

Charity registration number: 1185530

# Mercury Theatre Wales

Annual Report and Financial Statements

for the Year Ended 31 March 2021

# **Mercury Theatre Wales**

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## **Mercury Theatre Wales**

### **Reference and Administrative Details**

<b>Trustees</b>	M A Hopwood
	K O Purcell
	M Davies
<b>Principal Office</b>	5 Shears Road Cardiff CF5 3AP
<b>Charity Registration Number</b>	1185530
<b>Independent Examiner</b>	Robert Hugh Limited Chartered Accountants 15 Dan- y- Bryn Avenue Radyr Cardiff CF14 8DD

# **Mercury Theatre Wales**

## **Trustees' Report**

The trustees present the annual report together with the financial statements as a charitable incorporated organisation (CIO) of the charity for the year ended 31 March 2021.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Background**

Mercury Theatre Wales was established as a non-profit theatre production company in 2012. It is a Cardiff based theatre company producing high quality, innovative and thought-provoking work, created to be relevant to contemporary audiences and the communities with whom we engage. The company also undertakes project activity to encourage and empower practitioners to develop creative ideas, to work with new communities of interest and/or to explore issues with the potential to generate a fully realised performance piece. MTW brings to the stage compelling issues and presents them in both traditional venues and non-theatre settings.

#### **Our Vision:**

That communities across Wales are engaged with, and benefiting from, theatre projects supported by a diverse range of partners and stakeholders and exploring issues which affect their lives.

#### **Our Purpose:**

Mercury Theatre Wales produces high quality, innovative and thought-provoking work, developing Welsh talent and bringing to the Welsh stage new pieces of theatre created to be relevant to contemporary audiences and the communities with whom we engage.

#### **Our Mission:**

To inspire and educate audiences through drama, to address societal issues and to encourage people to engage and take action.

#### **Organisation and Management**

Having operated as an unincorporated entity since 2012, Mercury Theatre Wales is now a Charitable Incorporated Organisation, registered in September 2019, registration number 1185530. The company is managed by a voluntary board of trustees, all of whom have had an association with the company for a number of years.

Trustees for the period were:

Resignations: Gaynor Lougher (Chair) resigned 30/5/2020

Appointments: Meryl Hopwood (Chair) 09/09/2020

Marion Davies (Secretary)

Kate Purcell (Treasurer)

The company's Business Development Plan is incorporating training for the Board of Trustees. The formation and implementation of a Fundraising strategy early in the life of the Plan will broaden the range of its stakeholder and funding partners and will, it is anticipated, ensure a more sustainable future for the company.

# Mercury Theatre Wales

## Trustees' Report

### OBJECTIVES AND ACTIVITIES

#### The company's objectives are to:

- Ensure that MTW is well-managed, effective and sustainable through robust governance, clarity of operational roles and through a suite of policies and procedures in line with best practice for the sector and for the kinds of activities undertaken.
- Deliver an artistically challenging and engaging programme
- Secure support through partnerships around core projects on Domestic Abuse, Homelessness and Climate Change as well as for Mercury Theatre's origin project *Nine Suitcases*

#### Activity and Achievements to March 2021:

#### HOMELESSNESS R&D

Our ACW funded Homelessness R&D ran from May 2020 to October 2020. Due to the coronavirus pandemic, we extended our project period and restructured our timetable. We held 6 sessions online via Zoom and had a socially distanced, covid secure week in Chapter Theatre, devising with actors. We developed ideas for a new script which emerged from research and discussions with organisations who support, and individuals who have experienced homelessness. Performances of the new play are planned for Autumn 2021.

#### CULTURAL RECOVERY FUND ACTIVITY

We were supported by the Arts Council of Wales through the Cultural Recovery Fund which ran from October 2020 to March 2021. It funded **Monthly Directors' Meetings** to enable creative planning during coronavirus where we consolidated and developed the artistic work done in our R&D period and planned for future performances with possible covid restrictions. We also worked on a **Cultural Contract** following ACW guidelines, which reviews, updates and documents the Company's commitments to:-

- Reduce Environmental Impact
- Improve Diversity and Equality
- Improve Health and Wellbeing
- Employment policies, particularly regarding Freelancers
- Promotion of the Welsh Language

The Cultural Recovery Fund also covered general overheads, translation work and company administration, meeting our previous year's goal to ensure that everyone that works for the company is paid appropriately.

