

Charity number: 1127514

The Marcela Trust

Trustees' report and financial statements

for the year ended 31 July 2020

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 2020

Trustees

Mrs J Franklin MBE
Mr B A Groves
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 2020

The trustees present their annual report together with the audited financial statements of the The Marcela Trust for the year 1 August 2019 to 31 July 2020.

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.

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 2020

Achievements and performance

a. Main achievements of the Charity

Donations of £Nil (2019: £400,000) were received from OMC Investments Limited in the financial year. Donations from the Trust to other charitable organisations and activities amounting to £426,280 (2019: £250,000) were made in the year in furtherance of the Trust's legal purposes and for the public benefit, as explained below.

£1,280 was donated to the Society of Portrait Sculptors, Registered Charity No. 1046243 to assist with the costs of the Society's annual exhibition in 2019 which inter alia aims to showcase the works of young up and coming sculptors.

£300,000 was donated to the Nuffield Orthopaedic Centre Appeal, Registered Charity No. 1006509 to be used towards the costs of constructing the new Marcela Botnar Wing at the Botnar Research Centre at the Nuffield Orthopaedic Hospital in Oxford.

£125,000 was donated to Fauna & Flora International, Registered Charity No. 1011102 to fund selected charitable community initiatives in the remote Zarand region of Western Transylvania.

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 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 and vaccines become widely available.

The directors of OMC Investments Limited consider that the Company remains fundamentally robust and that despite the difficulties arising from the pandemic, when trading restrictions are lifted and vaccines become available as expected in the coming months, revenues and profits will recover.

The Marcela Trust

Trustees' report (continued) for the year ended 31 July 2020

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 2020 the Company reported a profit of £430,639. The trading figures of OMC Investments Limited's two subsidiary companies which operate hotels in Leeds and Colchester (a loss of £235,064 and a loss of £242,790 respectively) are consolidated in the results of OMC Investments Limited.

The financial year had started positively in August 2019. Three new tenancies were agreed at the Company's Robert Street office building in London and a lease renewal on another office completed at an increased rent in the New Year. Following the Conservative Party's significant success in the General Election in December 2019 the property market and business confidence received an immediate boost and the Company and its two operating subsidiaries were all in profit for the seven month period to end February 2020.

The onset of the Covid-19 pandemic, starting in early February and picking up momentum by the day at enormous speed, rapidly led to the national lockdown on 23 March 2020. This prescribed the closure of all but essential businesses and a directive to all who could, to work from home where possible, not to travel and not to leave the home except for food and an allowance of daily exercise. This changed the perspectives of the Company, its subsidiaries and its tenants overnight.

The trading restrictions in the national lockdown from 23 March 2020 to late June in the case of retail tenants and to mid-July in the case of hotels and restaurants resulted in a loss of rent income and a fall in car park revenue. The percentage of rent payments received against rents invoiced can be summarised as follows:

March 2020 Quarter:	66% of rents invoiced received
June 2020 Quarter:	93.5% of rents invoiced received
September 2020 Quarter:	60% of rents invoiced received to date

As reported above, the Company's hotel and restaurant businesses have been substantially adversely impacted by the pandemic-enforced trading restrictions.

Due to the sudden and massive financial and operational impact of the Covid-19 pandemic on the business and revenues of the Company, its subsidiaries and its tenants and the substantial unknowns and uncertainties at the time, in the interests of prudence and caution the Company did not make any charitable donations in this financial 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.

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.

The Marcela Trust

Trustees' report (continued) for the year ended 31 July 2020

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 £17,520 (2019: £449,225).

The Group

The reserves of the OMC Investments Limited sub group are £70,710,333 (2019: £70,495,443). This is largely represented by investment and development properties and properties used within the group totalling £57,154,485 (2019: £57,060,005) and net current assets of £13,555,848 (2019: £13,435,438). 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 and vaccines become widely available.

