 £	Total funds 2021 £
Legal and professional	170,834	170,834
Direct costs of let properties and hotel operations	1,033,818	1,033,818
Recruitment and welfare	21,176	21,176
Office administration	90,827	90,827
Travel	21,695	21,695
Rent, rates and service charges	99,429	99,429
Light, heat and cleaning	139,126	139,126
Bad debts	117,635	117,635
Repairs and maintenance	140,293	140,293
Bank charges	52,945	52,945
Advertising	9,059	9,059
Insurance	89,786	89,786
Fees payable to the charity's auditor for the auditing of accounts of subsidiaries of the charity	23,542	23,542
Wages and salaries	2,158,277	2,158,277
National insurance	50,821	50,821
Pension costs	30,862	30,862
Depreciation	168,924	168,924
	<u>4,419,049</u>	<u>4,419,049</u>

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2022

8. Analysis of grants

	Grants to Institutions 2022 £	Total funds 2022 £	Total funds 2021 £
Grants paid	427,000	427,000	-

The Group made the following grants to institutions during 2022 from unrestricted funds:

Nuffield Orthopaedic Centre - £275,000

Society of Portrait Sculptors - £2,000

Fauna & Flora International - £150,000

No grants to institutions were made during 2021.

9. Support costs

	Unrestricted funds 2022 £	Total funds 2022 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	2,380	2,380
Fees payable to the charity's auditor for non-audit costs	3,060	3,060
Total 2022	5,440	5,440
	Unrestricted funds 2021 £	Total funds 2021 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	1,980	1,980
Fees payable to the charity's auditor for non-audit costs	3,060	3,060
Total 2021	5,040	5,040

Audit fees of the subsidiary companies are allocated to raising funds and the audit fee of the Charity is allocated to charitable activities and were unrestricted in the current and preceding year.

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2022

10. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	26,483	24,110
Fees payable to the Charity's auditor in respect of: The auditing of accounts of associates of the Charity	11,690	12,320

11. Staff costs

	Group 2022 £	Group 2021 £
Wages and salaries	2,412,395	2,158,277
Social security costs	53,759	50,821
Pensions	31,787	30,862
	2,497,941	2,239,960

The average number of persons employed by the Charity during the year was as follows:

	Group 2022 No.	Group 2021 No.
Management	9	8
Administration	4	4
Hotel staff (excluding hotel manager)	98	99
	111	111

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	Group 2021 No.
In the band £110,001 - £120,000	-	1
In the band £220,001 - £230,000	1	1
In the band £150,000 - £160,000	1	-

The total employment benefits including employer pension contributions of the key management personnel were £394,067 (2021: £384,112).

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2022

12. Trustees' remuneration and expenses

One of the trustees is a director of a subsidiary company. One director receives remuneration, benefits and reimbursed expenses in respect of their employment by that company. No remuneration or reimbursed expenses have been paid to the trustees, in their role as trustees, by the charity.

During the year, former trustee B A Groves (deceased 14 April 2021) charged the trading subsidiary £Nil (2021: £27,083) in respect of directors' services for B A Groves.

Trustees' emoluments for the period (including employer's national insurance) were as follows:
D P Rose £224,879 (2021: £223,531).

The remuneration paid to D P Rose is in respect of her employment as a director by the trading subsidiary and not for her role as a trustee of the charity.

During the year ended 31 July 2022, no trustee expenses have been incurred (2021 - £NIL).

13. Taxation

	2022 £	2021 £
Corporation tax		
Total current tax	-	-
Deferred tax		
Changes to tax rates	(14,326)	-
Tax losses carried forward	59,691	(45,365)
Total deferred tax	45,365	(45,365)
Taxation on net income/(expenditure)	45,365	(45,365)

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2022

13. Taxation (continued)

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Net income/(expenditure) before tax	1,025,473	108,002
Net income/(expenditure) multiplied by the standard rate of corporation tax in the UK of 19 (2021 - 19%).	194,840	20,520
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	25,712	25,130
Capital allowances for year in excess of depreciation	(43,446)	(93,527)
Utilisation of tax losses	(42,261)	-
Other timing differences leading to an increase/(decrease) in taxation	(354)	(37,540)
Unrelieved tax losses carried forward	-	79,298
Group relief	(135,838)	-
Subsidiaries not eligible for corporation tax	1,347	6,119
Deferred taxation - losses to be utilised	45,365	(45,365)
Total tax charge for the year	45,365	(45,365)

The tax charge is in relation to the trading subsidiaries.

On 24 May 2021, the Finance Bill 2021 was substantively enacted, increasing the main rate of corporation tax to 25% on 1 April 2023 for companies with taxable profits above £250,000. Companies with taxable profits below £50,000 will continue to pay corporation tax at 19% and a marginal relief will apply between these thresholds.

Deferred taxes have been measured using the rates substantively enacted at the reporting date and reflected in these financial statements.

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2022

14. Tangible fixed assets

Group and Charity

	Freehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 August 2021	9,557,895	3,663,833	13,221,728
Additions	-	69,392	69,392
Disposals	(426,130)	-	(426,130)
Revaluations	376,591	-	376,591
At 31 July 2022	<u>9,508,356</u>	<u>3,733,225</u>	<u>13,241,581</u>
Depreciation			
At 1 August 2021	-	2,750,806	2,750,806
Charge for the year	-	212,524	212,524
At 31 July 2022	<u>-</u>	<u>2,963,330</u>	<u>2,963,330</u>
Net book value			
At 31 July 2022	<u>9,508,356</u>	<u>769,895</u>	<u>10,278,251</u>
At 31 July 2021	<u>9,557,895</u>	<u>913,027</u>	<u>10,470,922</u>

Included within the freehold property class of fixed assets are properties which were revalued on 31 July 2022 by Deloitte LLP who are external to the company. Such properties have a current value of £6,408,356 and a carrying amount at historical cost of £7,311,706. The depreciation on this historical cost is £nil.

One other property included within freehold property was not included in independent valuations undertaken during the year and has been revalued by the directors at the year end, one of whom is a chartered surveyor. This property has a current value of £3,100,000 and a carrying amount at historical cost of £10,517,934.

