

FABRIC CIO

CHARITY NUMBER: 1196368

FABRIC CIO

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

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FABRIC CIO

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE PERIOD ENDED AT 31 MARCH 2023

Trustees

John Houlden (Co-Chair)
Richard Woods (Co-Chair)
Peter Shenton
Monique Morgan
Dr Farai 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 31 MARCH 2023
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.

Note on late filing of Accounts for this period

Following the merger of DanceXchange with Dance4 to become FABRIC CIO, additional work and time was required to complete the FABRIC audit for 22-23. This was an administrative matter, and FABRIC was in communication with the Charity Commission and key funder Arts Council England to keep them informed.

The charity continued to deliver a full programme of work throughout this period, and has the appropriate systems in place to meet future filing requirements.

Recruitment and appointment of new trustees

Qualified, interested and committed individuals are recruited to the FABRIC Board of Trustees primarily through advertising and advocacy to relevant contacts and networks, in order to reach individuals from diverse backgrounds and attract professionals with specific expertise, thereby ensuring a broad base of skills and experience at Board level. Birmingham City Council have the right to nominate council representatives.

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 day-to-day operational activities of the charitable company in this period were delegated by the Board of Trustees to a staff team, led by Chief Executive & Artistic Director, Paul Russ, and Deputy Chief Executive, Clare Lewis, along with a management team working across programmes, finance and operations.

Pay Policy for Senior Managers

The Trustees and the Senior Leadership Team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. All Trustees give of their time freely and no Trustee received

Staff pay is reviewed annually by the Trustees, normally in April, and pay increases are applied evenly to all staff at the charity's discretion. Pay reviews for individuals are also considered in line with roles and responsibilities, and, where appropriate, recommendations are made by the CEO to the Trustees.

In view of the nature of the charity, the Trustees benchmark against pay levels in other regional dance and arts organisations of a similar size to ensure salaries are competitive.

FABRIC CIO
REPORT OF THE TRUSTEES
PERIOD ENDED 31 MARCH 2023
STRUCTURE, GOVERNANCE AND MANAGEMENT

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

This work identified that all risks were actively managed, and regularly reviewed by the Senior Management Team and Board.

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.

FABRIC CIO
REPORT OF THE TRUSTEES
PERIOD ENDED 31 MARCH 2023 - CONTINUED
REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

ABOUT FABRIC

FABRIC is a new strategic dance development organisation based in Birmingham and Nottingham, formed in August 2022. FABRIC is created from the formal merger of DanceXchange and Dance4, bringing together over 60 years of combined experience.

Our vision is to inspire people through dance, transforming lives, communities and places. We believe dance is remarkable and is vital in shaping the future.

We aim to inspire, increase and diversify engagement, co-create with the extraordinary people of the region, encourage creative leadership, develop talent, and celebrate the impact of dance and its place in public life.

Working with and for artists, audiences, and communities, our new approach will breathe new life into dance, creating unique, thrilling and ambitious programmes, and contributing to the international arts offer through a rich and diverse programme grown in the Midlands.

We are driven by a desire to positively disrupt, to bring about change that ensures a more sustainable and resilient future for dance. For dance to play a greater civic role in the lives of communities across the Midlands. Together, as FABRIC, we are creating a new possible for dance.

OUR WORK

FABRIC has a strategic role in developing the artform and growing the market for dance, supporting dance artists and choreographers to create and develop their practice, whilst building sustainable dance careers.

FABRIC nurtures talented young performers, choreographers and leaders; runs an extensive outreach and education programme; leads the Midlands Centre for Advanced Training (CAT) programmes; and produces a range of multi-partner community, health and inclusion projects.

FABRIC provides local, national and international leadership, working in partnership with venues, local authorities, education, creative industries and other providers to connect the most extraordinary dance and choreographic practices to the widest possible audience.

ACHIEVEMENTS

This has been a foundational year for our new organisation, as we began to build our brand, develop new working practices, and shape plans for the future growth and development of the organisation and sector.