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 £Nil in the financial year (2019: £400,000) 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 2020

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, 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 2020

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:

Jeanette Franklin

.....
Mrs J Franklin MBE, Trustee

Date: 13-1-2021

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 2020 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 2020 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.

Conclusions relating to going concern

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

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

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 trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.

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.



Chartered Accountants
Statutory Auditor
Horsham

Date: 4/02/2021

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 2020**

	Note	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:				
Other trading activities	4	4,999,359	4,999,359	6,399,955
Investments	5	40,845	40,845	22,592
Total income		5,040,204	5,040,204	6,422,547
Expenditure on:				
Raising funds	6	4,825,699	4,825,699	5,790,358
Charitable activities		431,320	431,320	255,014
Total expenditure		5,257,019	5,257,019	6,045,372
Net gains on sale of investments		-	-	542,615
Net expenditure before taxation		(216,815)	(216,815)	919,790
Taxation	13	-	-	33,028
Net movement in funds before other recognised gains/(losses)		(216,815)	(216,815)	952,818
Losses on revaluations of fixed assets	14,15	-	-	(4,853,290)
Net movement in funds		(216,815)	(216,815)	(3,900,472)
Reconciliation of funds:				
Total funds brought forward		70,940,468	70,940,468	74,840,940
Net (expenditure)/income attributable to Parent Charity		(226,515)	(226,515)	391,687
Net losses attributable to Parent Charity		-	-	(4,109,567)
		70,713,953	70,713,953	71,123,060
Net income attributable to Non-controlling interest		9,700	9,700	18,516
Net losses attributable to Non-controlling interest		-	-	(201,108)
Total funds carried forward		70,723,653	70,723,653	70,940,468

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

The notes on pages 16 to 35 form part of these financial statements.

The Marcela Trust

**Consolidated balance sheet
as at 31 July 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	11,369,467	10,857,161
Investment property	15	46,488,304	46,350,000
		<u>57,857,771</u>	<u>57,207,161</u>
Current assets			
Stocks	17	22,750	21,451
Debtors	18	826,500	1,062,868
Cash at bank and in hand		12,994,781	13,821,164
		<u>13,844,031</u>	<u>14,905,483</u>
Creditors: amounts falling due within one year	19	(954,229)	(1,148,343)
Net current assets		<u>12,889,802</u>	<u>13,757,140</u>
Total assets less current liabilities		<u>70,747,573</u>	<u>70,964,301</u>
Creditors: amounts falling due after more than one year	20	(23,920)	(23,833)
Net assets		<u><u>70,723,653</u></u>	<u><u>70,940,468</u></u>
Charity funds			
Unrestricted funds	22	67,531,824	67,758,339
Total funds		<u>67,531,824</u>	<u>67,758,339</u>
Non-controlling interests	24	3,191,829	3,182,129
	25	<u><u>70,723,653</u></u>	<u><u>70,940,468</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: 13-1-2021

The notes on pages 16 to 35 form part of these financial statements.

The Marcela Trust

**Charity balance sheet
as at 31 July 2020**

	Note	2020 £	2019 £
Fixed assets			
Investments	16	67,518,504	67,313,314
		<u>67,518,504</u>	<u>67,313,314</u>
Current assets			
Cash at bank and in hand		17,520	449,225
		<u>17,520</u>	<u>449,225</u>
Creditors: amounts falling due within one year	19	(4,200)	(4,200)
		<u>13,320</u>	<u>445,025</u>
Net current assets			
		<u>67,531,824</u>	<u>67,758,339</u>
Net assets			
		<u>67,531,824</u>	<u>67,758,339</u>
Charity funds			
Restricted funds	22	-	-
Unrestricted funds	22	67,531,824	67,758,339
		<u>67,531,824</u>	<u>67,758,339</u>
Total funds			
		<u>67,531,824</u>	<u>67,758,339</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: 13-1-2021

The notes on pages 16 to 35 form part of these financial statements.