**Notes to the financial statements
for the year ended 31 July 2022**

15. Investment property

Group

	Freehold investment property £
Valuation	
At 1 August 2021	45,707,434
Additions	9,272,330
Deficit on revaluation	1,378,683
At 31 July 2022	56,358,447

Included within the investment properties class of fixed assets are properties which were revalued on 31 July 2022 by Deloitte LLP who are external to the company. Such properties have a current value of £48,377,172 and a carrying amount at historical cost of £80,298,649. The depreciation on this historical cost is £nil.

Included within the investment properties class of fixed assets are properties which were revalued on 20 August 2022 by Sowerybys who are external to the company. Such properties have a current value of £375,000 (2021: £325,000) and a carrying amount at historical cost of £282,998. The directors do not consider this value to be materially different at the year end. The depreciation on this historical cost is £nil.

Included within the investment properties class of fixed assets are properties which were revalued on 24 June 2022 by T B J Noble Bsc (Hons) MRICS of Nicholas Percival Limited who are external to the company. Such properties have a current value of £1,300,000 (2021: £1,359,200) and a carrying amount at historical cost of £2,828,901. The directors do not consider this value to be materially different at the year end. The depreciation on this historical cost is £nil.

Certain properties included within the investment properties class of fixed assets purchased during the year were not included in the valuations undertaken. These properties have been revalued by the directors at the year end, one of whom is a chartered surveyor. Such properties have a current value of £5,996,275 and a carrying amount at historical cost of £6,000,175.

One other property included within the investment properties class of fixed assets was not included in independent valuations undertaken during the year and has been revalued by the directors at the year end, one of whom is a chartered surveyor. This property has a current value of £310,000 and a carrying amount at historical cost of £252,477.

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2022

16. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 August 2021	63,647,153
Revaluations	2,595,181
At 31 July 2022	<u>66,242,334</u>
Net book value	
At 31 July 2022	66,242,334
At 31 July 2021	<u>63,647,153</u>

Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Principal place of business	Principal activity	Holding
Omarca Investment Holdings Limited	02264609	3 Robert Street, London, WC2N 6RL	Dormant intermediary holding company	95%
OMC Investments Limited*	00991581	3 Robert Street, London, WC2N 6RL	Property development	100%
QHH Limited*	07637088	9 Quebec Street, Leeds, LS1 2HA	Hotel and luxury apartments	100%
Greyfriars Colchester Limited*	08835219	High Street, Colchester, CO1 1UG	Luxury hotel and restaurant	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) for the period £	Net assets £
Omarca Investment Holdings Limited	-	-	-	4,000,000
OMC Investments Limited*	3,094,382	120,258	2,974,124	69,577,403
QHH Limited*	2,030,886	1,893,770	137,116	(174,504)
Greyfriars Colchester Limited*	2,143,250	2,215,826	(72,576)	(3,289,524)

* Indirect subsidiary undertaking

Castel Salbek SRL was also an indirect subsidiary undertaking at 1 August 2021. OMC Investments

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2022

16. Fixed asset investments (continued)

Limited disposed of its 247,420 shares held in Castel Salbek SRL on 22 November 2021.

17. Stocks

	Group 2022 £	Group 2021 £
Finished goods and goods for resale	29,571	29,545

The cost of stocks recognised as an expense in the year amounted to £26 (2021: £6,795).

18. Debtors

	Group 2022 £	Group 2021 £
Due after more than one year		
Other debtors	579,184	593,114
	579,184	593,114
Due within one year		
Trade debtors	104,165	143,275
Other debtors	155,187	113,337
Prepayments and accrued income	467,447	372,628
	1,305,983	1,222,354

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2022

19. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	368,562	453,961	-	-
Other taxation and social security	286,758	95,648	-	-
Other creditors	266,987	206,005	-	-
Accruals and deferred income	682,970	548,555	4,600	4,200
	<u>1,605,277</u>	<u>1,304,169</u>	<u>4,600</u>	<u>4,200</u>

Deferred income

	2022 £	2021 £
Deferred income at the start of the year	425,677	323,987
Incoming resources deferred during the year	523,513	425,677
Amounts released from previous years	(425,677)	(323,987)
Deferred income at the end of the year	<u>523,513</u>	<u>425,677</u>

Deferred income is in relation to rental income invoiced in advance.

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

	Group 2022 £	Group 2021 £
Other creditors	823,030	23,923

21. Deferred taxation

Group

	2022 £
At the beginning of the year	(45,365)
Charge for the year	45,365
	<u>-</u>

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2022

21. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	Group 2022 £	Group 2021 £
Tax losses carried forward	-	45,365
	<u>-</u>	<u>45,365</u>

22. Statement of funds - Group

The purpose for which funds are held is detailed in the Trustee's Report on pages 2 to 7.

Statement of funds - current year

	Balance at 1 August 2021 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	Balance at 31 July 2022 £
Unrestricted funds						
General Funds - all funds	<u>66,864,209</u>	<u>6,933,643</u>	<u>(5,853,517)</u>	<u>(45,365)</u>	<u>1,700,621</u>	<u>69,599,591</u>

Statement of funds - prior year

	Balance at 1 August 2020 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	Balance at 31 July 2021 £
Unrestricted funds						
General Funds - all funds	<u>70,723,653</u>	<u>4,532,121</u>	<u>(4,424,119)</u>	<u>45,365</u>	<u>(4,012,811)</u>	<u>66,864,209</u>

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2022

23. Summary of funds - Charity

Summary of funds - current year

	Balance at 1 August 2021	Income	Expenditure	Gain / (losses)	Balance at 31 July 2022
	£	£	£	£	£
General Funds - all funds	<u>63,855,392</u>	<u>450,000</u>	<u>(432,482)</u>	<u>2,595,181</u>	<u>66,468,091</u>

Summary of funds - prior year

	Balance at 1 August 2020	Income	Expenditure	Gain / (losses)	Balance at 31 July 2021
	£	£	£	£	£
General Funds - all funds	<u>67,531,824</u>	<u>200,000</u>	<u>(5,081)</u>	<u>(3,871,351)</u>	<u>63,855,392</u>

24. Non-controlling interest

Equity	£
At 1 August 2021	3,008,817
Proportion of profit after taxation for the year	122,683
At 31 July 2022	<u>3,131,500</u>

25. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	10,278,251	10,278,251
Investment property	56,358,447	56,358,447
Debtors due after more than one year	579,184	579,184
Current assets	4,812,016	4,812,016
Creditors due within one year	(1,605,277)	(1,605,277)
Creditors due in more than one year	(823,030)	(823,030)
Total	<u>69,599,591</u>	<u>69,599,591</u>

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2022

25. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	10,470,922	-	10,470,922
Investment property	45,707,434	-	45,707,434
Debtors due after more than one year	593,114	-	593,114
Current assets	11,375,466	-	11,375,466
Creditors due within one year	(1,304,169)	-	(1,304,169)
Creditors due in more than one year	(23,923)	-	(23,923)
Provisions for liabilities and charges	45,365	-	45,365
Total	66,864,209	-	66,864,209

26. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2022 £	Group 2021 £
Net income for the year (as per Statement of Financial Activities)	980,108	153,367
Adjustments for:		
Depreciation charges	212,524	168,924
Dividends, interests and rents from investments	(16,794)	(14,802)
Increase in stocks	(26)	(6,795)
(Increase)/decrease in debtors	(83,630)	(800,371)
Increase in creditors	1,100,215	754,460
Taxation	45,365	(45,365)
Net cash provided by operating activities	2,237,762	209,418

27. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	4,055,646	10,716,681
Total cash and cash equivalents	4,055,646	10,716,681

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2022

28. Analysis of changes in net debt

	At 1 August 2021	Cash flows	At 31 July 2022
	£	£	£
Cash at bank and in hand	10,716,681	(6,661,035)	4,055,646
	<u>10,716,681</u>	<u>(6,661,035)</u>	<u>4,055,646</u>

29. Pension commitments

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £60,600 (2021: £53,818). At the balance sheet date £7,811 (2021 - £7,058) were payable to the fund and are included in creditors.

30. Related party transactions

Mrs J Franklin

(Trustee)

During the year the charity paid donations of £275,000 to the Nuffield Orthopaedic Centre Appeal (Registered Charity No. 1046243). Mrs J Franklin MBE is also a trustee of this charity.

Mr P Hotham

(Trustee)

During the year the charity paid donations of £150,000 to Fauna & Flora International (Registered Charity No. 1011102). Mr P Hotham is also a trustee of this charity.

THE MARCELA TRUST

England & Wales - Charity number 1127514

Accounts

Charity number: 1127514

The Marcela Trust

Trustees' report and financial statements

for the year ended 31 July 2021

The Marcela Trust

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The Marcela Trust

Reference and administrative details of the Charity, its Trustees and advisers for the year ended 31 July 2021

Trustees

Mrs J Franklin MBE
Mr B A Groves (deceased 14 April 2021)
Mrs D P Rose
Mr M R Spragg
Mr P Hotham

Charity registered number

1127514

Principal office

The Trustees' Office
The Marcela Trust
East Hill House
76 High Street
Colchester
CO1 1UF

Independent auditors

Kreston Reeves LLP
Chartered Accountants
Springfield House
Springfield Road
Horsham
West Sussex
RH12 2RG

Bankers

HSBC Bank UK
16 Goring Road
Worthing
West Sussex
BN12 4AW

Solicitors

Dean Wilson
Ridgeland House
165 Dyke Road
Brighton
BN3 1TL

The Marcela Trust

Trustees' report for the year ended 31 July 2021

The trustees present their annual report together with the audited financial statements of the The Marcela Trust for the 1 August 2020 to 31 July 2021.

Objectives and activities

a. Policies and objectives

In December 2009 the Trust received a donation of 95.5% of the share capital of Omarca Investment Holdings Limited, a dormant intermediary holding company which holds 100% of the shares of OMC Investments Limited. The principal activities of OMC Investments Limited, which was founded in 1971, are property investment, management and development and the operation of three hotels through its subsidiary companies. Both Omarca Investment Holdings Limited and OMC Investments Limited are companies registered in England and Wales.

The Trust is named after Marcela Botnar (1928-2014), the wife of the founder of OMC Investments Limited, Octav Botnar (1913-1998). The aim of the Trust is to administer donations received from OMC Investments Limited which are made from that Company's operating profits. The trustees do not actively fundraise. Restricted donations are administered in accordance with the wishes of the donor. In the absence of any restrictions, the trustees are empowered to invest the funds in accordance with Trust Law as they deem fit and to support charitable activities and organisations of merit and integrity, at their discretion in accordance with the Trust Deed and having due regard for the public benefit guidance published by the Charity Commission for England and Wales.

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Grant-making policies

Since the Trust's inception in 2009, the trustees have made grants using restricted and unrestricted funds donated by OMC Investments Limited, administering restricted funds in accordance with the wishes of the donor and unrestricted funds to support charitable activities and organisations of merit and integrity, at their discretion in accordance with the Trust Deed.

c. Main activities undertaken to further the Charity's purposes for the public benefit

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The trustees consider that through its aims and the donations it has made, the Trust has provided public benefit. Specifically, through donations made in previous financial years, the Trust has provided clear public benefit by funding projects in the fields of medical research, the Arts, education and the relief of poverty in disadvantaged communities. All of the beneficiaries of the Trust's donations rely fundamentally, if not exclusively, on financial support from the charitable and not for profit sectors in order to fund the services, research, activities and philanthropic work they carry out.

The Marcela Trust

Trustees' report (continued) for the year ended 31 July 2021

Achievements and performance

a. Main achievements of the Charity

Donations of £200,000 (2020: £Nil) were received from OMC Investments Limited in the financial year. Donations from the Trust to other charitable organisations and activities amounting to £Nil (2020: £426,280) were made in the year in furtherance of the Trust's legal purposes and for the public benefit, as explained below.

b. Performance review

A consolidated statement of financial activities is presented on page 12.

Charitable donations made by the Trust are administered in accordance with the wishes of the donor in the case of restricted donations and in the the case of unrestricted donations, in accordance with the Trust Deed and at the trustees' discretion, as explained in this report.

As the Trust is the ultimate majority shareholder of the trading and investment company, OMC Investments Limited, the results of that company and its subsidiary companies are consolidated into the financial statements of the Marcela Trust. How the consolidated figures impact on the Trust's accounts is explained in the Notes to the Financial Statements.