At the point of our merger, all of DanceXchange and Dance4 activities, relationships, partners, artists, and audiences were transferred to FABRIC - and throughout this merger year (as FABRIC, DanceXchange and Dance4) we delivered a rich and varied programme of work.

This resulted in 29 residencies for artists, supporting the development of their work and practice; 4,397 participatory sessions generating 55,627 attendances for youth, community and professional participants; and 183 performances, 28 festival days (Birmingham International Dance Festival & Nottdance) and 35 online events, engaging 37,750 audiences in venues and outdoor spaces across the region.

FABRIC CIO
REPORT OF THE TRUSTEES
PERIOD ENDED 31 MARCH 2023 - CONTINUED
REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

OUR VALUES

Our organisation, work, people, and processes are driven and hallmarked by our values:

Curiosity

We are interested in what dance can be and how it can be made. We support creative risk taking, encourage artists to be curious and explore the boundaries of their practice.

Inclusivity & Diversity

We involve different perspectives in our decision-making. We work authentically and with care to ensure our organisation reflects the communities we serve. By reaching out and inviting in, we actively engage with diverse communities, seeking out new and undiscovered talent and inspiring engagement in dance.

Leadership

We acknowledge responsibility for striving to be leaders in our field, being ambitious for the development of the art form and developing a new generation of creative leaders. We will positively develop, encourage and enable all who work with us: staff, communities, young artists through to the most experienced, to fulfil their potential and ambitions and to flourish.

Openness

We are willing to listen, learn, and improve our offer for the dance sector and the public, through being approachable and always acting with integrity. We are willing to be challenged intellectually on our practices and approaches and are keen to change and adapt according to the future needs of the art form and our audiences. Our most powerful tool is our continuing relevance.

Partnership

We are passionate about our local contribution to creative civic life; a willing partner, working in the interests of our locations, audiences, dance artists and the dance sector, by seeking to add value. We trust and respect the people we work with to progress the new possible. We are alive to external influences, actively allowing our work and evolution to be

FABRIC CIO
REPORT OF THE TRUSTEES
PERIOD ENDED 31 MARCH 2023 - CONTINUED
FINANCIAL REVIEW

This is the first year of business as FABRIC, a new organisation created in August 2022 from the merger of The DanceXchange Ltd and Dance4 Ltd. These accounts therefore reflect a transitional part-year from August 2022 to March 2023.

Income figures include 'donations' of £2,352,260 from DanceXchange and Dance4 which were transferred to FABRIC to form the opening balance of the new charity. These donations were made up of restricted, designated and unrestricted reserves held by both organisations at the point of the merger, as follows:

Restricted: £1,182,359

Designated: £918,540

Unrestricted: £251,361

Total opening balance: £2,352,260

The charitable company's principal funding sources comprise core revenue grants from Arts Council England and Birmingham City Council as detailed at note 2 to the financial statements. In addition, the charitable company is in receipt of a significant amount of grant funding some of which is restricted in nature and this is detailed at note 4. The charitable company also generates its own income through studio hire and class/workshop/training activities and dance-related related commissions and services.

Total incoming resources for the period Aug 2022 to March 2023 (excluding Donations from DanceXchange and Dance4) were £1,285,106 - comprising £317,388 Restricted; £114,794 Designated; £852,925 Unrestricted. Total resources expended (detailed at notes 6 to 9) were £1,482,507.

At March 2023, the Funds Balance carried forward was £2,154,861 - comprising £731,695 Restricted; £1,010,205 Designated, and £412,961 Unrestricted reserves.

RESERVES POLICY

The income and expenditure of FABRIC fluctuates according to the pattern of grant and project income obtained. As FABRIC employs a number of staff, the Board of Trustees considers that reserves are needed to provide for an orderly wind down in the event of an unexpected reduction in funds obtained. FABRIC is also required, on occasion, to incur the costs of developing and researching work before the grants which have been awarded, and other related income, is actually received; the charity therefore needs a level of reserve for cashflow reasons.