#### FINANCIAL REVIEW

MTW continues to develop a fundraising strategy. The company currently obtains funding per project or through collaboration with partner organisations and has gained additional support through the COVID 19 Cultural Recovery Fund. We are identifying potential partner organisations for all projects, willing to make a financial contribution, contribute "in kind" services, provide information advice and support or act as "gatekeepers" for a target group of participants.

## **Mercury Theatre Wales**

### **Trustees' Report**

The annual report was approved by the trustees of the charity on 8 December 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'K O Purcell', written over a dotted line.

K O Purcell  
Trustee



## **Mercury Theatre Wales**

### **Statement of Trustees' Responsibilities**

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

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 8 December 2021 and signed on its behalf by:



K O Purcell  
Trustee

## **Mercury Theatre Wales**

### **Independent Examiner's Report to the trustees of Mercury Theatre Wales**

I report to the charity trustees on my examination of the accounts of the charity (the charitable incorporated organisation) for the year ended 31 March 2021 which are set out on pages 7 to 15.

#### **Respective responsibilities of trustees and examiner**

As the charity's trustees of Mercury Theatre Wales you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

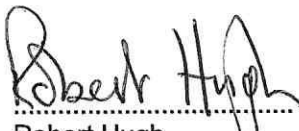
I report in respect of my examination of the Mercury Theatre Wales's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

#### **Independent examiner's statement**

I have completed my examination. I confirm that no material 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 Mercury Theatre Wales as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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 accounts to be reached.



Robert Hugh  
Chartered Accountants

15 Dan- y- Bryn Avenue  
Radyr  
Cardiff  
CF14 8DD

10 December 2021



## Mercury Theatre Wales

### Statement of Financial Activities for the Year Ended 31 March 2021

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
<b>Income and Endowments from:</b>				
Donations and legacies		655	-	655
Charitable activities		-	20,250	20,250
Other trading activities		653	-	653
Total income		1,308	20,250	21,558
<b>Expenditure on:</b>				
Charitable activities		(875)	(18,407)	(19,282)
Total expenditure		(875)	(18,407)	(19,282)
Net income		433	1,843	2,276
Gross transfers between funds		(375)	375	-
Net movement in funds		58	2,218	2,276
<b>Reconciliation of funds</b>				
Total funds brought forward		80	-	80
Total funds carried forward	12	138	2,218	2,356
	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
<b>Income and Endowments from:</b>				
Donations and legacies		109	-	109
Charitable activities		-	4,159	4,159
Other trading activities		411	-	411
Total income		520	4,159	4,679
<b>Expenditure on:</b>				
Raising funds		(1)	-	(1)
Charitable activities		(417)	(4,181)	(4,598)
Total expenditure		(418)	(4,181)	(4,599)
Net income/(expenditure)		102	(22)	80
Gross transfers between funds		(22)	22	-
Net movement in funds		80	-	80
<b>Reconciliation of funds</b>				
Total funds carried forward	12	80	-	80

All of the charity's activities derive from continuing operations during the above two periods.  
The funds breakdown for 2020 is shown in note 12.

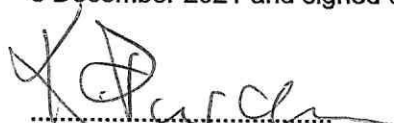
The notes on pages 9 to 15 form an integral part of these financial statements

# Mercury Theatre Wales

(Registration number: 1185530)  
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	8	1,213	-
<b>Current assets</b>			
Debtors	9	2,025	-
Cash at bank and in hand	10	719	956
		2,744	956
<b>Creditors: Amounts falling due within one year</b>	11	(1,601)	(876)
<b>Net current assets</b>		1,143	80
<b>Net assets</b>		2,356	80
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		2,218	-
<b>Unrestricted income funds</b>			
Unrestricted funds		138	80
<b>Total funds</b>	12	2,356	80

The financial statements on pages 7 to 15 were approved by the trustees, and authorised for issue on 8 December 2021 and signed on their behalf by:

  
K O Purcell  
Trustee

The notes on pages 9 to 15 form an integral part of these financial statements

# **Mercury Theatre Wales**

## **Notes to the Financial Statements for the Year Ended 31 March 2021**

### **1 Accounting policies**

#### **Statement of compliance**

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

#### **Basis of preparation**

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

#### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

#### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

#### **Income and endowments**

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

#### **Donations and legacies**

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### **Raising funds**

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.