The Directors' Report included in the Financial Statements of OMC Investments Limited outlines the significant factors affecting that company's performance and outlook and the trustees are kept informed of the company's activities at trustee meetings during the year.

c. Impact of Covid-19 on the Charity

The trustees' policy is to make donations from cash resources in the Charity's bank account and always to leave funds available for the administration and audit of the Charity. This reduces the risk of financial exposure. The Trust has no direct operational activities which could represent other direct risk exposure.

The Trust's main asset is 95.5% of the shares of Omarca Investment Holdings Limited, which is a dormant intermediary holding company which owns 100% of the shares of OMC Investments Limited. OMC Investments Limited's principal activities are property investment, management and the operation of three hotels through its subsidiary companies.

The risks to which OMC Investments Limited is exposed are therefore by extraction, indirect risks for the Marcela Trust. According to the accounts of OMC Investments Limited, the major risk to which the company is currently exposed is the effect of the Covid-19 pandemic on daily life, on the businesses of its tenants and its operating companies and on the wider national economy until the pandemic retreats.

The directors of OMC Investments Limited consider that the Company remains fundamentally robust and barring any further serious force *majeur events*, revenues and profits will improve in the coming year.

The Marcela Trust

Trustees' report (continued) for the year ended 31 July 2021

Achievements and performance (continued)

d. Performance and impact of subsidiary undertakings

OMC Investments Limited makes charitable donations to the Trust from its annual operating profits and the Trust administers the donations. The trustees do not actively fund raise.

In the financial year ended 31 July 2021 the Company reported a loss of £3,425,337. The trading figures of OMC Investments Limited's two subsidiary companies which operate hotels in Leeds and Colchester (a loss of £412,622 and a profit of £119,597 respectively) are consolidated in the results of OMC Investments Limited.

The Company's business activities and those of many of its tenants, continued to be adversely impacted by the effects of the Covid-19 pandemic, which resulted in several further months of national lockdown and additional regional trading, socialising and travel restrictions and curfews during the financial year.

Tenants engaged in the hospitality and travel sectors have been the most severely affected. Hotels and indoor restaurants were forced to close entirely for the month of November 2020 then again from 26 December 2020 until 17 May 2021. Little international travel has been possible or practicable during the year until very recently.

The demand for office space in London continued to be weak throughout the period due to the Governments' continued advice for people to work from home where possible. This has affected the Company's ability to let the remaining available office space at Robert Street, WC2.

The Company conducted negotiations with individual tenants on a case by case basis on the matter of rent arrears. Support was particularly focussed on smaller independent tenants in the hospitality and travel sectors, whose businesses have suffered exceptionally and disproportionately from pandemic-driven trading restrictions and closures. Agreements and compromises have been reached with the majority of tenants at the time of writing and no tenant has been lost due to irretrievable financial difficulty or inability to reach a compromise on rent arrears. Barring any further *force majeure* events, rent payments are forecast to return to and remain at previous levels going forwards.

The Company's own hotel and restaurant businesses have suffered from the trading restrictions and closures during the financial year, as report in the Financial Statements of those companies.

During the year, one new investment property in Central London was acquired and two high street lease renewals were completed.

A donation of £200,000 was made to the Marcela Trust late in the financial year.

Post year end the Company has successfully completed two new high street lettings and acquired a small income-producing estate in Ipswich town centre.

A forecast has been prepared for the next twelve months. The directors are confident that despite the setbacks and difficulties caused by the Covid-19 pandemic, the Company remains robust and barring any further serious *force majeure* events, revenues and profits will improve over the course of the coming year.

e. Investment policy and performance

The trustees are empowered to invest the funds of the Trust in stocks, shares, securities, debts, options or other investments as they consider fit and in accordance with Trust Law. The trustees have had no significant funds to invest in the current year. The uncommitted funds at the year end were held in the Trust's bank account in readiness for charitable donations post year end and in order to discharge audit and accountancy fees.

The Marcela Trust

Trustees' report (continued) for the year ended 31 July 2021

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

The Trust

Since its inception in 2009, the Trust's sole source of income has been represented by donations received from OMC Investments Limited. The Trust has no operating activities of its own and its only unavoidable overheads are audit and accountancy fees, insurance and bank charges. At the year end the Trust had unencumbered funds on deposit of £212,439 (2020: £17,520).

The Group

The reserves of the OMC Investments Limited sub group are £66,655,970 (2020: £70,710,333). This is largely represented by investment and development properties and properties used within the group totalling £55,265,329 (2020: £57,154,485) and net current assets of £11,390,641 (2020: £13,555,848). The directors of the group manage the property portfolio with the aim of maintaining and improving the value and earning potential of the portfolio for the longer term while maintaining a cautious attitude to risk and making donations from income, subject to ongoing and future investment considerations, to the Marcela Trust to fund the Trust's charitable donations.

c. Principal risks and uncertainties

The trustees have reviewed the major potential financial risks to which the Trust may be exposed and systems and procedures are in place to mitigate such risks. The Trust currently has no direct operational activities which could represent other risk exposure.

The Trust's main asset is 95.5% of the shares of Omarca Investment Holdings Limited, which is a dormant intermediary holding company which owns 100% of the shares of OMC Investments Limited. OMC Investments Limited's principal activities are property investment, management and the operation of three hotels through its subsidiary companies.

The risks to which OMC Investments Limited is exposed are therefore by extraction, indirect risks for the Marcela Trust. According to the accounts of OMC Investments Limited, the major risk to which the company is exposed is the effect of the Covid-19 pandemic on daily life, on the businesses of the company's tenants and its operating companies and on the wider national economy, until the pandemic retreats.

The directors consider the Company's investment portfolio, across well-located high street retail, strongly positioned leisure and office locations in Central London, Central Leeds and a number of market towns, represents a reasonable risk profile under normal circumstances.

d. Principal funding

The Trust received donations amounting to £200,000 in the financial year (2020: £Nil) from OMC Investments Limited. The donations meet and correspond with the objectives of the Trust which are for general charitable purposes and in the case of restricted donations, are administered in accordance with the donor's wishes.

The Marcela Trust

Trustees' report (continued) for the year ended 31 July 2021

Structure, governance and management

a. Constitution

The Marcela Trust is a registered charity, number 1127514, and is constituted under a Trust deed.

b. Methods of appointment or election of trustees

The management of the Group and the Charity is the responsibility of the trustees who are elected and co-opted under the terms of the Trust deed.

c. Organisational structure and decision-making policies

The Trust was established by Deed on 1st December 2008 as amended by a Deed of Amendment dated 5 January 2009. It was formed for general charitable purposes in the expectation that it was to receive a donation of shares in Omarca Investment Holdings Limited. It is registered by the Charity Commission under Registration Number 1127514.

