

MERCURIAL ARTS LIMITED

England & Wales · Charity number 1149284

Details

Status	Registered
Legal form	Charitable company
Company number	06635326
Registered	2012-10-11
Register	View on the Charity Commission register

Contact

Address	STUDIO 11a Canal Warehouse Leicester Row Coventry CV1 4LH
Phone	02476631625
Email	info@mercurialarts.co.uk
Website	www.mercurialarts.co.uk

Activities

Objects: TO PROMOTE, MAINTAIN, IMPROVE AND ADVANCE EDUCATION BY THE ENCOURAGEMENT OF THE ARTS INCLUDING, WITHOUT LIMITATION, THE ARTS OF DRAMA, MIME, DANCE, SINGING AND MUSIC.

Activities: The organisation is focused primarily on enhancing the lives of Young People from disadvantaged areas through the arts: as participants and audiences who do not normally access the arts.

Classification

- **How:** Provides Services
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, The General Public/mankind

Geography

- **Area of benefit:** LOCAL
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-01-31	£44,133	£115,206	-	-
2024-01-31	£75,913	£3,533	-	-
2023-07-31	£6,680	£34,732	-	-
2022-07-31	£98,646	£100,431	-	-
2021-07-31	£132,641	£132,428	-	-

Trustees

Name	Role	Appointed
Carly Hegenbarth		2017-12-18
MR O SCOTT		2012-03-29
Nathan Dodzo		2017-12-18
Richard Hayhow		2017-12-18

MERCURIAL ARTS LIMITED

England & Wales - Charity number 1149284

Accounts

Charity registration number 1149284 (England and Wales)

Company registration number 6635326

MERCURIAL ARTS LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

MERCURIAL ARTS LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	O J K Scott R Hayhow C L Hegenbarth N Dodzo
Secretary	O J K Scott
Charity number	1149284
Company number	6635326
Registered office	Studio 12 Canal Warehouse Leicester Row Coventry CV1 4LH
Independent examiner	Azets Audit Services 3Mc Middlemarch Business Park Siskin Drive Coventry CV3 4FJ

MERCURIAL ARTS LIMITED

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MERCURIAL ARTS LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 JANUARY 2025

The trustees present their annual report and financial statements for the year ended 31 January 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

In accordance with the Memorandum of Association of Mercurial Arts Limited the company's objectives are:

To promote, maintain, improve and advance education by the encouragement of the arts including, without limitation, the arts of drama, mime, dance, singing and music.

Mercurial Arts' current focus is primarily on enhancing the lives of Young People through the arts: as participants and audiences. We work with Young People who do not normally have access to the arts and are from areas identified as suffering from socio - economic deprivation.

- 1) To create ambitious performance and art in a variety of settings that mixes dance and technology, for and with young people
- 2) To advance practice; bringing inspiration, challenge, confidence and a sense of achievement into the lives of the young people we work with
- 3) To develop and promote a physical space for the making and presenting a programme of work
- 4) To take an integrated, holistic approach to the development and opportunities we provide our beneficiaries
- 5) To grow the charity in a sustainable & strategic way, placing our work on national & international platforms

Public benefit

The public benefits of the company are the promotion, maintenance and advancement of the arts. The public benefits directly relate to the company's key objectives. No detriment or harm arises from the company providing the public benefits.

In shaping the objectives for the year and planning the charity's activities, the trustees referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

MERCURIAL ARTS LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2025

Activities

The 2024-2025 financial year has centred on taking our digital wellbeing work from research into public delivery. Building on the foundations laid in previous years, we focused on delivering and evaluating the next Arts Council funded phase of EmbodyXR, an immersive VR project that uses dance and Cognitive Behavioural Therapy (CBT) techniques to support mental health and alleviate anxiety in young people.

This phase of work continued our wider Digidance initiative, using arts-led digital technology to improve health and wellbeing outcomes for children and young people. The year's activity moved EmbodyXR from proof of concept to a 7-level VR dance-art touring experience for libraries and community venues, and gathering detailed feedback to inform future development.

Across the project period we delivered a structured process of recruitment, devising and iterative development. We brought in a core team including a Project Manager, Marketing Manager, UX developer and 3D artist, alongside dancers and a range of specialist freelance roles such as motion-capture technicians, composer, dramaturg and visual artists. This enabled us to manage the significant technical and artistic complexity of the work within a modest budget, and to maximise impact through careful planning and resource allocation.

EmbodayXR toured to key partner locations including Coventry libraries (Central, Tile Hill and Bell Green), Solihull libraries (Chelmsley Wood and The Core), Saints in Nuneaton, Nuneaton Library, LCB Depot in Leicester and The Herbert Gallery. In addition, we undertook testing and co-authoring events with young people at partner schools and universities, and presented the work at sector trade events and conferences. This approach enabled us to reach a broad cross-section of young people and communities, including those who would not typically access immersive arts or VR technology.

Our target for VR participation was 560 people, based on projected headset capacity and opening hours. We exceeded this target, achieving 628 VR participants and a further 310 participants in associated arts activities, with overall venue visitors linked to the project reaching 7,716. Participant feedback showed strong levels of engagement: a large majority agreed that the game was accessible and easy to use, that the experience was unique and memorable, and that the design and graphics were impressive. Many participants reported feeling more relaxed after taking part, and 83% said they would recommend the game to others.

We also invested in volunteer development, training 18 volunteers from a broad age range (14 to 60+), including library staff and staff from Saints and The Herbert Gallery. Together they contributed over 165 volunteer hours, supporting the onboarding and offboarding of participants, managing the VR experience and collecting feedback that directly informed our iterative development process.

Alongside face-to-face delivery we grew the digital presence, using LinkedIn, Facebook and Instagram to share the project. Our social media reach during the period was 21.4k, with additional ongoing impressions generated by a highlights video that continues to support future bookings and interest in the work.

Environmental sustainability remained an important part of our activity. By prioritising remote working; focusing our tour within the Midlands; replacing printed materials with digital communications and QR codes; and enabling venue staff to run elements of the experience without our constant presence; we reduced unnecessary travel and materials. Using Julies Bicycle's Creative Climate Tools calculator, we estimate that these choices saved 6.6 tonnes of CO₂ during the project.

MERCURIAL ARTS LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

Achievements and performance

Significant activities and achievements against objectives

EmbodyXR

EmbodyXR is a groundbreaking VR project that combines immersive 3D environments, choreographed movement and CBT-informed prompts to help young people understand and manage signs of anxiety, particularly the body's Flight/Fight/Freeze response. This phase of work, in partnership with Mercurial Dance, sought to refine the experience artistically and technically, test its accessibility in community settings, and begin to explore routes for long-term sustainability.

The project aims included: raising mental health awareness for young people aged 13–25; increasing access to innovative digital art in areas of socio-economic deprivation; involving young people in co-creation and skill development; supporting workforce development within our freelance teams; building partnerships with libraries and universities; and laying foundations for sustainable future touring and potential commercial development.

To achieve this, we continued to evolve EmbodyXR through collaborative practice. Recruitment brought together dancers, digital designers, a UX specialist, an environment artist, writer, motion-capture team, composer, and immersive audio collaborators. Dancers undertook an intensive residency, including training in sign spinning in collaboration with Sign Spin, and created bespoke choreography that was motion-captured and integrated into the virtual world. AI tools were used to prototype interactive features quickly. Immersive audio, developed with Sound Reaction, allowed environments to respond dynamically to participants' actions.

The resulting experience combined a high degree of technical sophistication with clear, accessible guidance for users. Our SCOT (Strengths, Challenges, Opportunities and Threats) analysis within the evaluation highlights key strengths: the project achieved complex technical and artistic integration on a tight budget; reached a wider audience than projected; provided access to immersive technology for communities who would not usually engage with it; and delivered significant upskilling for dancers, designers and producers. Challenges included the need for additional support for participants unfamiliar with VR, capacity limitations within some library teams, and budget constraints that meant some artistic ambitions—such as fully bespoke avatars and additional choreographed and animated sequences—could not be realised at this point. This provides opportunities for our future phases of the project, which we seek to develop. We acknowledge the sustained challenge we are facing as a sector, and threats of shrinking, highly competitive opportunities for funding mean for achieving these ambitions.

Alongside delivery, we began to map future directions for the work. The evaluation identifies opportunities in expanding health and wellbeing initiatives through university partnerships, further touring in the UK and abroad, and developing EmbodyXR as intellectual property that can be adapted for other platforms, including live performance. We have taken early steps towards a smartphone-based wellbeing app to widen accessibility, supported by new forward development funds, which will in turn create local job opportunities for performers and contributes to ongoing sustainability.

Overall, this phase has confirmed EmbodyXR's potential as a "game for change": a creative work with a clear social purpose that resonates with young people and offers a practical, engaging tool for anxiety awareness and self-management.

MERCURIAL ARTS LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2025

Diversity and Inclusion

Diversity and inclusion remain central to our practice, both within our creative teams and in the communities we serve. The EmbodyXR evaluation provides a clear picture of who we reached and who was involved in making the work.

Within the project team, 54% identified as female, 42% as male and 4% as transgender, with a 4:3 female:male ratio in creative leadership roles. Over one-third of the creative team were from ethnic backgrounds under-represented in the arts sector. This reflects our ongoing commitment to offering meaningful roles and leadership opportunities to a diverse range of artists and practitioners.

Audience evaluation forms collected from a sample of 125 participants across nine venues showed that 48% of participants identified as female and 52% as male, with 16% identifying as having a disability. Thirty per cent of participants were in our primary target age bracket of 13–25, and postcode analysis showed that many lived within a short distance of the event locations, with an average travel distance of 4.5 miles and half living within 2 miles. This demonstrates that locating work in local libraries and community spaces remains an effective way of reaching nearby communities.