An analysis of relevant liabilities is carried out annually to determine an appropriate level of reserves for the organisation's scale of operation; this is then approved by the Board of Trustees. This 'specific stability reserve' is currently set at £250,000.

Any unrestricted reserves over and above this amount will be directed into the organisation's activity, or will be set aside for specific projects, refurbishment and purchase of capital items as agreed with the Board of Trustees on an annual basis.

FABRIC CIO**REPORT OF THE TRUSTEES****PERIOD ENDED 31 MARCH 2023 - CONTINUED****GOING CONCERN STATEMENT**

The Trustees take into account the guidance issued by The Financial Reporting Council on Going Concern and Liquidity Risk, Guidance for Directors of UK Companies (October 2009) in respect of assessing liquidity risk, other uncertainties and key assumptions sufficient to indicate why a going concern basis has been adopted.

FABRIC CIO was formed from the merger of DanceXchange and Dance4 on 8 August 2022, at which time all assets and liabilities of both organisations were transferred to FABRIC.

FABRIC is supported by regular core funding secured from Arts Council England and Birmingham City Council, along with other income. At the balance sheet date the charity held significant cash balances, and has significant reserves which are sufficient to absorb short-term in-period deficits if required.

At the time of signing the accounts, the Trustees have considered the going concern position, and this indicates that the charity will continue to operate for a period of at least 12 months from the date of signing these account, based on the level of funds secured.

On that basis the Trustees have prepared these financial statements on a going concern basis.

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.

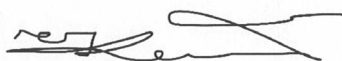
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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 **1 July 2024**



Clare Lewis
Company Secretary

FABRIC CIO
PERIOD ENDED 31 MARCH 2023

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 31 March 2023 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.

(continued)

FABRIC CIO
PERIOD ENDED 31 MARCH 2023

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 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.

(Continued)

FABRIC CIO
PERIOD ENDED 31 MARCH 2023

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 **26-06-2024**

FABRIC CIO
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 MARCH 2023

	Note No.	Unrestricted Funds	Restricted Funds	Total Funds
Income from:		31-Mar-23	31-Mar-23	31-Mar-23
		£	£	£
Donations and legacies on formation	2	1,169,901	1,182,359	2,352,260
Other donations	2	696,398	-	696,398
Charitable activities	3	207,475	317,388	524,863
Investments	4	5,043	-	5,043
Other income	5	58,802	-	58,802
Total income:		2,137,619	1,499,748	3,637,367
Expenditure on:				
Charitable activities	6-11	(979,180)	(503,327)	(1,482,507)
Total expenditure:		(979,180)	(503,327)	(1,482,507)
Net Income/(expenditure)		1,158,439	996,420	2,154,860
Transfers between funds	17	264,726	(264,726)	-
Net movement in funds		1,423,165	731,694	2,154,860
Reconciliation of funds				
Total funds brought forward	17	-	-	-
Total funds carried forward	17	1,423,165	731,694	2,154,860

This is the first year of business as FABRIC, an organisation created in August 2022 from the merger of The DanceXchange Ltd and Dance4 Ltd. These accounts therefore reflect a transitional year. Income figures include the 'donations' from DanceXchange and Dance4 which were transferred to FABRIC to form the opening balance of FABRIC. These donations were made up of the restricted, designated and unrestricted reserves held by both organisations at the point of the merger – see note 17 for details.

