

Charity registration number: 1185530

# Mercury Theatre Wales

Annual Report and Financial Statements

for the Year Ended 31 March 2023

## **Mercury Theatre Wales**

### **Contents (continued)**

Reference and Administrative Details	1
Trustees' Report	2 to 3
Statement of Trustees' Responsibilities	4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Financial Statements	8 to 14

## **Mercury Theatre Wales**

### **Reference and Administrative Details**

<b>Trustees</b>	M A Hopwood M Davies
<b>Charity Registration Number</b>	1185530
<b>Principal Office</b>	5 Shears Road Cardiff CF5 3AP
<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 of the charity for the year ended 31 March 2023.

### **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 year were: Meryl Hopwood (Chair)

Marion Davies (Secretary)

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 to March 2023:

##### Planning for future projects

Directors' Meetings – company directors met monthly throughout the year. In these meetings, the company directors are building on the success of the pilot performances of *Finding Home* in 2021

##### Finding Home East and West

An application for a project grant to fund a tour of *Finding Home East and West* as submitted to the Arts Council of Wales in August 2022. Notification of the application's success was received in September 2022. The project began on 6th March 2023, with rehearsals and community workshops planned for April.

##### Fundraising

Fundraising Quiz nights were held in Spring and Autumn 2022. The company continue to raise funds through Table Top sales in the community.

### FINANCIAL REVIEW

MTW continues to develop a fundraising strategy. The company currently obtains funding per project or through collaboration with partner organisations. 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.

The annual report was approved by the trustees of the charity on 12 January 2024 and signed on its behalf by:

.....  
M A 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 12 January 2024 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 2023 which are set out on pages 6 to 14.

#### **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

16 January 2024

## Mercury Theatre Wales

### Statement of Financial Activities for the Year Ended 31 March 2023

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £
<b>Income and Endowments from:</b>				
Donations and legacies		10	-	10
Charitable activities		-	44,336	44,336
Other trading activities		466	-	466
Total income		<u>476</u>	<u>44,336</u>	<u>44,812</u>
<b>Expenditure on:</b>				
Charitable activities		<u>(477)</u>	<u>(1,162)</u>	<u>(1,639)</u>
Total expenditure		<u>(477)</u>	<u>(1,162)</u>	<u>(1,639)</u>
Net (expenditure)/income		<u>(1)</u>	<u>43,174</u>	<u>43,173</u>
Net movement in funds		(1)	43,174	43,173
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>135</u>	<u>1,652</u>	<u>1,787</u>
Total funds carried forward	12	<u>134</u>	<u>44,826</u>	<u>44,960</u>
	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
<b>Income and Endowments from:</b>				
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		<u>13,014</u>	<u>37,758</u>	<u>50,772</u>
<b>Expenditure on:</b>				
Charitable activities		<u>(13,017)</u>	<u>(38,324)</u>	<u>(51,341)</u>
Total expenditure		<u>(13,017)</u>	<u>(38,324)</u>	<u>(51,341)</u>
Net expenditure		<u>(3)</u>	<u>(566)</u>	<u>(569)</u>
Net movement in funds		(3)	(566)	(569)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>138</u>	<u>2,218</u>	<u>2,356</u>
Total funds carried forward	12	<u>135</u>	<u>1,652</u>	<u>1,787</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 12.

The notes on pages 8 to 14 form an integral part of these financial statements.



**Mercury Theatre Wales**  
**(Registration number: 1185530)**  
**Balance Sheet as at 31 March 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	8	1,429	1,906
<b>Current assets</b>			
Debtors	9	3,206	410
Cash at bank and in hand	10	<u>41,010</u>	<u>121</u>
		44,216	531
<b>Creditors: Amounts falling due within one year</b>	11	<u>(685)</u>	<u>(650)</u>
<b>Net current assets/(liabilities)</b>		<u>43,531</u>	<u>(119)</u>
<b>Net assets</b>		<u><u>44,960</u></u>	<u><u>1,787</u></u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		44,826	1,652
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>134</u>	<u>135</u>
<b>Total funds</b>	12	<u><u>44,960</u></u>	<u><u>1,787</u></u>