The Marcela Trust

**Consolidated statement of cash flows
for the year ended 31 July 2020**

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	26	(96,979)	1,042,137
Cash flows from investing activities			
Dividends, interests and rents from investments		40,845	22,592
Purchase of tangible fixed assets		(675,769)	(68,906)
Proceeds from sale of investments		-	10,250,000
Purchase of investments		(149,347)	(625,432)
Disposal of investments and tangible fixed assets		54,867	-
Net cash (used in)/provided by investing activities		(729,404)	9,578,254
Change in cash and cash equivalents in the year		(826,383)	10,620,391
Cash and cash equivalents at the beginning of the year		13,821,164	3,200,773
Cash and cash equivalents at the end of the year	27	12,994,781	13,821,164

The notes on pages 16 to 35 form part of these financial statements

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2020

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 contents 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 2020**

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 and 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.

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2020

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.

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.

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2020

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.

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2020

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 2020 £	Total funds 2020 £
Trading income from subsidiary undertakings	4,999,359	4,999,359
Total 2020	4,999,359	4,999,359
	Unrestricted funds 2019 £	Total funds 2019 £
Trading income from subsidiary undertakings	6,399,955	6,399,955

The Marcela Trust

**Notes to the financial statements
for the year ended 31 July 2020**

5. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Investment income	40,845	40,845

	Unrestricted funds 2019 £	Total funds 2019 £
Investment income	22,592	22,592

6. Expenditure on raising funds

Costs of raising funds

	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
	4,825,699	4,825,699

The Marcela Trust

**Notes to the financial statements
for the year ended 31 July 2020**

6. Expenditure on raising funds (continued)

Costs of raising funds (continued)

	Unrestricted funds 2019 £	Total funds 2019 £
Legal and professional	267,463	267,463
Direct costs of let properties and hotel operations	1,466,378	1,466,378
Recruitment and welfare	44,674	44,674
Office administration	103,132	103,132
Travel	33,942	33,942
Rent, rates and service charges	291,949	291,949
Light, heat and cleaning	170,566	170,566
Repairs and maintenance	206,082	206,082
Bank charges	104,974	104,974
Advertising	10,718	10,718
Insurance	80,158	80,158
Fees payable to the charity's auditor for the auditing of accounts of subsidiaries of the charity	26,307	26,307
Wages and salaries	2,366,429	2,366,429
National insurance	54,794	54,794
Pension costs	43,383	43,383
Depreciation	519,409	519,409
	<u>5,790,358</u>	<u>5,790,358</u>

The Marcela Trust

**Notes to the financial statements
for the year ended 31 July 2020**

7. Analysis of grants

	Grants to Institutions 2020 £	Total funds 2020 £
Grants paid	426,280	426,280

	Grants to Institutions 2019 £	Total funds 2019 £
Grants paid	250,000	250,000

The Group has made the following grants to institutions during the year:

	2020 £	2019 £
Name of institution		
Nuffield Orthopaedic Centre	300,000	100,000
Action on Sugar	-	140,000
Society of Portrait Sculptors	1,280	10,000
Fauna & Flora International	125,000	-
	426,280	250,000

In 2019 £250,000 was from unrestricted funds.

The Marcela Trust

**Notes to the financial statements
for the year ended 31 July 2020**

8. Analysis of expenditure by activities

	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £
Grants	426,280	5,040	431,320

	Grant funding of activities 2019 £	Support costs 2019 £	Total funds 2019 £
Grants	250,000	5,014	255,014

9. Support costs

	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

	Unrestricted funds 2019 £	Total funds 2019 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	1,970	1,970
Fees payable to the charity's auditor for non-audit costs	3,044	3,044
Total 2019	5,014	5,014

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 2020**

10. Auditors' remuneration

	2020	2019
	£	£
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	25,930	26,307
Fees payable to the Charity's auditor in respect of: The auditing of accounts of associates of the Charity	11,840	17,214

11. Staff costs

	Group 2020	Group 2019
	£	£
Wages and salaries	2,299,591	2,366,429
Social security costs	93,711	54,794
Pensions	45,133	43,383
	2,438,435	2,464,606

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

	Group 2020	Group 2019
	No.	No.
Management	8	8
Administration	4	4
Hotel staff (excluding hotel manager)	102	95
	114	107

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

	Group 2020	Group 2019
	No.	No.
In the band £120,001 - £130,000	1	1

The total employment benefits including employer pension contributions of the key management personnel were £316,663 (2019: £316,861).

