

**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

---

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

---

# MERCURIAL ARTS LIMITED

## CONTENTS

---

	<b>Page</b>
Trustees report	1 - 6
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10 - 16

---

# **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.

EmbodXR 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 £
<b>Income and endowments from:</b>							
Donations and legacies	2	-	37,910	37,910	-	75,913	75,913
Other income	3	6,223	-	6,223	-	-	-
<b>Total income</b>		6,223	37,910	44,133	-	75,913	75,913
<b>Expenditure on:</b>							
Charitable activities	4	-	115,206	115,206	-	3,533	3,533
<b>Total expenditure</b>		-	115,206	115,206	-	3,533	3,533
<b>Net income/(expenditure)</b>		6,223	(77,296)	(71,073)	-	72,380	72,380
<b>Transfers between funds</b>							
		(3,677)	3,677	-	3,960	(3,960)	-
<b>Net movement in funds</b>	6	2,546	(73,619)	(71,073)	3,960	68,420	72,380
<b>Reconciliation of funds:</b>							
Fund balances at 1 February 2024		(4,736)	75,504	70,768	(8,696)	7,084	(1,612)
<b>Fund balances at 31 January 2025</b>		(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 £	£
<b>Current assets</b>					
Debtors	10	-		75,913	
Cash at bank and in hand		24,065		8,927	
		<u>24,065</u>		<u>84,840</u>	
<b>Creditors: amounts falling due within one year</b>	11	(24,370)		(14,072)	
<b>Net current (liabilities)/assets</b>			(305)		70,768
			<u></u>		<u></u>
<b>The funds of the charity</b>					
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 .....T58ZQY9X-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>          </u>	<u>          </u>
<b>Grants receivable for core activities</b>		
Arts Council	19,410	75,913
	<u>          </u>	<u>          </u>
	19,410	75,913
	<u>          </u>	<u>          </u>
<b>Donated goods and services</b>		
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>          </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></u>	<u></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

	2025 £	2024 £
Amounts falling due within one year:		
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
	24,370	14,072

### 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	-
	75,504	37,910	(115,206)	3,677	1,885

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

