

Charity registration number: 1185530

Mercury Theatre Wales

Annual Report and Financial Statements
for the Year Ended 31 March 2022

Mercury Theatre Wales

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Mercury Theatre Wales

Reference and Administrative Details

Trustees	M A Hopwood M Davies
Charity Registration Number	1185530
Principal Office	5 Shears Road Cardiff CF5 3AP
Independent Examiner	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 of the charity for the year ended 31 March 2022.

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 two trustees, both of whom have had an association with the company for a number of years. MTW is seeking to expand its Board of Trustees and is now a member of Arts and Business Cymru who will facilitate contact with potential members. The company is also keen to recruit board members through its stakeholders.

Trustees for the period were:

Meryl Hopwood (Chair)

Marion Davies (Secretary)

Resignations: Kate Purcell (Treasurer) Resigned 07.12.2021

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 (continued)

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 March 2021 to March 2022:

Finding Home

Following our ACW funded Homelessness R&D that ran from May 2020 to October 2020, a large ACW grant was successfully applied for and two pilot performances of *Finding Home* took place at The Depot, Cardiff in October 2021. A short video was produced to promote the work, and to be sent to potential venues for a future tour.

The National Lottery identified *Finding Home* as a valuable project, highlighting collaborative opportunities between themselves and the Arts Council, through work with and for the community.

An application for a tour of the production was submitted to ACW in January 2022.

Nine Suitcases

A short trailer to promote *Nine Suitcases* and the work of MTW is in development.

CULTURAL RECOVERY FUND ACTIVITY

Second and third applications for support from the Arts Council of Wales through the Cultural Recovery Fund were successful and approved to March 31st 2022. These funded Monthly Directors' Meetings and administration costs.

The Cultural Recovery Fund has helped to ensure the company's objective 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 as well as 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 (continued)

The annual report was approved by the trustees of the charity on 18 January 2023 and signed on its behalf by:


.....
MA Hopwood
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 Charities (Accounts and Reports) Regulations 2008, 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 18 January 2023 and signed on its behalf by:


.....
M A Hopwood
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 2022 which are set out on pages 7 to 16.

Responsibilities and basis of report

As the charity 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

20 January 2023

Mercury Theatre Wales

Statement of Financial Activities for the Year Ended 31 March 2022

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
Income and Endowments from:				
Donations and legacies		1,055	-	1,055
Charitable activities		11,700	36,282	47,982
Other trading activities		259	1,476	1,735
Total income		13,014	37,758	50,772
Expenditure on:				
Charitable activities		(13,017)	(38,324)	(51,341)
Total expenditure		(13,017)	(38,324)	(51,341)
Net expenditure		(3)	(566)	(569)
Net movement in funds		(3)	(566)	(569)
Reconciliation of funds				
Total funds brought forward		138	2,218	2,356
Total funds carried forward	12	135	1,652	1,787
	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
Income and Endowments from:				
Donations and legacies		655	-	655
Charitable activities		-	20,250	20,250
Other trading activities		653	-	653
Total income		1,308	20,250	21,558
Expenditure on:				
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
Reconciliation of funds				
Total funds brought forward		80	-	80
Total funds carried forward	12	138	2,218	2,356

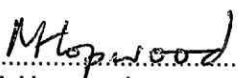
All of the charity's activities derive from continuing operations during the above two periods.
The funds breakdown for 2021 is shown in note 12.

Mercury Theatre Wales

(Registration number: 1185530)
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	8	1,906	1,213
Current assets			
Debtors	9	410	2,025
Cash at bank and in hand	10	121	719
		531	2,744
Creditors: Amounts falling due within one year	11	(650)	(1,601)
Net current (liabilities)/assets		(119)	1,143
Net assets		1,787	2,356
Funds of the charity:			
Restricted income funds			
Restricted funds		1,652	2,218
Unrestricted income funds			
Unrestricted funds		135	138
Total funds	12	1,787	2,356

The financial statements on pages 7 to 16 were approved by the trustees, and authorised for issue on 18 January 2023 and signed on their behalf by:


M A Hopwood
Trustee

Mercury Theatre Wales

Notes to the Financial Statements for the Year Ended 31 March 2022

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom 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. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

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.

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.

Mercury Theatre Wales

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

Governance costs

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

Asset class	Depreciation method and rate
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.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Mercury Theatre Wales

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

2 Income from donations and legacies

	Unrestricted funds General £	Total funds £
Donations and legacies; Donations from individuals	1,055	1,055
Total for 2022	1,055	1,055
Total for 2021	655	655

3 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2022 £	Total 2021 £
Business development	11,700	36,282	47,982	20,250
		Unrestricted funds General £	Restricted funds £	Total 2022 £
General and Covid Resilience		11,700	-	11,700
Finding Home		-	36,282	36,282
		11,700	36,282	47,982
			Restricted funds £	Total 2021 £
Research and Development			10,000	10,000
Covid Resilience			10,250	10,250
			20,250	20,250

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Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

4 Income from other trading activities

	Unrestricted funds General £	Restricted funds £	Total funds £
Events income;			
Other events income	259	1,476	1,735
Total for 2022	259	1,476	1,735
Total for 2021	653	-	653

5 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2022 £
General and Covid Resilience	13,017	-	13,017
Finding Home	-	38,324	38,324
	13,017	38,324	51,341

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

	Activity undertaken directly £	2022 £
General and Covid Resilience	13,017	13,017
Finding Home	38,324	38,324
	51,341	51,341

Mercury Theatre Wales

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

	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>

Mercury Theatre Wales

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

6 Analysis of governance and support costs

Governance costs

	Restricted funds £	Total funds £
Independent examiner fees		
Examination of the financial statements	650	650
Total for 2022	650	650
Total for 2021	600	600

7 Taxation

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

8 Tangible fixed assets

	Computer equipment £	Total £
Cost		
At 1 April 2021	1,387	1,387
Additions	1,138	1,138
At 31 March 2022	2,525	2,525
Depreciation		
At 1 April 2021	174	174
Charge for the year	445	445
At 31 March 2022	619	619
Net book value		
At 31 March 2022	1,906	1,906
At 31 March 2021	1,213	1,213

9 Debtors

	2022 £	2021 £
Trade debtors	410	2,025

Mercury Theatre Wales

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

10 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	5	17
Cash at bank	116	702
	<u>121</u>	<u>719</u>

11 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	-	1,000
Accruals	650	601
	<u>650</u>	<u>1,601</u>

12 Funds

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Unrestricted				
General	138	13,014	(13,017)	135
Restricted	<u>2,218</u>	<u>37,758</u>	<u>(38,324)</u>	<u>1,652</u>
Total funds	<u>2,356</u>	<u>50,772</u>	<u>(51,341)</u>	<u>1,787</u>

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

Mercury Theatre Wales

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

13 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2022 £
Tangible fixed assets	254	1,652	1,906
Current assets	531	-	531
Current liabilities	(650)	-	(650)
Total net assets	135	1,652	1,787
	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	138	2,218	2,356

14 Analysis of net funds

	At 1 April 2021 £	Financing cash flows £	At 31 March 2022 £
Cash at bank and in hand	719	(598)	121
Net debt	719	(598)	121
	At 1 April 2020 £	Financing cash flows £	At 31 March 2021 £
Cash at bank and in hand	956	(237)	719
Net debt	956	(237)	719