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2020

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 £65,000 (2019: £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 £224,474 (2019: £225,744)

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 2020, no trustee expenses have been incurred (2019 - £NIL).

13. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on net expenditure for the year	-	(33,028)
Taxation on net expenditure	<u>-</u>	<u>(33,028)</u>

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2020

13. Taxation (continued)

The tax assessed for the year is higher than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Net expenditure before tax	(216,815)	919,790
Net expenditure multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%).	(41,195)	174,760
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,924	109,498
Capital allowances for year in excess of depreciation	(118,681)	(137,263)
Adjustments to tax charge in respect of prior periods	-	(66,054)
Other timing differences leading to an increase/(decrease) in taxation	(3,271)	(11,141)
Capital (losses)/gains	-	26,288
Profit on disposal of investment property not subject to corporation tax	-	(103,097)
Unrelieved tax losses carried forward	69,436	-
Other differences leading to an increase/(decrease) in the tax charge	-	(76,144)
Subsidiaries not eligible for corporation tax	91,787	50,125
Total tax charge for the year	-	(33,028)

The tax charge is in relation to the trading subsidiaries

The Marcela Trust

**Notes to the financial statements
for the year ended 31 July 2020**

14. Tangible fixed assets

Group and Charity

	Freehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 August 2019	10,710,005	2,609,399	13,319,404
Additions	-	675,769	675,769
Disposals	(43,824)	-	(43,824)
At 31 July 2020	<u>10,666,181</u>	<u>3,285,168</u>	<u>13,951,349</u>
Depreciation			
At 1 August 2019	-	2,462,243	2,462,243
Charge for the year	-	119,639	119,639
At 31 July 2020	<u>-</u>	<u>2,581,882</u>	<u>2,581,882</u>
Net book value			
At 31 July 2020	<u>10,666,181</u>	<u>703,286</u>	<u>11,369,467</u>
At 31 July 2019	<u>10,710,005</u>	<u>147,156</u>	<u>10,857,161</u>

The Marcela Trust

**Notes to the financial statements
for the year ended 31 July 2020**

15. Investment property

Group

	Freehold investment property £
Valuation	
At 1 August 2019	46,350,000
Additions	149,347
Disposals	(11,043)
At 31 July 2020	<u>46,488,304</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. The properties included within this class of fixed assets were revalued externally in the prior year. These have been valued in the current year by the directors who consider the carrying value to be a fair reflection of the fair values of the properties as at 31 July 2020. Such properties have a current value of £56,619,480 (2019 - £56,525,000) and a carrying amount at historical cost of £96,210,510. The depreciation on this historical cost is £nil.

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2020

16. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 August 2019	67,313,314
Revaluations	205,190
At 31 July 2020	67,518,504
Net book value	
At 31 July 2020	67,518,504
<i>At 31 July 2019</i>	<i>67,313,314</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*	2,265,521	1,996,487	334,181	70,582,158
QHH Limited*	1,608,896	1,843,960	(235,064)	101,002
Greyfriars Colchester Limited*	1,472,111	1,682,017	(209,906)	(3,303,661)

* Indirect subsidiary undertaking

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2020

17. Stocks

	Group 2020 £	Group 2019 £
Finished goods and goods for resale	22,750	21,451

The cost of stocks recognised as an expense in the year amounted to £1,299 (2019: £152).