**FABRIC CIO
BALANCE SHEET
FOR THE PERIOD ENDED AT 31 MARCH 2023**

	Note	31-Mar-23
Fixed assets		£
Tangible asset	13	380,068
Fixed asset investments	14	<u>4,630</u>
		384,698
Current assets		
Debtors	15	168,794
Cash at bank and in hand		<u>1,883,636</u>
		2,052,430
Creditors: amounts falling due within one year	16	(282,267)
Net current assets		1,770,163
Total net assets		<u><u>2,154,861</u></u>
		31-Mar-23
Charity funds		£
Restricted funds	17	731,695
Unrestricted funds		
Designated funds	17	1,010,205
General funds	17	<u>412,961</u>
Total unrestricted funds	17	1,423,166
Total funds		<u><u>2,154,861</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act 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 (Jul 1, 2024 13:30 GMT+1)

Date: 1 July 2024

FABRIC CIO**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED AT 31 MARCH 2023**

	Note	31-Mar-23 £
Cash flows from operating activities		
Net cash used in operating activities	19	<u>1,881,617</u>
 Cash flows from investing activities		
Interest received		5,043
Purchase of tangible assests	13	<u>(3,023)</u>
Net cash used in investing activities		<u>2,020</u>
 Change in cash and cash equivalents in the year		1,883,637
 Cash and cash equivalents at the beginning of the year	25	-
 Cash and cash equivalents at the end of the year	25	<u><u>1,883,637</u></u>

FABRIC CIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2023

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.

Fabri 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 31 MARCH 2023

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.

FABRIC CIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

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.

1.10 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 31 MARCH 2023

2 Donations and legacies	Unrestricted funds 31-Mar-23 £	Restricted funds 31-Mar-23 £	Total funds 31-Mar-23 £
DanceXchange Limited	715,204	578,152	1,293,356
Dance4 Limited	454,697	604,208	1,058,904
Birmingham City Council	7,892	-	7,892
Arts Council - Core	688,000	-	688,000
Other donations	505	-	505
Total	1,866,299	1,182,359	3,048,658

3 Charitable Activities	Unrestricted funds 31-Mar-23 £	Restricted funds 31-Mar-23 £	Total funds 31-Mar-23 £
Income from fundraising events			
Birmingham International Dance Festival	114,794		114,794
Centre for Advanced Training	-	245,254	245,254
Critical Mass & legacy activity		55,554	55,554
Arts Connect/Beyond Borders	4,787		4,787
Dance Hub Birmingham		12,328	12,328
Birmingham Pro Class	-	3,397	3,397
Dance Class/Workshop Income	48,195.88	-	48,196
Outreach/Educational income	12,250.00	-	12,250
Performances – Box Office	1,948	-	1,948
Partner contributions-Stomping Ground	24,500	-	24,500
Partner contributions-Jerwood Arts	1,000	-	1,000
Miscellaneous Income	-	856	856
	207,475	317,388	524,863

4 Investment Income	Unrestricted funds 31-Mar-23 £	Restricted funds 31-Mar-23 £	Total funds 31-Mar-23 £
Bank interest	5,043	-	5,043

FABRIC CIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

5 Other Income

	Unrestricted funds 31-Mar-23 £	Restricted funds 31-Mar-23 £	Total funds 31-Mar-23
Services and other income	5,225	-	5,225
Studio Hire	53,578	-	53,578
	58,802	-	58,802

6 Cost of Charitable Activities

		Activities undertaken directly £	Support costs (note 7) £	31-Mar-23 Total £
Other charitable activities	Note 7	87,311	744,293	831,604
Performance & Workshops		500,581	-	500,581
Governance costs	Note 8	-	150,321	150,321
		587,892	894,614	1,482,507

Of the above expenditure £992,008 was attributable to unrestricted funds
and £419,919 was attributable to restricted funds.