The Trustees are responsible for the appointment of trustees and meet periodically during the year when funds become available for making donations and/or to discuss progress reports from beneficiaries of the Trust and other important issues. The day to day management of the Trust is undertaken by the trustees. Appropriate induction and training of new trustees is undertaken as necessary. Trustees who acted during the year are listed at the beginning of the report.

d. Pay policy for key management personnel (including those of subsidiaries)

The Trustees consider that they, together with the directors of the subsidiary company OMC Investments Limited, comprise the Key Management Personnel (see Note 11 to the accounts). The Trustees give their time freely. The pay and remuneration of the directors of OMC Investments Limited are set by the Board and are reviewed annually based on the nature, role and extent of the respective director's responsibilities and comparable remuneration levels in relevant industry sectors.

Plans for future periods

Charitable activity in the coming financial year will depend on the level of donations, if any, received from OMC Investments Limited. The trustees do not actively fund raise. Unencumbered funds held at the year end are sufficient to discharge the Trust's audit and accountancy fees, insurance and bank charges. On receipt of donations from OMC Investments Limited the trustees expect to continue to support charitable activities and organisations of merit and integrity at their discretion (or in the case of restricted donations in accordance with the wishes of the donor) in accordance with the general charitable purposes set out in the Trust Deed and having due regard for the public benefit guidance published by the Charity Commission for England and Wales.

The Marcela Trust

Trustees' report (continued) for the year ended 31 July 2021

Statement of trustees' responsibilities

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

The law applicable to charities in England & Wales 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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

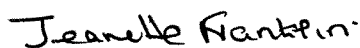
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Approved by order of the members of the board of trustees and signed on their behalf by:



.....
Mrs J Franklin MBE, Trustee

Date: 22-12-21

The Marcela Trust

Independent auditors' report to the Members of The Marcela Trust

Opinion

We have audited the financial statements of The Marcela Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 July 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 July 2021 and of the Group's incoming resources and application of resources, including 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 Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

Emphasis of matter

We draw attention to Note 15 of the financial statements, which describes the valuation of the Investment Property class of fixed assets and the impact of COVID-19. Our opinion is not modified in respect of this matter.

The Marcela Trust

Independent auditors' report to the Members of The Marcela Trust (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The trustees are responsible for the other information contained within the Annual report. 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. 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent Charity has not kept sufficient accounting records; or
- the parent Charity financial statements are not in agreement with the accounting records and returns; 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, the trustees are responsible for the preparation of the financial statements which 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 Group's and the parent 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 Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the Members of The Marcela Trust (continued)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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.

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity, the group and their sectors as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to employment law, health and safety, anti-bribery, GDPR, the Companies Act and the Charity Commission. 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 Charities SORP (FRS 102) Second Edition (released October 2019), and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated 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 related to management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of subsidiaries and valuation of investment properties, as well as posting inappropriate journal entries to increase revenue or reduce expenditure within the trading subsidiaries' accounts. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations including health and safety and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Checking and reperforming the reconciliation of key control accounts for trading subsidiaries; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Reviewing the fair value of investments held in subsidiary companies, with reference to their net assets at the reporting date; and
- Reading minutes of meetings of those charged with governance and reviewing correspondence with relevant tax and regulatory authorities; and
- Obtaining and reviewing bank audit confirmation letters to verify cash at bank levels at the reporting date; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Proof in total workings and substantive testing conducted on income streams for trading subsidiaries; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Independent auditors' report to the Members of The Marcela Trust (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Marcela Trust

Independent auditors' report to the Members of The Marcela Trust (continued)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Auditors' 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Horsham

6 January 2022

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

The Marcela Trust

Consolidated Statement of financial activities for the year ended 31 July 2021

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Other trading activities	4	4,517,319	4,517,319	4,999,359
Investments	6	14,802	14,802	40,845
Total income		4,532,121	4,532,121	5,040,204
Expenditure on:				
Raising funds	7	4,419,049	4,419,049	4,825,699
Charitable activities		5,070	5,070	431,320
Total expenditure		4,424,119	4,424,119	5,257,019
Net income/(expenditure) before taxation		108,002	108,002	(216,815)
Taxation	13	45,365	45,365	-
Net movement in funds before other recognised gains/(losses)		153,367	153,367	(216,815)
Losses on revaluations of fixed assets		(4,012,811)	(4,012,811)	-
Net movement in funds		(3,859,444)	(3,859,444)	(216,815)
Reconciliation of funds:				
Total funds brought forward		70,723,653	70,723,653	70,940,468
Net (expenditure)/income attributable to Parent Charity		155,243	155,243	(226,515)
Net losses attributable to Parent Charity		(3,831,675)	(3,831,675)	-
		67,047,221	67,047,221	70,713,953
Net income attributable to Non-controlling interest		(1,876)	(1,876)	9,700
Net losses attributable to Non-controlling interest		(181,136)	(181,136)	-
Total funds carried forward		66,864,209	66,864,209	70,723,653

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 17 to 38 form part of these financial statements.

The Marcela Trust

**Consolidated balance sheet
as at 31 July 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	10,470,922	11,369,467
Investment property	15	45,707,434	46,488,304
		<u>56,178,356</u>	<u>57,857,771</u>
Current assets			
Stocks	17	29,545	22,750
Debtors	18	1,222,354	826,500
Cash at bank and in hand		10,716,681	12,994,781
		<u>11,968,580</u>	<u>13,844,031</u>
Creditors: amounts falling due within one year	19	(1,304,169)	(954,229)
Net current assets		<u>10,664,411</u>	<u>12,889,802</u>
Total assets less current liabilities		<u>66,842,767</u>	<u>70,747,573</u>
Creditors: amounts falling due after more than one year	20	(23,923)	(23,920)
Deferred taxation	22	45,365	-
Net assets		<u><u>66,864,209</u></u>	<u><u>70,723,653</u></u>
Charity funds			
Unrestricted funds	23	63,855,392	67,531,824
Total funds		<u>63,855,392</u>	<u>67,531,824</u>
Non-controlling interests		<u>3,008,817</u>	<u>3,191,829</u>
		<u><u>66,864,209</u></u>	<u><u>70,723,653</u></u>

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:

Jeanette Franklin
Mrs J Franklin MBE, Trustee

Date: 22-12-21

The notes on pages 17 to 38 form part of these financial statements.

