

**FABRIC CIO**

**CHARITY NUMBER: 1196368**

**FABRIC CIO**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 8 August 2022**

## **FABRIC CIO**

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## **FABRIC CIO**

### **REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE PERIOD ENDED AT 8 August 2022**

#### **Trustees**

John Houlden (Co-Chair)  
Richard Woods (Co-Chair)  
Peter Shenton  
Monique Morgan  
Dr Faral Pfende  
Jerrel Jackson (resigned February 2024)  
Joanne Belton (resigned March 2023)  
Sonia Sabri (resigned December 2022)

#### **Charity registered number**

1196368

#### **Registered office**

Birmingham Hippodrome  
Thorp Street  
Birmingham  
B5 4TB

#### **Independent auditors**

PWH Accountancy Limited  
The Counting House  
High Street  
Lutterworth  
LE17 4AY

#### **Bank**

CAF

**FABRIC CIO  
REPORT OF THE TRUSTEES  
PERIOD ENDED 8 AUGUST 2022  
STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Document**

The charitable company is governed by its Constitution as a Charitable Incorporated Organisation.

Its unpaid trustees exercise control and supervision of activities and establish policies and priorities, including agreeing budgets and spending plans, through full trustee meetings and meetings of sub-committees.

**Induction and Training of Trustees**

Initially, potential candidates are invited to meet with the FABRIC Senior Leadership and Trustees, in order to discuss the work and vision of the organisation and ascertain what they have to offer and how they hope to develop through their involvement. The Board of Trustees then votes to make a formal appointment.

Trustees are kept up to date with changes in charity law and receive training and relevant Charity Commission documentation as and when necessary.

**Organisational Structure**

The charity was formed to take on the operations, assets and liabilities of two entities, Dance 4 Limited and The DanceXchange Limited. This merger took place after the end of the financial period. The charity did not trade in the financial period.

**Pay Policy for Senior Managers**

The charity had no employees or senior managers in the period.

**Risk Management**

The trustees have a risk management strategy which comprises:

- Review of the principal risks and uncertainties that the charity faces at each Board meeting;
- The continual review and maintenance of policies, systems and procedures to mitigate those risks identified in the annual review;
- The implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

The charity did not commence operations until after the end of the period.

**Objectives and Activities**

The charitable company's objects and powers are such that the charitable company is established:

- (i) To advance the education of the public in the subject of the arts of dance and related arts; and
- (ii) For the benefit of the public, to foster and promote the maintenance, development, knowledge, understanding, appreciation and opportunity to enjoy these arts.

**Public Benefit Statement**

The trustees confirm that:

- In the exercise of their powers as charity trustees, they have had due regard to the published guidance from the charity commission on the operation of the public benefit requirement; and
- The charitable company works towards a balance of local, regional and national impact. It is committed to enriching the cultural life of the Midlands through creating high quality dance experiences and training opportunities that raise aspirations and inspire creativity. The charity engages people of all ages, abilities, ethnicities and backgrounds as participants and audience members, and supports artists in the development of their practice and careers, enabling dance to flourish for the benefit of our region's young and diverse communities.

(continued)

**FABRIC CIO**  
**REPORT OF THE TRUSTEES**  
**PERIOD ENDED 8 AUGUST - CONTINUED**  
**REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR**

**ABOUT FABRIC**

FABRIC is a Charitable Incorporated Organisation set up in November 2021 in preparation for the formal merger of The DanceXchange Ltd and Dance4 Ltd. which took place in August 2022.

**BACKGROUND**

Throughout the period of the pandemic, West Midlands-based DanceXchange and East Midlands-based Dance4 worked collaboratively to build a new business model that would combine the strengths and resources of both organisations to deliver new creative, economic and strategic benefits for dance.

This business model was adopted by the respective Boards and, throughout 2021-22, substantial work was undertaken to carry out essential due diligence, charitable legals, shared programme planning, and branding development, as the two companies moved towards a formal merger.

The new merged organisation, FABRIC CIO, would operate and grow from existing sites in Nottingham and Birmingham, working with and for artists, audiences, and communities in the Midlands. Its vision would be to inspire people through dance, transforming lives, communities and places.

The formal merger took place on 8 August 2022, after which FABRIC began its operations.

FABRIC brings about an opportunity rarely created in dance to seize new beginnings, building on an incredible combined 60 years of dance development activity.

**ACHIEVEMENTS**

The charity did not commence operations until after the end of the reporting period.

**RESERVES POLICY**

As the charity did not commence operations until after the end of the reporting period, its Reserves policy is not applicable to this report.

**FABRIC CIO**  
**REPORT OF THE TRUSTEES**  
**PERIOD ENDED 31 MARCH 2023 - CONTINUED**  
**Statement of Directors' and Trustees' Responsibilities**

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepting Accounting Practice).

Charity Law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 UK 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company 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 in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the trustees are aware:

there is no relevant audit information of which the charitable company's auditors are unaware; and

the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Signed on behalf of the Board on**

27.06.2024



**Clare Lewis**  
**Company Secretary**

**FABRIC CIO**  
**PERIOD ENDED 8 AUGUST 2022**

**Independent Auditors' Report to the members of FABRIC CIO**

**Opinion**

We have audited the financial statements of FABRIC CIO (the 'charitable company') for the period ended 8 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 08 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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**FABRIC CIO**  
**PERIOD ENDED 8 AUGUST 2022**

**Independent Auditors' Report to the members of FABRIC CIO (continued)**

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we need for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees

**Responsibilities of the Trustees**

As explained more fully in the Trustees' responsibilities statement the Trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors' either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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**FABRIC CIO**

**PERIOD ENDED 8 AUGUST 2022**

**Independent Auditors' Report to the members of FABRIC CIO (continued)**

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, for example, forgery or intentional misrepresentation, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the organisation.