7 Cost of Charitable Activities: Support costs

	31-Mar-23 Total £
Staff costs	558,236
Rent and rates	(10,051)
Light, heat and service charges	79,120
Repairs and maintenance	2,075
Insurance	2,612
Motor and travelling costs	6,543
Communication and information technology	8,930
Printing, postage and stationery	2,572
Hire of Equipment	-
Depreciation and loss on disposal of fixed assets	19,136
Other costs	4,316
Legal expenses	1,674
Bank charges	3,424
Bad debts	(32,384)
Marketing costs	72,419
Governance (note 8)	150,321
	868,943

FABRIC CIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

8 Governance Costs

	Total funds 31-Mar-23 £
Wages and salaries	118,838
Auditors' remuneration	6,345
Legal and professional fees	13,854
Insurance	871
Other costs	2,969
Telephone	1,057
Printing, postage and stationery	857
Computer costs	3,439
Hire of equipment	487
Depreciation and loss on disposal of fixed assets	1,605
	<u><u>150,321</u></u>

Costs are allocated as governance costs on the following basis:

Audit, accountancy, legal and professional, and technical subscriptions - 100%

Admin and management salaries - 75% for Chief Executive and Deputy Chief Executive;

50% Head of Finance and resources and Executive director; 25% for Head of Artistic

Programmes and Head of Learning and Participation.

Other costs, depreciation, insurance, hire of equipment, computer costs, printing – 25%

9 Net Outgoing resources for the year

	31-Mar-23 £
Net outgoing resources is stated after charging:	
Depreciation	20,741
Auditor's remuneration	6,345

10 Employees

	31-Mar-23 £
Employment costs	
Wages and Salaries	558,715
Social security costs	53,480
Pension costs	12,014
	<u><u>624,209</u></u>

No employee received emoluments of more than £60,000.

No trustee received any remuneration for services.

No of Employees

The average number of employees (excluding trustees) during the period, calculated on basis of full time equivalent, was as follows:

	31-Mar-23 No.
Artistic	13
Management	7
Administration	7
	<u><u>27</u></u>

FABRIC CIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

11 Trustees and Key management and personnel remuneration and expenses

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

Travel and accommodation expenses totalling £161.17 were reimbursed to 2 Trustees during the period

The total amount of employee benefits received by key management personnel in this period £238,057

Based on the organisational structure at the formation of FABRIC, the charitable company considered its key management personnel, for the period to 31 March 2023 to be 7: the Chief Executive & Artistic Director; Deputy Chief Executive; Head of Finance and Resources; Head of Artistic Programmes; Head of Learning & Participation; Programme Director and Executive Director.

12 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.

13 Tangible fixed assets

	Long-term leasehold property £	Dance equipment £	Furniture & fixtures £	Computer equipment £	Total £
Cost					
Transferred from DanceXchange Limited	-	3,277	40	13,914	17,231
Transferred from Dance4 Limited	278,105	62,104	25,561	14,785	380,555
Additions	-	-	-	3,023	3,023
As at 31 March 2023	<u>278,105</u>	<u>65,381</u>	<u>25,601</u>	<u>31,722</u>	<u>400,809</u>
Depreciation					
Charge for the year	9,565	4,758	1,726	4,692	20,741
As at 31 March 2023	<u>9,565</u>	<u>4,758</u>	<u>1,726</u>	<u>4,692</u>	<u>20,741</u>
Net book value					
As at 31 March 2023	<u>268,540</u>	<u>60,623</u>	<u>23,875</u>	<u>27,030</u>	<u>380,068</u>

14 Fixed asset investments

	Shares in other undertakings £
Cost	
Transferred from Dance4 Limited	4,630
At 31 March 2023	<u>4,630</u>

The charity held 25% of the share capital of the following company:-
Ticketing Network East Midlands Limited (TNEM)

FABRIC CIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

15 Debtors: Amounts falling due within one year	31-Mar-23
	£
Trade debtors	89,978
Other debtors	58,666
Prepayments & Accrued income	20,150
	<u>168,794</u>

16 Creditors: Amounts falling due within one year	31/03/2023
	£
Trade creditors	142,684
Other taxation and social security	19,373
Other creditors	501
Accruals and deferred income	119,709
	<u>282,267</u>