The Marcela Trust

**Charity balance sheet
as at 31 July 2021**

	Note	2021 £	2020 £
Fixed assets			
Investments	16	63,647,153	67,518,504
		<u>63,647,153</u>	<u>67,518,504</u>
Current assets			
Cash at bank and in hand		212,439	17,520
		<u>212,439</u>	<u>17,520</u>
Creditors: amounts falling due within one year	19	(4,200)	(4,200)
		<u></u>	<u></u>
Net current assets		208,239	13,320
Net assets		63,855,392	67,531,824
		<u><u>63,855,392</u></u>	<u><u>67,531,824</u></u>
Charity funds			
Restricted funds	23	-	-
Unrestricted funds	23	63,855,392	67,531,824
		<u>63,855,392</u>	<u>67,531,824</u>
Total funds		63,855,392	67,531,824
		<u><u>63,855,392</u></u>	<u><u>67,531,824</u></u>

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:

Jeanette Franklin

.....
Mrs J Franklin MBE, Trustee

Date: 22-12-21

The notes on pages 17 to 38 form part of these financial statements.

The Marcela Trust

Consolidated statement of cash flows for the year ended 31 July 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	27	209,418	(96,979)
Cash flows from investing activities			
Dividends, interests and rents from investments		14,802	40,845
Purchase of tangible fixed assets		(378,665)	(675,769)
Purchase of investments		(2,123,655)	(149,347)
Disposal of investments and tangible fixed assets		-	54,867
Net cash used in investing activities		(2,487,518)	(729,404)
Change in cash and cash equivalents in the year		(2,278,100)	(826,383)
Cash and cash equivalents at the beginning of the year		12,994,781	13,821,164
Cash and cash equivalents at the end of the year	28	10,716,681	12,994,781

The notes on pages 17 to 38 form part of these financial statements

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2021

1. General information

The Marcela Trust is registered by the Charity Commission, incorporated in England & Wales. Details of the registered address can be found on the reference and administrative details page.

The Marcela Trust owns 95.5% of the share capital of Omarca Investment Holdings Limited. Omarca Investment Holdings Limited holds 100% of the share capital of OMC Investments Limited. All of the companies are registered in England and Wales, with the exception of Castel Salbek SRL which is registered in Romania.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone because the charity has taken advantage of the exemption available.

These financial statements are presented in sterling which is the functional currency of the group and are rounded to the nearest £1.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for the next 12 months from authorising these financial statements. These considerations take into account the impact of COVID-19. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**Notes to the financial statements
for the year ended 31 July 2021**

2. Accounting policies (continued)

2.3 Income

Income in respect of donations is accounted for on a receivable basis once the charity has entitlement to the income, it is probable that the income will be received and the amount of income can be measured reliably. For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from other trading activities represents the amount derived from the sale of properties, rents receivable, car parking charges and hotel operations (net of VAT) receivable by the subsidiary companies.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.5 Government grants

Government grants received relate to the Coronavirus Job Retention Scheme, Eat Out To Help Out, local government grants and small business grants. Such grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**Notes to the financial statements
for the year ended 31 July 2021**

2. Accounting policies (continued)

2.7 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The corporation tax charge relates to taxable profits arising in the trading subsidiaries.

The Charity receives no exemption in respect of Value Added Tax (VAT) and is not VAT registered.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and equipment	- 3 to 5 years straight line basis
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2.9 Investments

Investments in subsidiaries are held at fair value.

2.10 Investment property

Investment property is carried at fair value determined periodically by external valuers and the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

2.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Notes to the financial statements
for the year ended 31 July 2021**

2. Accounting policies (continued)

2.14 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.15 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

2.16 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.17 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.18 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**Notes to the financial statements
for the year ended 31 July 2021**

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to determining the fair value of the investment properties, which are sensitive to fluctuations in the property market.

4. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Trading income from subsidiary undertakings	4,517,319	4,517,319
Total 2021	<u><u>4,517,319</u></u>	<u><u>4,517,319</u></u>
	Unrestricted funds 2020 £	Total funds 2020 £
Trading income from subsidiary undertakings	<u><u>4,999,359</u></u>	<u><u>4,999,359</u></u>

**Notes to the financial statements
for the year ended 31 July 2021**

5. Government grants receivable

	Unrestricted funds 2021 £	Total funds 2021 £
Government grants receivable by subsidiary undertakings	643,943	643,943
	Unrestricted funds 2020 £	Total funds 2020 £
Government grants receivable by subsidiary undertakings	280,243	280,243

The government grants receivable are included within total trading income from subsidiaries as detailed in note 4.

Greyfriars Colchester Limited;

The entity received government assistance in the form of the coronavirus job retention scheme totalling £198,039 (2020: £152,236), local government support grants totalling £109,710 (2020: £nil) and the eat-out-to-help-out scheme totalling £22,172 (2020: £nil).

QHH Limited;

The entity received government assistance in the form of the coronavirus job retention scheme totalling £216,421 (2020: £128,007), local government support grants totalling £92,014 (2020: £nil) and the eat-out-to-help-out scheme totalling £139 (2020: £nil).

OMC Investments Limited;

The entity received government assistance in the form of the coronavirus job retention scheme totalling £5,448 (2020: £nil).