18. Debtors

	Group 2020 £	Group 2019 £
Due within one year		
Trade debtors	378,683	159,807
Other debtors	140,468	380,888
Prepayments and accrued income	307,349	522,173
	826,500	1,062,868

The Marcela Trust

**Notes to the financial statements
for the year ended 31 July 2020**

19. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade creditors	354,810	373,781	-	-
Corporation tax	-	1,096	-	-
Other taxation and social security	88,033	225,016	-	-
Other creditors	55,636	59,310	-	-
Accruals and deferred income	455,750	489,140	4,200	4,200
	<u>954,229</u>	<u>1,148,343</u>	<u>4,200</u>	<u>4,200</u>

Deferred income

	Group 2020 £	Group 2019 £
Deferred income at 1 August 2019	271,119	371,627
Incoming resources deferred during the year	323,987	271,119
Amounts released from previous years	(271,119)	(371,627)
Deferred income at 31 July 2020	<u>323,987</u>	<u>271,119</u>

Deferred income in relation to rental income invoiced in advance.

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

	Group 2020 £	Group 2019 £
Other creditors	<u>23,920</u>	<u>23,833</u>

21. Financial instruments

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Financial assets				
Financial assets measured at fair value through income and expenditure	<u>12,994,781</u>	<u>13,821,164</u>	<u>17,520</u>	<u>449,225</u>

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 2020**

22. Statement of funds

Statement of funds - current year

	Balance at 1 August 2019 £	Income £	Expenditure £	Balance at 31 July 2020 £
Unrestricted funds				
General Funds - all funds	<u>70,940,468</u>	<u>5,040,204</u>	<u>(5,257,019)</u>	<u>70,723,653</u>

Statement of funds - prior year

	Balance at 1 August 2018 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Balance at 31 July 2019 £
Unrestricted funds						
General funds	<u>74,840,940</u>	<u>6,422,547</u>	<u>(6,045,372)</u>	<u>33,028</u>	<u>(4,310,675)</u>	<u>70,940,468</u>

23. Summary of funds - Charity

Summary of funds - current year

	Balance at 1 August 2019 £	Expenditure £	Balance at 31 July 2020 £
General funds	<u>67,758,339</u>	<u>(226,515)</u>	<u>67,531,824</u>

Summary of funds - prior year

	Balance at 1 August 2018 £	Income £	Gains/ (Losses) £	Balance at 31 July 2019 £
General funds	<u>71,476,219</u>	<u>400,000</u>	<u>(4,117,880)</u>	<u>67,758,339</u>

The Marcela Trust

Notes to the financial statements for the year ended 31 July 2020

24. Non-controlling interest

Equity	£
At 1 August 2019	3,182,129
Proportion of profit after taxation for the year	9,700
At 31 July 2020	3,191,829

25. Analysis of net assets between funds

Analysis of net assets between funds - current period

	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

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	10,857,161	10,857,161
Investment property	46,350,000	46,350,000
Current assets	14,905,483	14,905,483
Creditors due within one year	(1,148,343)	(1,148,343)
Creditors due in more than one year	(23,833)	(23,833)
Total	70,940,468	70,940,468

The Marcela Trust

**Notes to the financial statements
for the year ended 31 July 2020**

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

	Group 2020 £	Group 2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(216,815)	952,818
Adjustments for:		
Depreciation charges	119,639	519,409
Dividends, interests and rents from investments	(40,845)	(22,592)
Decrease/(increase) in stocks	(1,299)	152
Decrease/(increase) in debtors	236,368	(162,169)
Decrease in creditors	(194,027)	(245,481)
Net cash provided by/(used in) operating activities	(96,979)	1,042,137

27. Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash in hand	12,994,781	13,821,164
Total cash and cash equivalents	12,994,781	13,821,164

28. Analysis of changes in net debt

	At 1 August 2019 £	Cash flows £	At 31 July 2020 £
Cash at bank and in hand	13,821,164	(826,383)	12,994,781
	13,821,164	(826,383)	12,994,781

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 £45,133 (2019: £51,493).