A significant majority of participants (66%) reported that they had not known about the project until they came across it on the day, pointing to the value of being visible in everyday public spaces rather than relying solely on pre-booked audiences. The presence of a live sign spinner at events increased footfall by around 50%, helping us reach people who might not usually choose to engage in arts or wellbeing activity.

We recognise that many of the communities we worked with have had limited previous access to immersive technologies. By providing free, supported opportunities to engage with VR in a welcoming environment, we aim to reduce these inequalities and ensure that emerging digital wellbeing tools are not restricted to those with greater resources.

Leadership, Governance and Management

The EmbodyXR project was delivered through the charity's established model of drawing together a tailored freelance team around each piece of work and partnerships approaches to financing and delivery. For this phase we coordinated a diverse group of specialists including Director/Choreographer, Games Designer (UX), Environment Artist, composer and sound designers, dancers and sign spinners, motion-capture technicians, visual artists, writer, producer, marketing lead and consultants in clinical psychology and dance movement therapy. This approach allowed us to respond flexibly to the project's needs while managing financial risk within a project-based funding context.

The evaluation highlights significant workforce development and upskilling across this team. Dancers gained new skills in sign spinning, motion-capture and collaborative devising for VR. Digital artists and the director deepened their experience in immersive audio and technical integration using Fmod and Unity, increasing both the quality of the work and the future employability of freelancers involved. This skills development is a key legacy of the project and strengthens the charity's capacity to deliver ambitious digital wellbeing work in future years.

Strong relationships with libraries, community settings and universities underpinned the project's success, providing in-kind support, access to communities and opportunities for shared learning. These partnerships, together with the charity's agile leadership model, ensured that EmbodyXR could be delivered to a high standard, evaluated thoroughly, and positioned for onward development in line with our charitable aims.

MERCURIAL ARTS LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2025

Environmental Sustainability

Environmental sustainability remains a core principle of our work, and we intend to build on the 6.6 tonnes of CO₂ saved this year by deepening our commitment in future phases. We prioritise reduce, reuse and recycle principles in all project design, and our dance-digital fusion supports a low-carbon touring model by presenting work in local venues that audiences can walk to. This approach will continue to guide our planning, ensuring our programmes remain both accessible and environmentally responsible.

Using Julie's Bicycle Creative Climate Tools—cross-referenced with The Networked Condition—we will strengthen our data collection across all projects, allowing us to track our carbon footprint more accurately and shape short- and long-term actions. We will continue to minimise travel emissions by expanding remote working, training venue staff to deliver aspects of our VR experiences without requiring our team to travel, and maintaining hyper-local touring routes or clustered regional "micro-tours" as we grow.

Our Green Rider for EmbodyXR will continue to evolve, supporting energy-efficient equipment use, waste reduction, sustainable materials and eco-friendly working practices across all partner venues. We also plan to build on our awareness of our equipment lifecycle and supply chain, adopting a proactive stance on procurement, maintenance and end-of-life management. Alongside this, we aim to develop comparative carbon analyses—for example, estimating the difference between digital touring and traditional touring models—and to share these findings transparently with partners and stakeholders.

By embedding these commitments into all future phases of EmbodyXR, including touring and app development, we aim to set a strong standard for sustainable practice in small-scale digital arts and ensure that our environmental responsibility grows in step with our artistic and social impact.

Financial review

During the current period the charity has returned a deficit of £71,073 (2024: £72,380 surplus). This reflects the completion of the EmbodyXR project, the funding of which was received in the prior period.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. The trustees acknowledge that the charity has not yet reached this position and are continuing efforts to meet this policy.

As of the 31 January 2025, the charity had net liabilities of £305. This is represented by the balance on the restricted fund of £1,885 less the deficit on the unrestricted funds of £2,190.

As detailed elsewhere in the financial statements the charity benefits from cashflow support from Mercurial Dance Ltd and the main charity liabilities are owed to this creditor. These amounts have been paid in full post year end after the completion of the EmbodyXR project.

Major risks

The Board is aware of its responsibility to identify and review the major risks to which the company is exposed and to implement systems to mitigate those risks. The funding received during the year has helped to develop the charity and part of this has been to strengthen the charity's systems and procedures.

Factors likely to affect future financial performance

Mercurial Arts' business model of project based working and freelance employment structures, mean the trustees consider that the organisation is viable going forward. Mercurial Arts remains resilient and resourceful in responding to the needs and challenges our audiences, participants, partners and funders face as we emerge from this period and we will continue to take an innovative approach to delivering our work.

MERCURIAL ARTS LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2025

Structure, governance and management

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Mercurial Arts Limited is a charitable company limited by guarantee, incorporated on the 1st July 2008. The company is governed by a Memorandum and Articles of Association. It registered as a charity with the Charity Commission on the 11th October 2012 and on this date the charity took over the assets and liabilities of the limited company called Mercurial Arts Limited at this date. In the event of the company being wound up, all members present and 12 months past are required to contribute an amount not exceeding £10.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

O J K Scott
R Hayhow
C L Hegenbarth
N Dodzo

Recruitment and appointment of trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members. Under the requirements of the Memorandum and Articles of Association members are appointed by applying for admission in writing to the Board of Directors who will decide whether to admit or reject the applicant. The number of directors shall not be less than three. At every subsequent AGM, one third of the directors must retire. The directors to retire by rotation are those who have been longest in office since their last appointment or re-appointment.

Other matters

Leadership, Governance and Management

The charity structures its delivery by drawing together, coordinating and contracting teams of freelance individuals and small business to deliver the specific projects' needs. This brings agility, responsiveness and minimises financial risks associated with the project-based funding model in the arts sector. We develop relationships with our teams across projects, drawing in and benefiting from expertise they bring to our work. O. Scott works with the board of trustees to develop the leadership approach and articulate the programme. Through the partnerships we develop with key organisations, we extend the charity's reach and impact, benefiting from in-kind support, goodwill and intangibles that further advance the charities mission. There is a material link with Mercurial Dance Limited, owned by trustee O. Scott. His trustee role is entirely voluntary, and as with all of the board, he brings in-kind and intangible benefits to the charity in terms of donated time, expertise and leadership. The charity benefits from cash flow support from Mercurial Dance. This relates to invoices deferred to support the cashflow management against financial end point payment releases, where active projects cross the financial year, and ensures that our team of contractors are paid promptly while funders conclude their evaluation processes. Fees to Mercurial Dance relate to artistic direction, choreography and project leadership by O Scott. Fees scale year to year according to outputs. This approach is reviewed annually by the board. This year it has been agreed that the outstanding loan balance owed to Mercurial Dance will not be due for repayment so has been written off and the amount included in the charity's incoming resources.

The trustees report was approved by the Board of Trustees.

Nathan Dodzo

box SIGN 158ZQY9X-136L3V76
N Dodzo

Trustee

Date: 27 Nov 2025

MERCURIAL ARTS LIMITED

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MERCURIAL ARTS LIMITED

I report to the trustees on my examination of the financial statements of Mercurial Arts Limited (the charity) for the year ended 31 January 2025.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law), you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006.

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the Companies Act 2006 and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011. In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the Companies Act 2006.
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the Companies Act 2006 other than any requirement that the financial statements give a true and fair view, which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Robert Anderson FCA
Azets Audit Services

3Mc Middlemarch Business Park
Siskin Drive
Coventry
CV3 4FJ

Dated:28/11/25.....

MERCURIAL ARTS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Income and endowments from:							
Donations and legacies	2	-	37,910	37,910	-	75,913	75,913
Other income	3	6,223	-	6,223	-	-	-
Total income		6,223	37,910	44,133	-	75,913	75,913
Expenditure on:							
Charitable activities	4	-	115,206	115,206	-	3,533	3,533
Total expenditure		-	115,206	115,206	-	3,533	3,533
Net income/(expenditure)		6,223	(77,296)	(71,073)	-	72,380	72,380
Transfers between funds		(3,677)	3,677	-	3,960	(3,960)	-
Net movement in funds	6	2,546	(73,619)	(71,073)	3,960	68,420	72,380
Reconciliation of funds:							
Fund balances at 1 February 2024		(4,736)	75,504	70,768	(8,696)	7,084	(1,612)
Fund balances at 31 January 2025		(2,190)	1,885	(305)	(4,736)	75,504	70,768

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

MERCURIAL ARTS LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2025

	Notes	2025 £	£	2024 £	£
Current assets					
Debtors	10	-		75,913	
Cash at bank and in hand		24,065		8,927	
		<u>24,065</u>		<u>84,840</u>	
Creditors: amounts falling due within one year	11	(24,370)		(14,072)	
Net current (liabilities)/assets			<u>(305)</u>		<u>70,768</u>
The funds of the charity					
Restricted income funds	12		1,885		75,504
Unrestricted funds	13		(2,190)		(4,736)
			<u>(305)</u>		<u>70,768</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 January 2025.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the trustees on 27 Nov 2025

Nathan Dodzo
box SIGN I58ZQY9X-136L3V76
N Dodzo
Trustee

Company registration number 6635326 (England and Wales)

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025

1 Accounting policies

Charity information

Mercurial Arts Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Studio 12 Canal Warehouse, Leicester Row, Coventry, CV1 4LH, United Kingdom.

1.1 Reporting period

The previous accounting period was a short period from 1 August 2023 to 31 January 2024 in order to better synchronise the accounting period with the charity's project delivery and reporting timelines. The current accounting period is for the year ended 31 January 2025. Accordingly the comparative amounts presented in the financial statements are not entirely comparable.

1.2 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.5 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

1 Accounting policies

(Continued)

1.6 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	20% on cost
Fixtures, fittings & equipment	33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2025

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2 Donations and legacies

	Restricted funds	Restricted funds
	2025	2024
	£	£
Grants receivable	19,410	75,913
Donated goods and services	18,500	-
	<u>19,410</u>	<u>75,913</u>
Grants receivable for core activities		
Arts Council	19,410	75,913
	<u>19,410</u>	<u>75,913</u>
Donated goods and services		
Donated goods and services represents the costs of rehearsal space hire.		