The financial statements on pages 6 to 14 were approved by the trustees, and authorised for issue on 12 January 2024 and signed on their behalf by:

.....  
M A Hopwood  
Trustee

# **Mercury Theatre Wales**

## **Notes to the Financial Statements for the Year Ended 31 March 2023**

### **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 2023 (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:

<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 2023 (continued)

### 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.

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	10	10
<b>Total for 2023</b>	<b>10</b>	<b>10</b>
<b>Total for 2022</b>	<b>1,055</b>	<b>1,055</b>

### 3 Income from charitable activities

	Restricted funds £	Total 2023 £	Total 2022 £
Business development	44,336	44,336	47,982
	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2023 £</b>
General and Covid Resilience	466	-	466
Finding Home	-	44,336	44,336
	<b>466</b>	<b>44,336</b>	<b>44,802</b>
	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2022 £</b>
General and Covid Resilience	11,700	-	11,700
Finding Home	-	36,282	36,282
	<b>11,700</b>	<b>36,282</b>	<b>47,982</b>

# Mercury Theatre Wales

## Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

### 4 Income from other trading activities

	Unrestricted funds General £	Restricted funds £	Total funds £
Events income;			
Other events income	466	-	466
<b>Total for 2023</b>	<b>466</b>	<b>-</b>	<b>466</b>
<b>Total for 2022</b>	<b>259</b>	<b>1,476</b>	<b>1,735</b>

### 5 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £
General and Covid Resilience	477	-	477
Research and Development	-	228	228
Finding Home	-	249	249
	<b>477</b>	<b>477</b>	<b>954</b>

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

	Activity undertaken directly £	2023 £
General and Covid Resilience	477	477
Research and Development	228	228
Finding Home	249	249
	<b>954</b>	<b>954</b>

## Mercury Theatre Wales

### Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

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

#### 6 Analysis of governance and support costs

##### Governance costs

	Restricted funds £	Total funds £
Independent examiner fees		
Examination of the financial statements	685	685
<b>Total for 2023</b>	<u>685</u>	<u>685</u>
<b>Total for 2022</b>	<u>650</u>	<u>650</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>		
At 1 April 2022	2,525	2,525
At 31 March 2023	2,525	2,525
<b>Depreciation</b>		
At 1 April 2022	619	619
Charge for the year	477	477
At 31 March 2023	1,096	1,096
<b>Net book value</b>		
At 31 March 2023	1,429	1,429
At 31 March 2022	1,906	1,906

# Mercury Theatre Wales

## Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

### 9 Debtors

	2023 £	2022 £
Trade debtors	<u>3,206</u>	<u>410</u>

### 10 Cash and cash equivalents

	2023 £	2022 £
Cash on hand	84	5
Cash at bank	<u>40,926</u>	<u>116</u>
	<u>41,010</u>	<u>121</u>

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

	2023 £	2022 £
Accruals	<u>685</u>	<u>650</u>

### 12 Funds

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
<b>Unrestricted</b>				
General	135	476	(477)	134
<b>Restricted</b>	<u>1,652</u>	<u>44,336</u>	<u>(1,162)</u>	<u>44,826</u>
<b>Total funds</b>	<u>1,787</u>	<u>44,812</u>	<u>(1,639)</u>	<u>44,960</u>
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>				
General	138	13,014	(13,017)	135
<b>Restricted funds</b>	<u>2,218</u>	<u>37,758</u>	<u>(38,324)</u>	<u>1,652</u>
<b>Total funds</b>	<u>2,356</u>	<u>50,772</u>	<u>(51,341)</u>	<u>1,787</u>

# Mercury Theatre Wales

## Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

### 13 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2023 £
Tangible fixed assets	-	1,429	1,429
Current assets	134	44,082	44,216
Current liabilities	-	(685)	(685)
Total net assets	134	44,826	44,960
	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

### 14 Analysis of net funds

	At 1 April 2022 £	Financing cash flows £	At 31 March 2023 £
Cash at bank and in hand	121	40,889	41,010
Net debt	121	40,889	41,010