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income	14,802	14,802
	Unrestricted funds 2020 £	Total funds 2020 £
Investment income	40,845	40,845

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2021

7. Expenditure on raising funds

Costs of raising funds

	Unrestricted funds 2021 £	Total funds 2021 £
Legal and professional	170,834	170,834
Direct costs of let properties and hotel operations	1,033,818	1,033,818
Recruitment and welfare	21,176	21,176
Office administration	90,827	90,827
Travel	21,695	21,695
Rent, rates and service charges	99,429	99,429
Light, heat and cleaning	139,126	139,126
Bad debts	117,635	117,635
Repairs and maintenance	140,293	140,293
Bank charges	52,945	52,945
Advertising	9,059	9,059
Insurance	89,786	89,786
Fees payable to the charity's auditor for the auditing of accounts of subsidiaries of the charity	23,542	23,542
Wages and salaries	2,158,277	2,158,277
National insurance	50,821	50,821
Pension costs	30,862	30,862
Depreciation	168,924	168,924
	<u>4,419,049</u>	<u>4,419,049</u>

Notes to the financial statements
for the year ended 31 July 2021

7. Expenditure on raising funds (continued)

Costs of raising funds (continued)

	Unrestricted funds 2020 £	Total funds 2020 £
Legal and professional	232,158	232,158
Direct costs of let properties and hotel operations	1,059,619	1,059,619
Recruitment and welfare	31,999	31,999
Office administration	98,031	98,031
Travel	30,499	30,499
Rent, rates and service charges	237,433	237,433
Light, heat and cleaning	154,825	154,825
Bad debts	82,292	82,292
Repairs and maintenance	134,644	134,644
Bank charges	87,814	87,814
Advertising	9,933	9,933
Insurance	77,410	77,410
Fees payable to the charity's auditor for the auditing of accounts of subsidiaries of the charity	30,968	30,968
Wages and salaries	2,299,591	2,299,591
National insurance	93,711	93,711
Pension costs	45,133	45,133
Depreciation	119,639	119,639
	<u>4,825,699</u>	<u>4,825,699</u>

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2021

8. Analysis of grants

	Grants to Institutions 2021 £	Total funds 2021 £
Grants paid	-	-

	Grants to Institutions 2020 £	Total funds 2020 £
Grants paid	426,280	426,280

The Group made the following grants to institutions during 2020 from unrestricted funds:

Nuffield Orthopaedic Centre £300,000

Society of Portrait Sculptors £1,280

Fauna & Flora International £125,000

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2021

9. Support costs

	Unrestricted funds 2021 £	Total funds 2021 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	1,980	1,980
Fees payable to the charity's auditor for non-audit costs	3,060	3,060
Total 2021	5,040	5,040
	Unrestricted funds 2020 £	Total funds 2020 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	1,980	1,980
Fees payable to the charity's auditor for non-audit costs	3,060	3,060
Total 2020	5,040	5,040

Audit fees of the subsidiary companies are allocated to raising funds and the audit fee of the Charity is allocated to charitable activities and were unrestricted in the current and preceding year.

10. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	24,110	25,930
Fees payable to the Charity's auditor in respect of: The auditing of accounts of associates of the Charity	12,320	11,840

**Notes to the financial statements
for the year ended 31 July 2021**

11. Staff costs

	Group 2021 £	Group 2020 £
Wages and salaries	2,158,277	2,299,591
Social security costs	50,821	93,711
Pensions	30,862	45,133
	<u>2,239,960</u>	<u>2,438,435</u>

The average number of persons employed by the Charity during the year was as follows:

	Group 2021 No.	Group 2020 No.
Management	8	8
Administration	4	4
Hotel staff (excluding hotel manager)	99	102
	<u>111</u>	<u>114</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2021 No.	Group 2020 No.
In the band £110,001 - £120,000	1	-
In the band £120,001 - £130,000	-	1
In the band £220,001 - £230,000	1	1

The total employment benefits including employer pension contributions of the key management personnel were £384,112 (2020: £316,663).

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2021

12. Trustees' remuneration and expenses

Two of the trustees are directors of a subsidiary company. One director receives remuneration, benefits and reimbursed expenses in respect of their employment by that company. No remuneration or reimbursed expenses have been paid to the trustees, in their role as trustees, by the charity.

During the year, B A Groves charged the trading subsidiary £27,083 (2020: £65,000) in respect of directors' services for B A Groves.

Trustees' emoluments for the period (including employer's national insurance) were as follows:
D P Rose £223,531 (2020: £224,474)

The remuneration paid to D P Rose is in respect of her employment as a director by the trading subsidiary and not for her role as a trustee of the charity.

During the year ended 31 July 2021, no trustee expenses have been incurred (2020 - £NIL).

13. Taxation

	2021 £	2020 £
Corporation tax		
Total current tax	-	-
Deferred tax		
Tax losses carried forward	(45,365)	-
Total deferred tax	(45,365)	-
Taxation on net income/(expenditure)	(45,365)	-

**Notes to the financial statements
for the year ended 31 July 2021**

13. Taxation (continued)

The tax assessed for the year is higher than (2020 - *lower than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Net income/(expenditure) before tax	108,002	(216,815)
Net income/(expenditure) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%).	20,520	(41,195)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	25,130	1,924
Capital allowances for year in excess of depreciation	(93,527)	(118,681)
Other timing differences leading to an increase/(decrease) in taxation	(37,540)	(3,271)
Unrelieved tax losses carried forward	79,298	69,436
Subsidiaries not eligible for corporation tax	6,119	91,787
Deferred taxation - losses to be utilised	(45,365)	-
Total tax charge for the year	(45,365)	-

The tax charge is in relation to the trading subsidiaries. Future taxable profits are expected to be reduced by available group losses.

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Notes to the financial statements for the year ended 31 July 2021

14. Tangible fixed assets

Group and Charity

	Freehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 August 2020	10,666,181	3,285,168	13,951,349
Additions	-	378,665	378,665
Revaluations	(1,108,286)	-	(1,108,286)
At 31 July 2021	<u>9,557,895</u>	<u>3,663,833</u>	<u>13,221,728</u>
Depreciation			
At 1 August 2020	-	2,581,882	2,581,882
Charge for the year	-	168,924	168,924
At 31 July 2021	<u>-</u>	<u>2,750,806</u>	<u>2,750,806</u>
Net book value			
At 31 July 2021	<u>9,557,895</u>	<u>913,027</u>	<u>10,470,922</u>
At 31 July 2020	<u>10,666,181</u>	<u>703,286</u>	<u>11,369,467</u>

Notes to the financial statements
for the year ended 31 July 2021

15. Investment property

Group

	Freehold investment property £
Valuation	
At 1 August 2020	46,488,304
Additions	2,123,655
Deficit on revaluation	(2,904,525)
At 31 July 2021	<u>45,707,434</u>

Charity

Given the inherent uncertainty on property valuations as a result of COVID-19, the directors did not commission an external valuation this year in the knowledge that any valuation would include a statement in respect of the uncertainty of valuation.