3 Other income

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
Other income	6,223	-
	<u>6,223</u>	<u>-</u>

Other income represents the loan balance owed to Mercurial Dance Ltd that has been written off as no longer being owed.

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

4 Charitable activities

	2025 £	2024 £
Consultancy and project management	44,700	-
Artists and performance costs	43,494	1,400
Sundries	8,377	854
Marketing	12,486	-
	<u>109,057</u>	<u>2,254</u>
Share of support costs (see note 5)	3,645	331
Share of governance costs (see note 5)	2,504	948
	<u>115,206</u>	<u>3,533</u>

5 Support costs allocated to activities

	2025 £	2024 £
Rent, rates and utilities	2,808	-
Insurance	837	331
Governance costs	2,504	948
	<u>6,149</u>	<u>1,279</u>

6 Net movement in funds

The net movement in funds is stated after charging/(crediting):

Fees payable to the charity's independent examiner:

- for the independent examination of the charity's financial statements

- for other assurance services

	2025 £	2024 £
	1,650	840
	600	-
	<u>2,250</u>	<u>840</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

8 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Total	<u>-</u>	<u>-</u>

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2025

8 Employees

(Continued)

There were no employees whose annual remuneration was more than £60,000.

9 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

10 Debtors

Amounts falling due within one year:	2025 £	2024 £
Trade debtors	-	75,913

11 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	22,840	2,592
Other creditors	-	9,200
Accruals and deferred income	1,530	2,280
	<u>24,370</u>	<u>14,072</u>

12 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 February 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 January 2025 £
Coventry 2021	1,885	-	-	-	1,885
Arts Council - Embody XR	73,619	37,910	(115,206)	3,677	-
	<u>75,504</u>	<u>37,910</u>	<u>(115,206)</u>	<u>3,677</u>	<u>1,885</u>

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

12 Restricted funds

(Continued)

Previous period:	At 1 February 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 January 2024 £
Coventry 2021	1,885	-	-	-	1,885
Arts Council - Researching Digital Arts	600	-	-	(600)	-
Digidance	4,599	-	(1,239)	(3,360)	-
Arts Council - Embody XR	-	75,913	(2,294)	-	73,619
	<u>7,084</u>	<u>75,913</u>	<u>(3,533)</u>	<u>(3,960)</u>	<u>75,504</u>

Arts Council - Researching Digital Arts for Wellbeing

The funding is to help develop Dance VR to undertake research and development towards the creation of a proof of concept virtual reality (VR) art experience which will connect players to their 'dance senses' to develop self esteem, and personal discovery through self-affirmation techniques, in order to support the development of health and wellbeing.

Digidance

Digi'Dance is an arts-led, activism project that aims to improve health & wellbeing outcomes for children through the use of dance & movement-responsive digital technologies.

Arts Council - Embody XR

This funding was to support fund an immersive Virtual Reality dance art, aimed at raising mental health awareness & mitigating anxiety in young people.

13 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 February 2024 £	Incoming resources £	Transfers £	At 31 January 2025 £
General funds	<u>(4,736)</u>	<u>6,223</u>	<u>(3,677)</u>	<u>(2,190)</u>
Previous period:	At 1 February 2023 £	Incoming resources £	Transfers £	At 31 January 2024 £
General funds	<u>(8,696)</u>	<u>-</u>	<u>3,960</u>	<u>(4,736)</u>

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2025

14 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
At 31 January 2025:			
Current assets/(liabilities)	(2,190)	1,885	(305)
	<u>(2,190)</u>	<u>1,885</u>	<u>(305)</u>
	<u><u>(2,190)</u></u>	<u><u>1,885</u></u>	<u><u>(305)</u></u>
	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 January 2024:			
Current assets/(liabilities)	(4,736)	75,504	70,768
	<u>(4,736)</u>	<u>75,504</u>	<u>70,768</u>
	<u><u>(4,736)</u></u>	<u><u>75,504</u></u>	<u><u>70,768</u></u>

15 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

During the year the charity paid fees of £32,508 (2024 - £0) to Mercurial Dance Limited, a company of which O Scott is a director and shareholder. At the balance sheet date £22,840 (2024 - £2,592) was owed in trade debts to Mercurial Dance Limited.

At the balance sheet date a loan balance of £0 (2024 - £9,200) was owed to Mercurial Dance Limited. A balance of £6,223 has been written off during the current year and included in the charity's incoming resources.

MERCURIAL ARTS LIMITED

England & Wales - Charity number 1149284

Accounts

Charity registration number 1149284

Company registration number 6635326 (England and Wales)

MERCURIAL ARTS LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2024

MERCURIAL ARTS LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	O J K Scott R Hayhow C L Hegenbarth N Dodzo
Secretary	O J K Scott
Charity number	1149284
Company number	6635326
Registered office	Studio 11a Canal Warehouse Leicester Row Coventry CV1 4LH
Independent examiner	Azets Audit Services 3Mc Middlemarch Business Park Siskin Drive Coventry CV3 4FJ

MERCURIAL ARTS LIMITED

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Statement of financial activities	5
Balance sheet	6
Notes to the financial statements	7 - 13

MERCURIAL ARTS LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE PERIOD ENDED 31 JANUARY 2024

The trustees present their annual report and financial statements for the period ended 31 January 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

In accordance with the Memorandum of Association of Mercurial Arts Limited the company's objectives are:

To promote, maintain, improve and advance education by the encouragement of the arts including, without limitation, the arts of drama, mime, dance, singing and music.

Mercurial Arts' current focus is primarily on enhancing the lives of Young People through the arts: as participants and audiences. We work with Young People who do not normally have access to the arts and are from areas identified as suffering from socio - economic deprivation.

- 1) To create ambitious performance and art in a variety of settings that mixes dance and technology, for and with young people
- 2) To advance practice; bringing inspiration, challenge, confidence and a sense of achievement into the lives of the young people we work with
- 3) To develop and promote a physical space for the making and presenting a programme of work
- 4) To take an integrated, holistic approach to the development and opportunities we provide our beneficiaries
- 5) To grow the charity in a sustainable & strategic way, placing our work on national & international platforms

The public benefits of the company are the promotion, maintenance and advancement of the arts. The public benefits directly relate to the company's key objectives. No detriment or harm arises from the company providing the public benefits.

In shaping the objectives for the year and planning the charity's activities, the trustees referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Achievements and performance

The 2023-2024 accounts year represent a short year, moving the year end to 31st January 2024, in order to better synchronise our accounting periods with the majority of our projects' delivery and reporting. During this period, ongoing fundraising activities continued and we were successful in gaining an Arts Council Project Grant for EmbodyXR of £75,913. EmbodyXR is a digital health and wellbeing programme of work in libraries and community centres, which builds on the Research and Development project we undertook last financial year. It is delivered with Mercurial Dance. Reporting for this project will be in the 2024-2025 financial year.

Diversity and Inclusion.

Across our programmes we have a highly diverse cohort of young people we support, and through our employment processes, we actively seek to create opportunities for artists identifying as from ethnic minority backgrounds. Our work continues to champion our approaches to working with underrepresented groups with our participants, collaborators and the narratives our work tells; including centering neurodivergent characters stories in work, and artists/collaborators from underrepresented backgrounds. The demographic profile of our organisation is more diverse than the national average for arts organisations at board and company's core (admin team). We continue to strive to lead best practice in this area and are well supported by our board of trustees and the expertise they bring. We serve young people from areas of socio-economic deprivation: all of the areas we worked in this year are in the lowest 10% MDPI most deprived wards. We serve needs holistically, including food provision as necessary, in recognition that the level of children's engagement is dependent upon how their multitude of needs are met. Through anecdotal information, we are mindful that in some individual situations our workshop spaces provide a safer, more inclusive and nurturing environment for the children than their homes do. It is a reminder that our work with vulnerable cohorts doesn't exist in a vacuum and is most beneficial when working through partnerships that support, and see the potential of each child in the whole.

MERCURIAL ARTS LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2024

Financial review

During the current period the charity has returned a surplus of £72,380 (2023: £28,052 deficit). This reflects the new project funding recognised in the period and which will be spent over the subsequent period as the project develops.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. The trustees acknowledge that the charity has not yet reached this position and are continuing efforts to meet this policy.

As of the 31 January 2024, the charity had net assets of £70,768. This comprises the deficit on the unrestricted funds of £4,736 and the balance of £75,504 on the restricted funds.

As detailed elsewhere in the financial statements the charity benefits from cashflow support from Mercurial Dance Ltd and the main charity liabilities are owed to this creditor. Due to the close relationship between the charity and Mercurial Dance, the creditor will no demand repayments of the loan amount until the charity has sufficient reserves to enable it to do so.

The Board is aware of its responsibility to identify and review the major risks to which the company is exposed and to implement systems to mitigate those risks. The funding received during the year has helped to develop the charity and part of this has been to strengthen the charity's systems and procedures.

Mercurial Arts' business model of project based working and freelance employment structures, mean the trustees consider that the organisation is viable going forward. Mercurial Arts remains resilient and resourceful in responding to the needs and challenges our audiences, participants, partners and funders face as we emerge from this period and we will continue to take an innovative approach to delivering our work.

Structure, governance and management

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Mercurial Arts Limited is a charitable company limited by guarantee, incorporated on the 1st July 2008. The company is governed by a Memorandum and Articles of Association. It registered as a charity with the Charity Commission on the 11th October 2012 and on this date the charity took over the assets and liabilities of the limited company called Mercurial Arts Limited at this date. In the event of the company being wound up, all members present and 12 months past are required to contribute an amount not exceeding £10.

The trustees, who are also the directors for the purpose of company law, and who served during the period and up to the date of signature of the financial statements were:

O J K Scott

R Hayhow

C L Hegenbarth

N Dodzo

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members. Under the requirements of the Memorandum and Articles of Association members are appointed by applying for admission in writing to the Board of Directors who will decide whether to admit or reject the applicant. The number of directors shall not be less than three. At every subsequent AGM, one third of the directors must retire. The directors to retire by rotation are those who have been longest in office since their last appointment or re-appointment.