FABRIC CIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

17 Statement of Funds

	DanceXchange Donation £	Dance 4 Donation £	Income £	Expenditure £	T'fer between funds £	Carried forward £
UNRESTRICTED FUNDS						
<i>General</i>	147,705	103,656	852,925	(911,537)	220,212	412,961
<i>Designated Funds</i>						
Stability Reserve	120,000				130,000	250,000
Birmingham Intern'l Dance Festival /Dance Season	321,018		114,794	(27,536)	(67,000)	341,276
International Showcasing		249,581				249,581
Artist Development	66,465			(40,108)	(26,357)	-
Artistic Programmes		26,783			(26,783)	-
Participation	14,898				(6,688)	8,210
Future Business Development	28,919					28,919
Organisational Development		2,458			57,542	60,000
COVID Recovery	16,200				(16,200)	-
Workspace Fund (Capital fund re repairs)		62,219			10,000	72,219
Accommodation Feasibility		10,000			(10,000)	-
RESTRICTED FUNDS						
Centre for Advanced Dance Training (CAT)	264,279		245,254	(190,200)	(131,584)	187,749
Beyond Borders	7,888				(7,888)	-
Critical Mass & Legacy Activity	142,842		55,554	(143,216)		55,179
Dance Hub Birmingham	160,818		12,328	(73,798)		99,347
Birmingham Pro Class	2,325		3,397	(2,026)		3,696
Capital Development (iC4C)		407,863		(13,408)	(70,058)	324,397
UK Dance Network (Managed Fund)	-	14,193	-	(8,837)	-	5,355
DMU Research Partnership		15,000			(15,000)	-
International Showcasing		38,029				38,029
NottDance		97,102	856	(66,655)	(31,304)	-
Organisational Development		1,117				1,117
Participation Projects		8,892			(8,892)	-
Re-Framing Dance		15,706				15,706
Selfhood practices		6,306		(5,186)		1,120
	1,293,356	1,058,904	1,285,107	(1,482,507)	0	2,154,861

Transfers between funds relate to an allocation of general costs to restricted fund projects or where restricted income has been insufficient to cover the total project cost.

FABRIC CIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

17 Statement of Funds - continued

Purpose of restricted funds

Dance Hub Birmingham

The Dance Hub Birmingham Investment Programme is coordinated by FABRIC on behalf of the Dance Hub Birmingham Steering Group. The Investment Programme invests in a diverse range of strategic projects (selected through an open call process) that seek to create a step change for dance in Birmingham and the West Midlands.

Capital Development (iC4C)

This fund allocates the capital project income received in 2014-16 against the depreciation of assets in several categories of between 4 and 25 years useful life.

UK Dance Network (UKDN)

UKDN is a network of venues, producers and programmers with the aim of developing the promotion of dance in the UK. FABRIC holds

International Showcasing

FABRIC received support from cultural agencies to promote international exchange of dance artists and touring work. This was in addition to core funds from Arts Council for showcasing as part of FABRIC's revenue grant (in Designated funds).

Nottdance

FABRIC's international dance and performance festival was held in October 2022 including events by UK and international artists held

Organisational Development

Organisational development and consultation, supported with funding from Arts Council England, resulting in the successful merger of DanceXchange and Dance4 to become a new Charitable Incorporated Organisation FABRIC.

Participation Projects

Activities that promote dance in community and healthcare settings completed in the year.

DMU Research Partnership

Fund allocation for DMU research director - work now completed

Selfhood Practices

A project developed through partnership work with Nottingham City Care Partnership's (NCC) MOSAIC Pain Service, using dance/choreographic methods and techniques to enable patients with Fibromyalgia to explore ways of dealing with their condition.

Re-Framing Dance

A choreographic action research project, supporting residencies for independent producers to invite curators, artists and FABRIC into a process to explore and create new work that invites audiences to see, experience and potentially participate in choreographic art works sited in gallery contexts.

17 Statement of Funds - continued

Centre for Advanced Training (CAT)

Led by FABRIC in partnership with Sampad (South Asian Arts), the Centre for Advanced Dance Training for South Asian and Contemporary Dance is the Midlands hub for the national CAT network, operating in Birmingham and Nottingham, funded by the Department for Education's (DfE) Music and Dance Scheme. The scheme provides high quality tailored dance tuition for young people aged 11-18 years who show exceptional talent and potential in Contemporary and South Asian styles.