Excluding the properties acquired during the year, the investment properties class of fixed assets was revalued by the directors, one of whom is a chartered surveyor. The basis of the valuation was open market value assuming the properties would be sold subject to existing leases. Such properties have a current value of £43,583,779 (2020: £45,953,299) and a carrying amount at historical cost of £98,220,510 (2020: £96,210,510). The depreciation on this historical cost is £nil. The change in market value is based upon the valuation at 1 August 2020 (which was not an external valuation) and the directors valuation at 31 July 2021.

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2021

16. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 August 2020	67,518,504
Revaluations	(3,871,351)
At 31 July 2021	63,647,153
Net book value	
At 31 July 2021	63,647,153
<i>At 31 July 2020</i>	<i>67,518,504</i>

Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Principal place of business	Principal activity	Holding
Omarca Investment Holdings Limited	02264609	3 Robert Street, London, WC2N 6RL	Dormant intermediary holding company	95%
OMC Investments Limited*	00991581	3 Robert Street, London, WC2N 6RL	Property development	100%
QHH Limited*	07637088	9 Quebec Street, Leeds, LS1 2HA	Hotel and luxury apartments	100%
Greyfriars Colchester Limited*	08835219	High Street, Colchester, CO1 1UG	Luxury hotel and restaurant	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) for the period £	Net assets £
Omarca Investment Holdings Limited	-	-	-	4,000,000
OMC Investments Limited*	2,169,973	5,595,310	(3,425,337)	67,053,279
QHH Limited*	1,032,203	1,444,825	(412,622)	(311,620)
Greyfriars Colchester Limited*	1,666,812	1,547,215	119,597	(3,216,948)

* Indirect subsidiary undertaking

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2021

17. Stocks

	Group 2021 £	Group 2020 £
Finished goods and goods for resale	29,545	22,750

The cost of stocks recognised as an expense in the year amounted to £6,795 (2020: £1,299).

18. Debtors

	Group 2021 £	Group 2020 £
Due after more than one year		
Other debtors	593,114	-
	593,114	-
Due within one year		
Trade debtors	143,275	378,683
Other debtors	113,337	140,468
Prepayments and accrued income	372,628	307,349
	1,222,354	826,500

**Notes to the financial statements
for the year ended 31 July 2021**

19. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	453,961	354,810	-	-
Other taxation and social security	95,648	88,033	-	-
Other creditors	206,005	55,636	-	-
Accruals and deferred income	548,555	455,750	4,200	4,200
	<u>1,304,169</u>	<u>954,229</u>	<u>4,200</u>	<u>4,200</u>

Deferred income

	Group 2021 £	Group 2020 £
Deferred income at 1 August 2020	323,987	271,119
Incoming resources deferred during the year	425,677	323,987
Amounts released from previous years	(323,987)	(271,119)
Deferred income at 31 July 2021	<u>425,677</u>	<u>323,987</u>

Deferred income in relation to rental income invoiced in advance.

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

	Group 2021 £	Group 2020 £
Other creditors	23,923	23,920

21. Financial instruments

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Financial assets				
Financial assets measured at fair value through income and expenditure	10,716,681	12,994,781	212,439	17,520

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents.

The Marcela Trust

**Notes to the financial statements
for the year ended 31 July 2021**

22. Deferred taxation

Group

	2021 £
Credit for the year	(45,365)
	<u>(45,365)</u>

The deferred tax asset is made up as follows:

	Group 2021 £	Group 2020 £
Tax losses carried forward	45,365	-
	<u>45,365</u>	<u>-</u>

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2021

23. Statement of funds - Group

Statement of funds - current year

	Balance at 1 August 2020 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	Balance at 31 July 2021 £
Unrestricted funds						
General Funds - all funds	70,723,653	4,532,121	(4,424,119)	45,365	(4,012,811)	66,864,209

Statement of funds - prior year

	Balance at 1 August 2019 £	Income £	Expenditure £	Balance at 31 July 2020 £
Unrestricted funds				
General Funds - all funds	70,940,468	5,040,204	(5,257,019)	70,723,653

24. Summary of funds - Charity

Summary of funds - current year

	Balance at 1 August 2020 £	Income £	Expenditure £	Balance at 31 July 2021 £
General Funds - all funds	67,531,824	200,000	(3,919,767)	63,812,057

Summary of funds - prior year

	Balance at 1 August 2019 £	Gains/ (Losses) £	Balance at 31 July 2020 £
General Funds - all funds	67,758,339	(226,515)	67,531,824

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2021

25. Non-controlling interest

Equity	£
At 1 August 2020	3,191,829
Proportion of profit after taxation for the year	(183,012)
At 31 July 2021	3,008,817

26. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	10,470,922	10,470,922
Investment property	45,707,434	45,707,434
Debtors due after more than one year	593,114	593,114
Current assets	11,375,466	11,375,466
Creditors due within one year	(1,304,169)	(1,304,169)
Creditors due in more than one year	(23,923)	(23,923)
Provisions for liabilities and charges	45,365	45,365
Total	66,864,209	66,864,209

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	11,369,467	11,369,467
Investment property	46,488,304	46,488,304
Current assets	13,844,031	13,844,031
Creditors due within one year	(954,229)	(954,229)
Creditors due in more than one year	(23,920)	(23,920)
Total	70,723,653	70,723,653

**Notes to the financial statements
for the year ended 31 July 2021**

27. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	Group 2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	153,367	(216,815)
Adjustments for:		
Depreciation charges	168,924	119,639
Dividends, interests and rents from investments	(14,802)	(40,845)
Increase in stocks	(6,795)	(1,299)
(Increase)/decrease in debtors	(800,371)	236,368
Increase/(decrease) in creditors	754,460	(194,027)
Taxation	(45,365)	-
Net cash provided by/(used in) operating activities	209,418	(96,979)

28. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	10,716,681	12,994,781
Total cash and cash equivalents	10,716,681	12,994,781

29. Analysis of changes in net debt

	At 1 August 2020 £	Cash flows £	At 31 July 2021 £
Cash at bank and in hand	12,994,781	(2,278,100)	10,716,681
	12,994,781	(2,278,100)	10,716,681

30. Pension commitments

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £53,818 (2020: £53,539). At the balance sheet date £7,058 (2020 - £4,760) were payable to the fund and are included in creditors.