MERCURIAL ARTS LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 31 JANUARY 2024

Leadership, Governance and Management

The charity structures its delivery by drawing together, coordinating and contracting teams of freelance individuals and small business to deliver the specific projects' needs. This brings agility, responsiveness and minimises financial risks associated with the project-based funding model in the arts sector. We develop relationships with our teams across projects, drawing in and benefiting from expertise they bring to our work. O. Scott works with the board of trustees to develop the leadership approach and articulate the programme. Through the partnerships we develop with key organisations, we extend the charity's reach and impact, benefiting from in-kind support, goodwill and intangibles that further advance the charities mission. There is a material link with Mercurial Dance Limited, owned by trustee O. Scott. His trustee role is entirely voluntary, and as with all of the board, he brings in-kind and intangible benefits to the charity in terms of donated time, expertise and leadership. The charity benefits from cash flow support from Mercurial Dance, detailed in the balance sheet loan of £6,839 owed at the year end. This relates to invoices deferred to support the cashflow management against financial end point payment releases, where active projects cross the financial year, and ensures that our team of contractors are paid promptly while funders conclude their evaluation processes. Fees to Mercurial Dance relate to artistic direction, choreography and project leadership by O. Scott. Fees scale year to year according to outputs. This approach is reviewed annually by the board.

The trustees report was approved by the Board of Trustees.



.....
N Dodzo

Trustee

Date: 28/11/24 -

MERCURIAL ARTS LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF MERCURIAL ARTS LIMITED

I report to the trustees on my examination of the financial statements of Mercurial Arts Limited (the charity) for the Period ended 31 January 2024.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Robert Anderson FCA
Azets Audit Services

3Mc Middlemarch Business Park
Siskin Drive
Coventry
CV3 4FJ

Dated: 29.11.24

MERCURIAL ARTS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 JANUARY 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income from:							
Donations and legacies	2	-	75,913	75,913	-	6,680	6,680
Expenditure on:							
Charitable activities	3	-	3,533	3,533	-	34,732	34,732
Net incoming/(outgoing) resources before transfers							
		-	72,380	72,380	-	(28,052)	(28,052)
Gross transfers between funds							
		3,960	(3,960)	-	6,483	(6,483)	-
Net income/(expenditure) for the Period/ Net movement in funds							
		3,960	68,420	72,380	6,483	(34,535)	(28,052)
Fund balances at 1 August 2023							
		(8,696)	7,084	(1,612)	(15,179)	41,619	26,440
Fund balances at 31 January 2024							
		(4,736)	75,504	70,768	(8,696)	7,084	(1,612)

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

MERCURIAL ARTS LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2024

	Notes	2024 £	£	2023 £	£
Current assets					
Debtors	8	75,913		-	
Cash at bank and in hand		8,927		9,259	
		<u>84,840</u>		<u>9,259</u>	
Creditors: amounts falling due within one year	9	<u>(14,072)</u>		<u>(10,871)</u>	
Net current assets/(liabilities)			<u>70,768</u>		<u>(1,612)</u>
Income funds					
Restricted funds	10		75,504		7,084
Unrestricted funds			<u>(4,736)</u>		<u>(8,696)</u>
			<u>70,768</u>		<u>(1,612)</u>

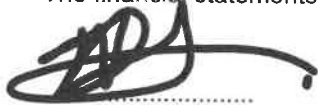
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the period ended 31 January 2024.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 28/1/2024



N Dodzo
Trustee

Company registration number 6635326

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JANUARY 2024

1 Accounting policies

Charity information

Mercurial Arts Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Studio 11a Canal Warehouse, Leicester Row, Coventry, CV1 4LH, United Kingdom.

1.1 Reporting period

The accounting period has been shortened to 31 January 2024 from 31 July 2024 in order to better synchronise the accounting period with the charity's project delivery and reporting timelines. Accordingly the comparative amounts presented in the financial statements are not entirely comparable.

1.2 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.5 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2024

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.6 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	20% on cost
Fixtures, fittings & equipment	33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2 Donations and legacies

	Restricted funds	Restricted funds
	2024	2023
	£	£
Grants receivable	75,913	1,500
Donated goods and services	-	5,180
	<u>75,913</u>	<u>6,680</u>
Grants receivable for core activities		
Arts Council	75,913	1,500
	<u>75,913</u>	<u>1,500</u>

Donated goods and services

Donated goods and services represents the costs of rehearsal space hire.

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2024

3 Charitable activities

	2024 £	2023 £
Consultancy and project management	-	12,240
Artists and performance costs	1,400	16,198
Sundries	854	1,663
	<u>2,254</u>	<u>30,101</u>
Share of support costs (see note 4)	331	3,045
Share of governance costs (see note 4)	948	1,586
	<u>3,533</u>	<u>34,732</u>

4 Support costs

	Support costs £	Governance costs £	2024 £	Support costs £	Governance costs £	2023 £
Rent	-	-	-	2,247	-	2,247
Insurance	331	-	331	798	-	798
Legal and professional	-	80	80	-	-	-
Accountancy	-	840	840	-	1,440	1,440
Clerical assistance	-	28	28	-	146	146
	<u>331</u>	<u>948</u>	<u>1,279</u>	<u>3,045</u>	<u>1,586</u>	<u>4,631</u>
Analysed between						
Charitable activities	<u>331</u>	<u>948</u>	<u>1,279</u>	<u>3,045</u>	<u>1,586</u>	<u>4,631</u>

Governance costs includes payments to the accountants £1,400 (2023- £2,100) for the independent examination.

5 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the Period.

6 Employees

The average monthly number of employees during the Period was:

	2024 Number	2023 Number
Total	<u>-</u>	<u>-</u>

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2024

6 Employees

(Continued)

There were no employees whose annual remuneration was more than £60,000.

7 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

8 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	75,913	-
	<u>75,913</u>	<u>-</u>

9 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	2,592	2,592
Other creditors	9,200	6,839
Accruals and deferred income	2,280	1,440
	<u>14,072</u>	<u>10,871</u>

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2024

10 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 August 2022		Movement in funds			Movement in funds			Balance at 31 January 2024		
	£	£	Incoming resources	Resources expended	Transfers	Balance at 1 August 2023	Incoming resources	Resources expended	Transfers	£	£
Coventry 2021	1,885	-	-	-	-	1,885	-	-	-	-	1,885
Arts Council - Researching Digital Arts	13,500	6,680	6,680	(18,884)	(696)	600	-	-	(600)	-	-
Digidance	26,234	-	-	(15,848)	(5,787)	4,599	-	(1,239)	(3,360)	-	-
Arts Council - Embody XR	-	-	-	-	-	-	75,913	(2,294)	-	-	73,619
	<u>41,619</u>	<u>6,680</u>	<u>6,680</u>	<u>(34,732)</u>	<u>(6,483)</u>	<u>7,084</u>	<u>75,913</u>	<u>(3,533)</u>	<u>(3,960)</u>	<u>75,504</u>	<u>75,504</u>

Arts Council - Researching Digital Arts for Wellbeing

The funding is to help develop Dance VR to undertake research and development towards the creation of a proof of concept virtual reality (VR) art experience which will connect players to their 'dance senses' to develop self esteem, and personal discovery through self-affirmation techniques, in order to support the development of health and wellbeing.

Digidance

Digi'Dance is an arts-led, activism project that aims to improve health & wellbeing outcomes for children through the use of dance & movement-responsive digital technologies.

Arts Council - Embody XR

This funding was to support fund an immersive Virtual Reality dance art, aimed at raising mental health awareness & mitigating anxiety in young people.

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2024

11 Analysis of net assets between funds

	Unrestricted	Restricted	Total Unrestricted	Restricted	Total
	2024	2024	2024	2023	2023
	£	£	£	£	£
Fund balances at 31 January 2024 are represented by:					
Current assets/(liabilities)	(8,696)	79,464	70,768	(10,496)	8,884
	<u>(8,696)</u>	<u>79,464</u>	<u>70,768</u>	<u>(10,496)</u>	<u>8,884</u>
	<u><u>(8,696)</u></u>	<u><u>79,464</u></u>	<u><u>70,768</u></u>	<u><u>(10,496)</u></u>	<u><u>8,884</u></u>

12 Related party transactions

Transactions with related parties

During the period the charity entered into the following transactions with related parties:

During the year the charity paid fees of £0(2023 - £17,366) to Mercurial Dance Limited, a company of which O Scott is a director and shareholder. At the balance sheet date £2,592 (2023 - £2,592) was owed in trade debts to Mercurial Dance Limited.

At the balance sheet date a loan balance of £9,200 (2023 - £6,839) was owed to Mercurial Dance Limited. This will not be demanded for repayment until the charity has sufficient funds to ensure all other liabilities are settled.

MERCURIAL ARTS LIMITED

England & Wales - Charity number 1149284

Accounts

Charity registration number 1149284

Company registration number 6635326 (England and Wales)

MERCURIAL ARTS LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

MERCURIAL ARTS LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	O J K Scott R Hayhow C L Hegenbarth N Dodzo
Secretary	O J K Scott
Charity number	1149284
Company number	6635326
Registered office	Studio 11a Canal Warehouse Leicester Row Coventry CV1 4LH
Independent examiner	Azets Audit Services 3Mc Middlemarch Business Park Siskin Drive Coventry CV3 4FJ

MERCURIAL ARTS LIMITED

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MERCURIAL ARTS LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 JULY 2022

The trustees present their annual report and financial statements for the year ended 31 July 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

In accordance with the Memorandum of Association of Mercurial Arts Limited the company's objectives are: To promote, maintain, improve and advance education by the encouragement of the arts including, without limitation, the arts of drama, mime, dance, singing and music.

