

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

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
---------------------	------------------------------------

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.