## **Mercury Theatre Wales**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **Charitable activities**

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

#### **Taxation**

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

#### **Tangible fixed assets**

Individual fixed assets costing £100 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Computer equipment	25% reducing balance method

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

## Mercury Theatre Wales

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 5 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2021 £
Business development	875	-	875
Research and Development	-	10,888	10,888
Covid Resilience	-	7,519	7,519
	<u>875</u>	<u>18,407</u>	<u>19,282</u>

	Unrestricted funds General £	Restricted funds £	Total 2020 £
Business development	<u>42</u>	<u>4,181</u>	<u>4,223</u>

	Activity undertaken directly £	2021 £
Business development	875	875
Research and Development	10,888	10,888
Covid Resilience	7,519	7,519
	<u>19,282</u>	<u>19,282</u>

	Activity undertaken directly £	2020 £
Business development	<u>4,223</u>	<u>4,223</u>



# Mercury Theatre Wales

## Notes to the Financial Statements for the Year Ended 31 March 2021

### 6 Analysis of governance and support costs

#### Governance costs

	Unrestricted funds General £	Restricted funds £	Total funds £
Independent examiner fees			
Examination of the financial statements	-	600	600
Depreciation, amortisation and other similar costs	-	174	174
<b>Total for period ended 31 March 2021</b>	<u>-</u>	<u>774</u>	<u>774</u>
<b>Total for period ended 31 March 2020</b>	<u>375</u>	<u>-</u>	<u>375</u>

### 7 Taxation

The charity is a registered charity and is therefore exempt from taxation.

### 8 Tangible fixed assets

	Computer equipment £	Total £
<b>Cost</b>		
Additions	<u>1,387</u>	<u>1,387</u>
At 31 March 2021	<u>1,387</u>	<u>1,387</u>
<b>Depreciation</b>		
Charge for the year	<u>174</u>	<u>174</u>
At 31 March 2021	<u>174</u>	<u>174</u>
<b>Net book value</b>		
At 31 March 2021	<u>1,213</u>	<u>1,213</u>

### 9 Debtors

	<b>2021</b>
	<b>£</b>
Trade debtors	<u>2,025</u>

## Mercury Theatre Wales

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 10 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	17	239
Cash at bank	702	717
	<u>719</u>	<u>956</u>

#### 11 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,000	-
Accruals	601	876
	<u>1,601</u>	<u>876</u>

#### 12 Funds

	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2021 £
<b>Unrestricted</b>					
General	80	1,308	(875)	(375)	138
<b>Restricted</b>	<u>-</u>	<u>20,250</u>	<u>(18,407)</u>	<u>375</u>	<u>2,218</u>
<b>Total funds</b>	<u>80</u>	<u>21,558</u>	<u>(19,282)</u>	<u>-</u>	<u>2,356</u>
	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2020 £	
<b>Unrestricted funds</b>					
General	520	(418)	(22)	80	
<b>Restricted funds</b>	<u>4,159</u>	<u>(4,181)</u>	<u>22</u>	<u>-</u>	
<b>Total funds</b>	<u>4,679</u>	<u>(4,599)</u>	<u>-</u>	<u>80</u>	

## Mercury Theatre Wales

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 13 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2021 £
Tangible fixed assets	-	1,213	1,213
Current assets	138	2,606	2,744
Current liabilities	-	(1,601)	(1,601)
Total net assets	<u>138</u>	<u>2,218</u>	<u>2,356</u>
		Unrestricted funds General £	Total funds at 31 March 2020 £
Current assets		956	956
Current liabilities		(876)	(876)
Total net assets		<u>80</u>	<u>80</u>

#### 14 Analysis of net funds

	At 1 April 2020 £	Financing cash flows £	At 31 March 2021 £
Cash at bank and in hand	956	(237)	719
Net debt	<u>956</u>	<u>(237)</u>	<u>719</u>
	At 27 September 2019 £	Financing cash flows £	At 31 March 2020 £
Cash at bank and in hand	-	956	956
Net debt	<u>-</u>	<u>956</u>	<u>956</u>