Mercurial Arts' current focus is primarily on enhancing the lives of Young People through the arts: as participants and audiences. We work with Young People who do not normally have access to the arts and are from areas identified as suffering from socio - economic deprivation.

- 1) To create ambitious performance and art in a variety of settings that mixes dance and technology, for and with young people
- 2) To advance practice; bringing inspiration, challenge, confidence and a sense of achievement into the lives of the young people we work with
- 3) To develop and promote a physical space for the making and presenting a programme of work
- 4) To take an integrated, holistic approach to the development and opportunities we provide our beneficiaries
- 5) To grow the charity in a sustainable & strategic way, placing our work on national & international platforms

The public benefits of the company are the promotion, maintenance and advancement of the arts. The public benefits directly relate to the company's key objectives. No detriment or harm arises from the company providing the public benefits.

In shaping the objectives for the year and planning the charity's activities, the trustees referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Achievements and performance

The 2021-22 financial year saw the advancement of our Digi'dance project and the realisation and launch of Fame Game, concluding a stage in the development arc of this project initiated in previous financial years. In the previous financial year the Arts Council Cultural Recovery Grants and project grant, with additional financial support from Mercurial Dance, enabled the development of Fame Game. Fame Game is a gamified digital dance theatre experience, to be played in groups on a mobile phone. As we transitioned the financial year end, we were in film production for Fame Game, which drew together a talented, diverse cast of dancers and actors to shoot the story, with support from Rep Birmingham and other venues across the city. Audience testing took place in October 2021 with a sophisticated app and games management system guiding the audience through this geo-locative experience in Birmingham city centre. Fame Game launched in Birmingham, listing in the Birmingham 2022 Commonwealth Games Festival programme and Wandsworth Arts Festival in early summer 2022.

MERCURIAL ARTS LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

Digi'Dance Summer 2022

Digi'Dance is an arts-led, activism project that aims to improve health & wellbeing outcomes for children through the use of dance & movement-responsive digital technologies. In the previous summer of 2021, we embarked on a co-creation process for a 'tech for good' digital App concept. Digi'Dance 2022 sought to continue this co-creation process with local children within the same communities. Continuing a unique healthy holiday activity offer in school holidays for children in need, advancing the App concept with them, so they continue to feel a degree of creative ownership over its development and reap the benefits offered. We ran phase 2 of the Digi Dance project, returning to work with groups of low socio economic and migrant communities in Hillfields, Coventry. The project received support from Coventry City Council Arts Development, Awards For All and Queens Jubilee fund.

The co-creation process was facilitated through a dance participation project with a difference - a digitally-enhanced week of school holiday activity where recently arrived children within Coventry and children from Hillfields had the opportunity to engage in dance, digital play and storytelling sessions. These included

- Dance workshops developing technique and fitness with professional dance artists
- Creative coding workshops exploring different aspects of games development and digital awareness
- Choreography and storytelling through movement activity with professional dance artists
- Digital play around the interaction between movement and motion-tracking technology with a digital artist
- Creative visualisation with a digital artist and interaction/testing and feedback on App prototypes as part of the development process

Alongside the face to face participant co-creation work, artistic time and development on the prototype app in the studio continued with the company to advance this to the next stage, to test technical aspects, hone choreographic narrative and advance the project overall.

Participants were recruited for the programme, through three routes, all building on partnerships from last year. These were text message and email marketing to parents/carers of last years participants. Referral from partnerships with the Resettlement team, Harmony Hub and parent referrals from local Hillfields communities. The project ran twice weekly for three hours over a four week period so a total of eight sessions. During this period 31 young people engaged with the activity. Numbers varied in each session due to sickness , holidays, appointments and in some cases moving to a different area due to the nature of the children we were working with an average of 22 children per session. The profile of the group was 45% boys, 55% girls, included a mix of children returning from the previous year, as well as new children joining the project, with a 87% of the children from ethnically diverse backgrounds, and all were from postcode areas in the lowest 10% MDPI most deprived wards of Coventry.

MERCURIAL ARTS LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

Feedback from families and carers

" This project has helped him settle into a new place and make some friends. We have just arrived here and this has made him feel so welcome."

" My child has never danced before and loves it. She has woken up so excited every day. She has grown so confident and we will be looking for classes so she can continue"

" The quality time they get to spend with the teachers and experts , it allows them to develop new skills and gives me space and time"

Diversity and Inclusion.

Across our programmes we have a highly diverse cohort of young people we support, and through our employment processes, we actively seek to create opportunities for artists identifying as from ethnic minority backgrounds. In terms of ethnicity, in Mercurial's partner schools programme over 80% of children and young people are from Asian backgrounds. In Digi Dance 2022 83% identify as being from ethnic minority groups. In Fame Game we consciously cast a diverse team of actors and dancers and over 70% identifying as being from ethnic minority backgrounds. The demographic profile of our organisation is more diverse than the national average for arts organisations at board and company's core (admin team). We continue to strive to lead best practice in this area and are well supported by our board of trustees and the expertise they bring. We serve young people from areas of socio-economic deprivation: all of the areas we worked in this year are in the lowest 10% MDPI most deprived wards. We serve needs holistically, including food provision as necessary, in recognition that the level of children's engagement is dependent upon how their multitude of needs are met. Through anecdotal information, we are mindful that in some individual situations our workshop spaces provide a safer, more inclusive and nurturing environment for the children than their homes do. It is a reminder that our work with vulnerable cohorts doesn't exist in a vacuum and is most beneficial when working through partnerships that support, and see the potential of each child in the whole.

Financial review

During the current year the charity has returned a deficit of £1,585 (2021: £9,300 deficit).

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

As of the 31 July 2022, the charity's level of reserves amounted to £26,440. This comprises the deficit on the unrestricted funds of £15,179 and the balance of £41,619 on the restricted funds which represents ongoing projects where grant income has been received in advance of the completion of the project.

The present level of funding is adequate to support the continuation of the company for the medium term and the Board consider the financial position of the company to be satisfactory.

The Board is aware of its responsibility to identify and review the major risks to which the company is exposed and to implement systems to mitigate those risks. The funding received during the year has helped to develop the charity and part of this has been to strengthen the charity's systems and procedures.

Mercurial Arts' business model of project based working and freelance employment structures, mean the trustees consider that the organisation is viable going forward. Mercurial Arts remains resilient and resourceful in responding to the needs and challenges our audiences, participants, partners and funders face as we emerge from this period and we will continue to take an innovative approach to delivering our work.

MERCURIAL ARTS LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

Structure, governance and management

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Mercurial Arts Limited is a charitable company limited by guarantee, incorporated on the 1st July 2008. The company is governed by a Memorandum and Articles of Association. It registered as a charity with the Charity Commission on the 11th October 2012 and on this date the charity took over the assets and liabilities of the limited company called Mercurial Arts Limited at this date. In the event of the company being wound up, all members present and 12 months past are required to contribute an amount not exceeding £10.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

O J K Scott
R Hayhow
C L Hegenbarth
N Dodzo

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members. Under the requirements of the Memorandum and Articles of Association members are appointed by applying for admission in writing to the Board of Directors who will decide whether to admit or reject the applicant. The number of directors shall not be less than three. At every subsequent AGM, one third of the directors must retire. The directors to retire by rotation are those who have been longest in office since their last appointment or re-appointment.

Leadership, Governance and Management

The charity structures its delivery by drawing together, coordinating and contracting teams of freelance individuals and small business to deliver the specific projects' needs. This brings agility, responsiveness and minimises financial risks associated with the project-based funding model in the arts sector. We develop relationships with our teams across projects, drawing in and benefiting from expertise they bring to our work. O. Scott works with the board of trustees to develop the leadership approach and articulate the programme. Through the partnerships we develop with key organisations, we extend the charity's reach and impact, benefiting from in-kind support, goodwill and intangibles that further advance the charities mission. There is a material link with Mercurial Dance, owned by trustee O. Scott. His trustee role is entirely voluntary, and as with all of the board, he brings in-kind and intangible benefits to the charity in terms of donated time, expertise and leadership. The charity benefits from cash flow support from Mercurial Dance, detailed in the balance sheet loan of £14,443 owed at the year end. This relates to invoices deferred to support the cashflow management against financial end point payment releases, where active projects cross the financial year, and ensures that our team of contractors are paid promptly while funders conclude their evaluation processes. Fees to Mercurial Dance relate to artistic direction, choreography and project leadership by O. Scott. Fees scale year to year according to outputs. This approach is reviewed annually by the board.

The trustees report was approved by the Board of Trustees.