The organisation operates locally and is not significantly impacted by international law or regulations. Taxation law and regulations apply but the organisation is not involved on any complex matters that raise the risk of non-compliance.

We understood how the credit union is complying with those frameworks through discussions with the directors and review of the directors meeting minutes and the credit union's documented policies and procedures.

We assessed the susceptibility of the organisation's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the directors' reporting to the organisation with respect of the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the organisation.

Our pre-audit review specifically makes reference to fraud risk and this is supported by audit documentation. We also review board minutes to identify any matters of concern or risk. None was identified.

The organisation is small, its activities are regular and consistent and are not complex and no special audit considerations apply, nor is external specialist assistance required.

However, the primary responsibility for the prevention and detection of fraud rests with both of those charged with governance of the credit union and management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



**Roger A Platt FCA (Senior Statutory Auditor)**  
**for and on behalf of**

**PWH Accountancy Limited, Chartered Accountants and Statutory Auditors**  
The Counting House  
High Street  
Lutterworth  
Leicestershire  
LE17 4AY

Date **27-06-2024**

**FABRIC CIO**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE PERIOD ENDED 8 AUGUST 2022**

	Unrestricted Funds	Restricted Funds	Total Funds
	08-Aug-22	08-Aug-22	08-Aug-22
	£	£	£
<b>Income from:</b>			
Donations and legacies on formation	-	-	-
Other donations	-	-	-
Charitable activities	-	-	-
Investments	-	-	-
Other income	-	-	-
<b>Total income:</b>	-	-	-
<b>Expenditure on:</b>			
Charitable activities	-	-	-
<b>Total expenditure:</b>	-	-	-
<b>Net Income/(expenditure)</b>	-	-	-
Transfers between funds	-	-	-
<b>Net movement in funds</b>	-	-	-
<b>Reconciliation of funds</b>			
Total funds brought forward	-	-	-
<b>Total funds carried forward</b>	-	-	-

**FABRIC CIO**  
**BALANCE SHEET**  
**FOR THE PERIOD ENDED AT 8 AUGUST 2022**

	<b>08-Aug-22</b>
	<b>£</b>
<b>Fixed assets</b>	
Tangible asset	-
Fixed asset investments	-
	<hr/>
	-
<b>Current assets</b>	
Debtors	-
Cash at bank and in hand	-
	<hr/>
	-
Creditors: amounts falling due within one year	-
<b>Net current assets</b>	-
<b>Total net assets</b>	<hr/> <hr/>
	-
	<hr/> <hr/>
	-
<b>Charity funds</b>	
Restricted funds	-
Unrestricted funds	
Designated funds	-
General funds	-
Total unrestricted funds	<hr/>
	-
<b>Total funds</b>	<hr/> <hr/>
	-

The Trustees acknowledge their responsibilities for complying with the requirements of the A with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Trustee John Houlden  
 John Houlden (Jun 27, 2024 11:25 GMT+1)

Date: 27/6/24

**FABRIC CIO**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED AT 8 AUGUST 2022**

	<b>08-Aug-22</b>
	<b>£</b>
<b>Cash flows from operating activities</b>	
Net cash used in operating activities	-
	<hr/>
<b>Cash flows from investing activities</b>	
Interest received	-
Purchase of tangible assests	-
Net cash used in investing activities	-
	<hr/>
<b>Change in cash and cash equivalents in the year</b>	-
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year	-
	<hr/> <hr/>

**FABRIC CIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED AT 8 AUGUST 2022**

**1. Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Fabric CIO 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.

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**1.1 Fund Accounting**

Unrestricted funds are expendable at the discretion of the Directors in furtherance of the objects of the Charity.

The Directors may, for administrative purposes or to comply with best accounting practice, treat part of unrestricted funds as separate designated funds. This does not legally restrict the use of the designated funds; discretion to apply the funds as they see fit rests with the Directors.

Restricted funds can, because of the wishes of funders and donors, only be expended in accordance with the grant application and in the furtherance of that particular project for which the funding was received.

**1.2. Going Concern**

The Trustees consider that the going concern basis is applicable.

**FABRIC CIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 8 AUGUST 2022**

**1.3 Incoming Resources**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

Voluntary income received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Income for projects which is conditional on delivery and meeting targets is recognised when entitlement to the income has arisen, largely through spending or progressing the project. In such instances, income not received is accrued and carried forward as a debtor and income received in advance is deferred and carried forward as a creditor, for example, where funding is received for a future period it is all deferred.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable.

Income from investments is included in the year in which it is receivable.

**1.4 Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, which is reported as part of the expenditure to which it relates.

**1.5 Research and Development**

Research expenditure is written off in the year in which it is incurred.



**FABRIC CIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 8 AUGUST 2022**

**1.7 Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**1.8 Recognition of liabilities**

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

**1.9 Employee benefits**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

**1.1 VAT**

VAT is only partially recoverable by the charitable company. Any irrecoverable VAT is included within the relevant costs in the Statement of Financial Activities.

**1.11 Tax**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

**1.12 Operating leases**

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.



**FABRIC CIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 8 AUGUST 2022**

**2 Employees**

**No of Employees**

There were no employees during the reporting period.

**3 Trustees and Key management and personnel remuneration and expenses**

No trustee received any remuneration in respect of services as a trustee during the period.

**4 Taxation**

The charitable company's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

**5 Organisation limited by guarantee**

FABRIC CIO is a Charitable Incorporated Organisation and accordingly does not have a share capital.

Members of the CIO have no liability to contribute to the organisation and take on no personal responsibility for settling its debts or liabilities.

As of 8 August 2022, there were 6 members.