Birmingham Pro Class

Birmingham Pro Class is a non-profit sector-led membership scheme, administrated by DanceXchange on behalf of local dance artists, companies and organisations, with all membership fees directly funding a programme of regular professional classes.

Beyond Borders

Beyond Borders was a £165k region-wide inclusive youth participation project which engaged with over 152 young people and 79 professionals with a variety of specialisms including digital, inclusion, choreography, producing and more.

Critical Mass and Legacy Activity

Critical Mass was a £1million inclusive youth dance participation project funded by Spirit of 2012, working in close collaboration with Birmingham Commonwealth Games and the Dance Leaders Group (DLG). Ongoing legacy activity has continued to grow and embed inclusive participation practices through partnership working across the region.

Purpose of Designated Funds

Stability Reserve

To enable efficient winding down of the charity, should this need arise.

Birmingham International Dance Festival (BIDF)

BIDF was a major biennial festival which took over the city's theatres, streets and squares with a dynamic mix of international and UK dance, delivered from 2008 to 2022. ACE NPO funds were designated annually to cover the costs of biennial delivery. With the end of BIDF, due to removal of vital match funding, this designated resource is being re-focused to deliver new programmes that continue to have ambition for dance.

International Showcasing

Uplift funds from Arts Council England in 2018-22 to support FABRIC's work on the international showcasing of independent dance artists from England. As spending varies each year, any un-used allocation is designated for future spending on this area of the programme.

Artist Development

These designated funds were to further the Artist Development programme, and have supported a range of activity in the year.

Learning and Participation

These funds were to be spent on our Learning & Participation programme, and have supported a range of work in the year.

Future Business Development

These funds are to support the future business development of FABRIC, creating new opportunities.

Organisational Development

These funds are designated to support the organisational development of FABRIC as we continue the work of the merger.

Covid Recovery Provision

These funds are to cover any expenses specifically required to support the return to normal activities post-Covid.

Workspace Fund (Capital)

This fund is designated for the future repairs, replacements and refurbishments, ensuring our dance spaces remain of a high standard, fit for purpose.

Accommodation Feasibility

This fund was set aside to explore options for provision of accommodation for visiting artists. Remaining balances have now been transferred into the Workspace Fund.

FABRIC CIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

18 a) Analysis of net assets between funds

	General funds	Restricted funds	31-Mar-23 Total
	£	£	£
Fixed assets	380,068	-	380,068
Fixed asset investments	4,630	-	4,630
Net current assets	1,038,468	731,695	1,770,163
	<u>1,423,166</u>	<u>731,695</u>	<u>2,154,861</u>

19 Cashflow from operating activities

	31-Mar-24 £
Net income for the year	2,154,860
Interest received	(5,043)
Depreciation	20,741
Loss on disposal of fixed assets	-
Decrease /(Increase) in debtors	(168,794)
Increase in creditors	282,267
Other non-cash adjustments	(402,414)
Net cash flow from operating activities	<u><u>1,881,617</u></u>

FABRIC CIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023

20 Operating lease commitments

At 31 March 2023, the charity had future minimum lease payments under non-cancellable operating leases as follows:

	Land & Buildings	Other
	£	£
Amounts payable:		
Within 1 year	33,700	25,564
Between 1-5 years	148,830	44,480
After more than 5 years	652,369	-
	<u>834,899</u>	<u>70,044</u>

21 Related party transactions

The company was formed to take over the assets, liabilities and operations of Dance4 Limited and DancXchange Limited. At the start of operations, the company accepted net donations of £1,058,904 from Dance4 Limited and £1,293,904 from The DanceXchange Limited. These donations were made up of the restricted, designated and unrestricted reserves held by both organisations at the point of the merger-see note 17 for details.

22 Organisation not limited by share capital

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 31 March 2023, there were 6 members.