N Dodzo
Trustee

Date: 26/05/2023

MERCURIAL ARTS LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF MERCURIAL ARTS LIMITED

I report to the trustees on my examination of the financial statements of Mercurial Arts Limited (the charity) for the year ended 31 July 2022.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Robert Anderson FCA
Azets Audit Services

3Mc Middlemarch Business Park
Siskin Drive
Coventry
CV3 4FJ

Dated:

MERCURIAL ARTS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:							
Donations and legacies	2	200	98,646	98,846	-	122,928	122,928
Charitable activities	3	-	-	-	200	-	200
Total income		<u>200</u>	<u>98,646</u>	<u>98,846</u>	<u>200</u>	<u>122,928</u>	<u>123,128</u>
Expenditure on:							
Charitable activities	4	-	100,431	100,431	-	132,428	132,428
Net incoming/(outgoing) resources before transfers		200	(1,785)	(1,585)	200	(9,500)	(9,300)
Gross transfers between funds		(23,863)	23,863	-	9,513	(9,513)	-
Net (expenditure)/income for the year/ Net movement in funds		<u>(23,663)</u>	<u>22,078</u>	<u>(1,585)</u>	<u>9,713</u>	<u>(19,013)</u>	<u>(9,300)</u>
Fund balances at 1 August 2021		<u>8,484</u>	<u>19,541</u>	<u>28,025</u>	<u>(1,229)</u>	<u>38,554</u>	<u>37,325</u>
Fund balances at 31 July 2022		<u><u>(15,179)</u></u>	<u><u>41,619</u></u>	<u><u>26,440</u></u>	<u><u>8,484</u></u>	<u><u>19,541</u></u>	<u><u>28,025</u></u>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

MERCURIAL ARTS LIMITED

BALANCE SHEET

AS AT 31 JULY 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Debtors	8	3,683		16,140	
Cash at bank and in hand		64,011		42,757	
		<u>67,694</u>		<u>58,897</u>	
Creditors: amounts falling due within one year	9	<u>(41,254)</u>		<u>(30,872)</u>	
Net current assets			<u>26,440</u>		<u>28,025</u>
Income funds					
Restricted funds	10		41,619		19,541
Unrestricted funds			<u>(15,179)</u>		<u>8,484</u>
			<u>26,440</u>		<u>28,025</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 July 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 26/05/23


N Dodzo
Trustee

Company registration number 6635326

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

Charity information

Mercurial Arts Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Studio 11a Canal Warehouse, Leicester Row, Coventry, CV1 4LH, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	20% on cost
Fixtures, fittings & equipment	33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Restricted funds
	2022	2022	2022	2021
	£	£	£	£
Donations and gifts	200	-	200	2,500
Grants receivable	-	88,226	88,226	116,828
Donated goods and services	-	10,420	10,420	3,600
	<u>200</u>	<u>98,646</u>	<u>98,846</u>	<u>122,928</u>
Grants receivable for core activities				
Coventry City Council	-	10,918	10,918	-
Arts Council	-	59,850	59,850	116,828
Awards for All	-	9,980	9,980	-
Sports England	-	5,980	5,980	-
Other	-	1,498	1,498	-
	<u>-</u>	<u>88,226</u>	<u>88,226</u>	<u>116,828</u>

Donated goods and services

Donated goods and services represents the costs of rehearsal space hire.

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

3 Charitable activities

	2021 £
Other income	200

4 Charitable activities

	2022 £	2021 £
Consultancy and project management	45,893	70,864
Artists and performance costs	40,117	49,481
Sundries	1,429	681
Marketing	8,571	5,739
	<u>96,010</u>	<u>126,765</u>
Share of support costs (see note 5)	1,848	3,658
Share of governance costs (see note 5)	2,573	2,005
	<u>100,431</u>	<u>132,428</u>

5 Support costs

	Support costs £	Governance costs £	2022 Support costs		Governance costs £	2021 £
	£	£	£	£	£	£
Rent	963	-	963	2,112	-	2,112
Insurance	885	-	885	826	-	826
Training	-	-	-	720	-	720
Accountancy	-	2,100	2,100	-	1,680	1,680
Clerical assistance	-	473	473	-	325	325
	<u>1,848</u>	<u>2,573</u>	<u>4,421</u>	<u>3,658</u>	<u>2,005</u>	<u>5,663</u>
Analysed between Charitable activities	<u>1,848</u>	<u>2,573</u>	<u>4,421</u>	<u>3,658</u>	<u>2,005</u>	<u>5,663</u>

Governance costs includes payments to the accountants £2,100 (2021- £1,680) for the independent examination.

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

7 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

8 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	3,683	16,140

9 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	24,765	21,502
Other creditors	14,443	7,324
Accruals and deferred income	2,046	2,046
	<u>41,254</u>	<u>30,872</u>

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

10 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 August 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 August 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 July 2022 £
Route 10	15,590	-	(13,351)	(2,239)	-	-	-	-	-
Coventry 2021	1,885	-	-	-	1,885	-	-	-	1,885
Rescue Mercurial Arts	20,079	-	(15,308)	(4,771)	-	-	-	-	-
Pavilion Dance	1,000	-	-	-	1,000	-	-	(1,000)	-
Arts Council - Culture for all Communities	-	75,648	(73,146)	(2,502)	-	-	-	-	-
Arts Council - Culture for all Communities 2	-	32,280	(15,624)	-	16,656	-	(10,591)	(6,065)	-
Arts Council - Fame Game	-	15,000	(15,000)	-	-	26,918	(58,426)	31,508	-
Arts Council - Researching Digital Arts	-	-	-	-	-	13,500	-	-	13,500
Digidance	-	-	-	-	-	26,878	(644)	-	26,234
Arts Council - ERS Round 2	-	-	-	-	-	31,350	(30,770)	(580)	-
	<u>38,554</u>	<u>122,928</u>	<u>(132,429)</u>	<u>(9,512)</u>	<u>19,541</u>	<u>98,646</u>	<u>(100,431)</u>	<u>23,863</u>	<u>41,619</u>

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

10 Restricted funds

(Continued)

Route 10

Relates to a project in connection with the number 10 bus route in Coventry and its use as measure of health inequalities in the city.

Rescue Mercurial Arts

Relates to the Art Council England, (Covid-19) Emergency Response fund to secure and bridge the company, retain and support core workforce and innovate new business models.

Pavillion Dance

Relates to innovation in Digital Dance & Gamification

Arts Council - Culture for Communities

This funding was to help support the arts sector through the Covid 19 pandemic and has been used to support the charity during this time and help to continue to develop and diversify the charity's projects. Arts Council funding totalled £116,828 which was supplemented by in kind support and other donations.

Arts Council - Fame Game

The funding was to help develop a digital immersive theatre experience played through mobile phones.

Arts Council - Researching Digital Arts for Wellbeing

The funding is to help develop Dance VR to undertake research and development towards the creation of a proof of concept virtual reality (VR) art experience which will connect players to their 'dance senses' to develop self esteem, and personal discovery through self-affirmation techniques, in order to support the development of health and wellbeing.

DigilDance

DigilDance is an arts-led, activism project that aims to improve health & wellbeing outcomes for children through the use of dance & movement-responsive digital technologies.

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

11 Analysis of net assets between funds

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Fund balances at 31 July 2022 are represented by:						
Current assets/(liabilities)	(15,180)	41,620	26,440	8,484	19,541	28,025
	<u>(15,180)</u>	<u>41,620</u>	<u>26,440</u>	<u>8,484</u>	<u>19,541</u>	<u>28,025</u>

12 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

During the year the charitable company paid fees of £52,856 (2021 - £67,260) to Mercurial Dance Limited, a company of which O J K Scott is a director and shareholder. At the balance sheet date £16,200 (2021 - £Nil) was owed in trade debts to Mercurial Dance Limited.

At the balance sheet date a loan balance of £14,443 (2021 - £7,323) was owed to Mercurial Dance Limited.

MERCURIAL ARTS LIMITED

England & Wales - Charity number 1149284

Accounts

Charity Registration No. 1149284

Company Registration No. 6635326 (England and Wales)

MERCURIAL ARTS LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

MERCURIAL ARTS LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	O J K Scott R Hayhow C L Hegenbarth N Dodzo
Secretary	O J K Scott
Charity number	1149284
Company number	6635326
Registered office	Studio 11a Canal Warehouse Leicester Row Coventry CV1 4LH
Independent examiner	Azets Audit Services 3Mc Middlemarch Business Park Siskin Drive Coventry CV3 4FJ

MERCURIAL ARTS LIMITED

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MERCURIAL ARTS LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 JULY 2021

The trustees present their report and financial statements for the year ended 31 July 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

In accordance with the Memorandum of Association of Mercurial Arts Limited the company's objectives are:

To promote, maintain, improve and advance education by the encouragement of the arts including, without limitation, the arts of drama, mime, dance, singing and music.

Mercurial Arts' current focus is primarily on enhancing the lives of Young People through the arts: as participants and audiences. We work with Young People who do not normally have access to the arts and are from areas identified as suffering from socio - economic deprivation.

- 1) To create ambitious performance and art in a variety of settings that mixes dance and technology, for and with young people
- 2) To advance practice; bringing inspiration, challenge, confidence and a sense of achievement into the lives of the young people we work with
- 3) To develop and promote physical and virtual spaces for the making and presenting a programme of work
- 4) To develop partnership working to promote ambition, amplify quality and maximise impact
- 5) To grow the charity in a sustainable & strategic way, placing our work on national & international platforms

The public benefits of the company are the promotion, maintenance and advancement of the arts. The public benefits directly relate to the company's key objectives. No detriment or harm arises from the company providing the public benefits.

In shaping the objectives for the year and planning the charity's activities, the trustees referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Achievements and performance

2020-2021 has been a very busy year. We have delivered over 20,400 face to face participant experiences across the year, in areas of lowest cultural engagement; and accelerated our digital work. We have created a short dance film, are in process for the creation and launch of two new digital dance experiences that continue into 2021-22 year. Working through the Covid pandemic has been a challenge. However, continuing the rapid innovation, diligent project management, and taking a robust approach to 'Covid safe' practice, has meant we have managed to deliver a very successful year with limited disruption to our ambitions. Investment from two rounds of Arts Council Cultural Recovery Grants, has enabled us to shift up a gear. This continuity of support has contributed to all the activities of all the programmes. It has enabled the core team to dedicate time to evolving our business model, and innovate in digital technology. It has helped us to retain freelance talent, the artists and producers we regularly work with, and support individuals with work where they were ineligible for other types of Government financial support through the pandemic (SEIS, furlough).

Mercurial Arts has flourished through some exceptionally challenging times. Key to our work is the partnerships we have formed through our business model innovation, with links with digital sectors, which have enabled us to take a dynamic approach through the first and subsequent national lockdowns. These partnerships have extended the charity's reach and we have integrated the work more closely with our key delivery organisation Mercurial Dance. We have delivered over 20,400 face to face participant experiences across the year in education and outreach programmes to areas of lowest cultural engagement. The partners we established these programmes with include Coventry City Council Early Help, Coventry City of Culture Trust, and Oasis Community Learning which has enabled a substantial reach across the Midlands for the benefit of the young people and audiences involved.

MERCURIAL ARTS LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

The Route 10 programme of work was established in response to health inequalities in Coventry, and prevalent across the country, taking its name from research in Coventry's Marmot City report and that tackling health inequalities are central to the city council strategy. Route 10 project has an overarching aim to research and address improvements to health and wellbeing through dance and the arts. Whilst the professional performance aspects of Route 10 were postponed due to the pandemic in the previous financial year, the much-needed creative community activity has continued across the groups we work with. The pandemic has negatively affected children's fitness, and mental health particularly in more vulnerable groups. Our face-to-face programmes took place as soon as the covid restrictions lifted, tier by tier. Therefore, Route 10 Leap Forward, created on the cusp of lockdown restrictions easing in March 2021, brought dance and creative activity to 29 'at risk' and vulnerable children, in partnership with Oasis Hub Shortheath Birmingham. Over the Easter holiday we co-created a short film Leap Forward which expressed the exuberance and hope the children felt at lockdown restrictions easing. Route 10 Leap Forward was created with support from National Lottery Fund Awards For All, and funds raised from trusts and foundations.

Our online learning videos continue to gather audience with over 12,000 impressions, 2200 views and a loyal following of weekly viewers as they were released as part of our learning at home programme for the UK coronavirus lockdowns (lockdown school closures 26.03.20-01.06.20; 05.11.20-02.12.20 and 04.01.21-08.03.21). From our initial swift move to digital streaming in the previous financial year (early March 2020) we have grown our capability and strategic direction of our audience facing digital work. Ambitious to create work that stretches the boundaries and meets our audience in formats and ways they are used to, our Arts Council Cultural recovery grants have supported the development of new digital work. We build on a strong foundation and previous experiences: The geolocative experience app 'Histories at Hobmoor', launched in 2019 on iOS and Android, and our Bubble Chamber series of interactive digital installations helped inform our new strategy, in to adopt an AGILE development process with the team. We have invested in team training, joining the highly competitive StoryFutures programme for immersive storytelling, and won an award for our Virtual Reality dance art health and wellbeing concept which will be pursued in the subsequent financial year.

The Arts Council Cultural Recovery Grants and project grant, with additional financial support leveraged by Mercurial Dance have supported the development of Fame Game. Fame Game is a gamified digital dance theatre experience, to be played in groups. Collaboration with a Games Designer with expertise in escape games, and a writer led to the development of a script, puzzles and approach. We tested a prototype version in early spring with a group from Birmingham Hippodrome's young advocates, representative of the city's demographic. They learned about our process and gave feedback on the prototype. We recruited a diverse cast, with over 70% of the actors and dancers in leading roles identifying as being from ethnic minority groups. The film production crosses into the 2021-22 financial year with filming completed at the end of July 2021, with support from Rep Birmingham and other venues across the city. We move into post production and the technical finalisation of the game management system with previews in October 2021. Opening up our creative process we supported two young volunteers on placement with the film production period, which gave them industry awareness and experience. Audience reach will be reported on in the 2021-2022 financial year.

Continuing our work with Health and Wellbeing, we initiated and delivered Route 10 DigiDance working across summer 2021 to co-author a new digital augmented reality prototype. Digi Dance is an arts-led, activism project that aims to improve health & wellbeing outcomes for children (aged 8+) through the use of dance & movement-responsive digital technologies. Phase 1 in summer 2021, was a dance participation project with a difference: a digitally-enhanced dance summer school. Children had the opportunity to co-create the choreography and prototype digital solution to movement-led wellbeing for a similar age group to themselves. Central to the delivery of the project was a focus on collaboration and developing partnerships. Mercurial Arts worked with Mercurial Dance and digital partners Arcade, Coventry City of Culture 2021 and Coventry City Council (CC). All participants of the project were identified by the CC Early Help teams based within Family Hubs across the city. This allowed outreach work and audience development to take place in underrepresented communities across the city.

MERCURIAL ARTS LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

The Route 10 DigiDance project ran for four weeks in three locations across Coventry St Peters Church CV1 5NP, Northpoint Church CV2 1UT and Xcel Leisure Centre CV4 8DY, geographically dispersing activity geographically across the city. The sessions were twice weekly for two sessions totaling 3 hours. Our fed and fit model of delivery for vulnerable cohorts ensured that nutritional needs were met, alongside physical, emotional and creative authorship were met through the programme. The project had engagement with over 45 young people across the city that attended regularly, and an additional 8-10 young people that engaged in 1 or 2 sessions; totalling c.760 participant experiences. The participants took part in physical activity that supported health benefits. They were able to learn new dance styles, incorporating music choices and movement to reflect the cultural diversity of the group. They were actively encouraged to be creative and interact with each other to work as part of a group to develop social interaction, all of which was impacted negatively during the pandemic.

80% of participants had never taken part in any form of dance or movement sessions prior to engaging in the programme and 76% of Participants are more likely to take part in future physical activities as a result of participating in our programme. Within one of the groups, 23 participants out of 27 that were newly arrived to the UK (within one year), with very limited English language skills. The Mercurial Dance team designed the project with full accessibility in mind. Dance and digital teaching and learning strategies and communication techniques were implemented for the cohort. This included non-verbal and visual instructions, professional translation for some sessions, and peer led translation with the group, enabling the young people's engagement. The children and families said this helped improved their confidence and dealt with feelings that they had experienced before such as isolation.

"My 2 boys really enjoyed the programme and made new friends. Whole experience was really good and was good integrate into the community." Parent/ Carer

"They enjoyed being able to practice their English as well as the physical activity" Parent/ Carer

The co-authored games design process was unique and the project also supported outcomes in digital literacy.

Prior to starting the project 85% of participants had never experienced Augmented Reality (AR) or Virtual Reality (VR). Over a very short period of time we brought children's knowledge to the forefront of current games design. This brought a focus on those that relate to dance, AR, XR and VR experiences in movement, health and wellbeing, where previously the children had had no experience. The children undertook games design approaches to development generating choreography, ideas and narrative. The process of weekly design sprints with Arcade, using paper prototypes developed by the children, and reflective artistic conversations, produced tangible outcomes for the children to test, respond to and build on. This enabled a closely co-authored process built around children's imagination and creativity, with actual games testing on the different concepts they came up with. Children were articulate in their approaches and critique of the prototypes.

Digi Dance is a co-authored digital wellbeing concept. It has given us a movement-led, digital wellbeing concept to take forward. We have created prototype app and a strong, evidenced approach to a scalable experience that will support's children's health and wellbeing in a fun, playful and engaging way. Their involvement in the design process ensures what we create will resonate and reach this cohort. Our next steps are to take the prototype forward into a fully working digital experience and develop the resources to continue the face to face. At the time of writing, March 2021, recent funding wins from Coventry City Council Project grants and National Lottery Awards for All, will enable some of these steps to be fulfilled in the following financial year.

MERCURIAL ARTS LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

Diversity and Inclusion

Across our programmes we have a highly diverse cohort of young people we support, and through our casting processes, we actively seek to create opportunities for artists identifying as from ethnic minority backgrounds. In terms of ethnicity, in the partner schools programme over 80% of children and young people are from Asian backgrounds. In Digi Dance 73% identify as being from ethnic minority groups. In Leap forward 61% identify as being from ethnic minority groups. In Fame Game we consciously cast a diverse team of actors and dancers and over 70% identifying as being from ethnic minority backgrounds. The demographic profile of our organisation is more diverse than the national average for arts organisations at board and company's core (admin team). However, we recognize that there is always more to do. We continue to strive to lead best practice in this area and are well supported by our board of trustees and the expertise they bring. We serve young people from areas of socio-economic deprivation: all of the areas we worked in this year are in the lowest 10% MDPI most deprived wards. We serve needs holistically, including food provision as necessary, in recognition that the level of children's engagement is dependent upon how their multitude of needs are met. Through anecdotal information, we are mindful that in some individual situations our workshop spaces provide a safer, more inclusive and nurturing environment for the children than their homes do. It is a reminder that our work with vulnerable cohorts doesn't exist in a vacuum and is most beneficial when working through partnerships that support, and see the potential of each child in the whole. As we emerge from the pandemic, we continue to help our communities re-connect and recover their wellbeing through the arts. We are aware that some of the most vulnerable communities have been hit the hardest by the pandemic and will strive to continue to enable access and inclusion, so that all families can benefit from participation in the arts.

Financial review

During the current year the charity has returned a deficit of £9,300 (2020: £33,895 surplus) which has mainly arisen due to the timing of the receipt of emergency grants from the Arts Council in the previous year being fully utilised.

During the period of the Covid pandemic the charity has received Arts Council funding through the Cultural Recovery Fund to help deliver on specific aims and objectives of the charity. The charity did not benefit from any funding under the Job Retention Scheme (furlough), Covid related loans or related subsidy.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

As of the 31 July 2021, the company's level of reserves amounted to £28,025. This comprises the balance on the unrestricted funds of £8,484 and the balance of £19,541 on the restricted funds which represents ongoing projects where grant income has been received in advance of the completion of the project.

The present level of funding is adequate to support the continuation of the company for the medium term and the Board consider the financial position of the company to be satisfactory.

The Board is aware of its responsibility to identify and review the major risks to which the company is exposed and to implement systems to mitigate those risks. The funding received during the year has helped to develop the charity and part of this has been to strengthen the charity's systems and procedures.

Mercurial Arts' business model of project based working and freelance employment structures, mean the trustees consider that the organisation is viable going forward. Mercurial Arts remains resilient and resourceful in responding to the needs and challenges our audiences, participants, partners and funders face as we emerge from this period and we will continue to take an innovative approach to delivering our work.

MERCURIAL ARTS LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

Structure, governance and management

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Mercurial Arts Limited is a charitable company limited by guarantee, incorporated on the 1st July 2008. The company is governed by a Memorandum and Articles of Association. It registered as a charity with the Charity Commission on the 11th October 2012 and on this date the charity took over the assets and liabilities of the limited company called Mercurial Arts Limited at this date. In the event of the company being wound up, all members present and 12 months past are required to contribute an amount not exceeding £10.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

O J K Scott
R Hayhow
C L Hegenbarth
N Dodzo

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members. Under the requirements of the Memorandum and Articles of Association members are appointed by applying for admission in writing to the Board of Directors who will decide whether to admit or reject the applicant. The number of directors shall not be less than three. At every subsequent AGM, one third of the directors must retire. The directors to retire by rotation are those who have been longest in office since their last appointment or re-appointment.

The charity structures its delivery by drawing together, coordinating and contracting teams of freelance individuals and small business to deliver the specific projects' needs. This brings agility, responsiveness and minimises financial risks associated with the project-based funding model in the arts sector. We develop relationships with our teams project to project, drawing in and benefiting from expertise they bring to our work. O. Scott works with the board of trustees to develop the leadership approach and articulate the programme. Through the partnerships we develop with key organisations, we extend the charity's reach and impact, benefiting from in-kind support, goodwill and intangibles that further advance the charities mission. There is a material link with Mercurial Dance Limited, owned by trustee O. Scott. His trustee role is voluntary, and as with all of the board, he brings in-kind and intangible benefits to the charity in terms of donated time, expertise and leadership. The charity benefits from cash flow support from Mercurial Dance Limited, detailed in the balance sheet loan of £7,323 outstanding at the balance sheet date. This relates to invoices deferred to support the cashflow management against financial end point payment releases, that cross the financial year and ensures that other contractors are paid promptly as funders conclude project evaluations. Fees paid to Mercurial Dance Limited relate to project artistic direction, choreography and delivery. Fees scale year to year according to outputs. This approach is reviewed annually by the board.

The trustees report was approved by the Board of Trustees.



N Dodzo

Trustee

Dated: 22/04/2022

MERCURIAL ARTS LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF MERCURIAL ARTS LIMITED

I report to the trustees on my examination of the financial statements of Mercurial Arts Limited (the charity) for the year ended 31 July 2021.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Robert Anderson FCA
Azets Audit Services

3Mc Middlemarch Business Park
Siskin Drive
Coventry
CV3 4FJ

Dated: 25/4/22

MERCURIAL ARTS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income from:							
Donations and legacies	2	-	122,928	122,928	1,000	80,347	81,347
Charitable activities	3	200	-	200	-	-	-
Total income		<u>200</u>	<u>122,928</u>	<u>123,128</u>	<u>1,000</u>	<u>80,347</u>	<u>81,347</u>
Expenditure on:							
Charitable activities	4	-	132,428	132,428	1,189	46,263	47,452
Net incoming/(outgoing) resources before		200	(9,500)	(9,300)	(189)	34,084	33,895
Gross transfers between funds		9,513	(9,513)	-	(2,326)	2,326	-
Net income/(expenditure) for the year/ Net movement in funds		9,713	(19,013)	(9,300)	(2,515)	36,410	33,895
Fund balances at 1 August 2020		(1,229)	38,554	37,325	1,285	2,145	3,430
Fund balances at 31 July 2021		<u>8,484</u>	<u>19,541</u>	<u>28,025</u>	<u>(1,230)</u>	<u>38,555</u>	<u>37,325</u>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

MERCURIAL ARTS LIMITED

BALANCE SHEET

AS AT 31 JULY 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Debtors	8	16,140		3,484	
Cash at bank and in hand		<u>42,757</u>		<u>50,313</u>	
		58,897		53,797	
Creditors: amounts falling due within one year	9	<u>(30,872)</u>		<u>(16,472)</u>	
Net current assets			<u>28,025</u>		<u>37,325</u>
Income funds					
Restricted funds	10		19,541		38,555
Unrestricted funds			<u>8,484</u>		<u>(1,230)</u>
			<u>28,025</u>		<u>37,325</u>

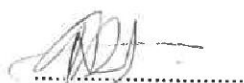
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 July 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 22/04/2022



N Dodzo
Trustee

Company Registration No. 6635326

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

Charity information

Mercurial Arts Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Studio 11a Canal Warehouse, Leicester Row, Coventry, CV1 4LH, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	20% on cost
Fixtures, fittings & equipment	33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

2 Donations and legacies

	Restricted funds	Unrestricted funds	Restricted funds	Total
	2021	2020	2020	2020
	£	£	£	£
Donations and gifts	2,500	-	400	400
Grants receivable	116,828	1,000	69,867	70,867
Donated goods and services	3,600	-	10,080	10,080
	<u>122,928</u>	<u>1,000</u>	<u>80,347</u>	<u>81,347</u>
Grants receivable for core activities				
Arts Council	116,828	-	51,792	51,792
Awards for All	-	-	10,000	10,000
Heart of England Community Foundation	-	1,000	-	1,000
Sir John Middlemore Charitable Trust	-	-	2,500	2,500
Coventry 2021 Change Makers	-	-	1,885	1,885
Edward Gostling Foundation	-	-	2,000	2,000
The Sir Barry Jackson Foundation	-	-	990	990
Other	-	-	700	700
	<u>116,828</u>	<u>1,000</u>	<u>69,867</u>	<u>70,867</u>

Donated goods and services

Donated goods and services represents the costs of rehearsal space hire.

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

3 Charitable activities

	2021	
	£	£
Other income	200	-

4 Charitable activities

	2021	2020
	£	£
Consultancy and project management	70,864	15,390
Artists and performance costs	49,481	28,083
Sundries	681	69
Marketing	5,739	371
	<u>126,765</u>	<u>43,913</u>
Share of support costs (see note 5)	3,658	1,688
Share of governance costs (see note 5)	2,005	1,851
	<u>132,428</u>	<u>47,452</u>
Analysis by fund		
Unrestricted funds	-	1,189
Restricted funds	<u>132,428</u>	<u>46,263</u>

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

5 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Rent	2,112	-	2,112	792	-	792
Insurance	826	-	826	896	-	896
Training	720	-	720	-	-	-
Accountancy	-	1,680	1,680	-	1,560	1,560
Clerical assistance	-	325	325	-	291	291
	<u>3,658</u>	<u>2,005</u>	<u>5,663</u>	<u>1,688</u>	<u>1,851</u>	<u>3,539</u>
Analysed between Charitable activities	<u>3,658</u>	<u>2,005</u>	<u>5,663</u>	<u>1,688</u>	<u>1,851</u>	<u>3,539</u>

Governance costs includes payments to the accountants £1,680 (2020 - £1,560) for the independent examination.

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

7 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	<u>-</u>	<u>-</u>

8 Debtors

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	<u>16,140</u>	<u>3,484</u>

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

9 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	21,502	13,500
Other creditors	7,324	1,442
Accruals and deferred income	2,046	1,530
	<u>30,872</u>	<u>16,472</u>

MERCURIAL ARTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

10 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 August 2019		Movement in funds			Balance at 1 August 2020			Movement in funds			Balance at 31 July 2021	
	£	£	Incoming resources	Resources expended	Transfers	£	£	£	Incoming resources	Resources expended	Transfers	£	£
Mercurial Futures	2,145	-	-	(2,145)	-	-	-	-	-	-	-	-	-
Route 10	-	15,590	15,590	-	-	15,590	-	-	-	(13,351)	(2,239)	-	-
City Breaths	-	27,030	27,030	(31,098)	4,068	-	-	-	-	-	-	-	-
Coventry 2021	-	1,885	1,885	-	-	1,885	-	-	-	-	-	-	1,885
Rescue Mercurial Arts	-	34,842	34,842	(13,020)	(1,742)	20,080	-	-	-	(15,308)	(4,771)	-	-
Pavilion Dance	-	1,000	1,000	-	-	1,000	-	-	-	-	-	-	1,000
Arts Council - Culture for all Communities	-	-	-	-	-	-	-	75,648	75,648	(73,145)	(2,503)	-	-
Arts Council - Culture for all Communities 2	-	-	-	-	-	-	-	32,280	32,280	(15,624)	-	-	16,656
Arts Council - Fame Game	-	-	-	-	-	-	-	15,000	15,000	(15,000)	-	-	-
	<u>2,145</u>	<u>80,347</u>	<u>80,347</u>	<u>(46,263)</u>	<u>2,326</u>	<u>38,554</u>	<u>122,928</u>	<u>(132,428)</u>	<u>122,928</u>	<u>(9,513)</u>	<u>19,541</u>		

MERCURIAL ARTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

10 Restricted funds

Mercurial Futures
Relates to the charity's development of new work and organisational change.

Route 10
Relates to a project in connection with the number 10 bus route in Coventry and its use as measure of health inequalities in the city.

The City Breathes
Relates to development of a dance and spoken word performance, with an aim to tour outdoor arts festivals in 2020.

Rescue Mercurial Arts
Relates to the Art Council England, (Covid-19) Emergency Response fund to secure and bridge the company, retain and support core workforce and innovate new business models.

Pavilion Dance
Relates to innovation in Digital Dance & Gamification

Arts Council - Culture for Communities
This funding was to help support the arts sector through the Covid 19 pandemic and has been used to support the charity during this time and help to continue to develop and diversify the charity's projects. Arts Council funding totalled £116,828 which was supplemented by in kind support and other donations.

MERCURIAL ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

11 Analysis of net assets between funds

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £
Fund balances at 31 July 2021 are represented by:						
Current assets/(liabilities)	8,484	19,541	28,025	(1,230)	38,555	37,325
	<u>8,484</u>	<u>19,541</u>	<u>28,025</u>	<u>(1,230)</u>	<u>38,555</u>	<u>37,325</u>

12 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

During the year the charitable company paid fees of £67,260 (2020 - £15,390) to Mercurial Dance Limited, a company of which O J K Scott is a director and shareholder. At the balance sheet date £Nil (2020 - £9,432) was owed in trade debts to Mercurial Dance Limited.

At the balance sheet date a loan balance of £7,323 (2020 - £1,092) was owed to Mercurial Dance Limited.