

MULTISTORY

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

Registered company number: 5910607

Registered charity number: 1116214



Clement Keys

CHARTERED ACCOUNTANTS



MULTISTORY
(A company limited by guarantee)

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MULTISTORY
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TRUSTEES' REPORT

for the year ended 31 March 2008

The trustees present their report and accounts for the year ended 31 March 2008.

Reference and Administrative Information

Charity name	Multistory
Company number	5910607
Charity registration number	1116214
Registered office	1 Overend Street West Bromwich B70 6EY
Independent Auditors	Clement Keys Chartered Accountants and Registered Auditors 39/40 Calthorpe Road Edgbaston Birmingham B15 1TS
Bankers	Barclays West Bromwich Branch 313 High Street West Bromwich B70 8LP
Company Secretary	Caron Wright

Structure, Governance and Management

Governing Document

Multistory is a company limited by guarantee (with no share capital) incorporated under the Companies Act 1985 on 18 August 2006 under registered number 5910607.

Multistory is governed by its Memorandum and Articles of Association dated 18 August 2006 and is a registered charity number 1116214.

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TRUSTEES' REPORT – continued

for the year ended 31 March 2008

Recruitment and Appointment of Trustees

The Board of Multistory is made up of a maximum of nine Trustees plus one observer nominated by Sandwell Metropolitan Borough Council and one observer nominated by Arts Council England, West Midlands.

The Trustees of the charitable company, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out below:

Gordon Bates	
Stephen Johnson	(appointed 19.04.07)
Louise Kilbride	(appointed 19.04.07)
Paul Sutton	
Frances Wardle	(appointed 19.04.07)
Colin Wells	

The following people held senior management positions within the charitable company during the year;

Emma Chetcuti	Director
Jayne Clabon	Finance Manager
Caron Wright	Operations and Administration Manager

Trustee induction and training

New Trustees receive Charity Commission guidelines and publications to brief them on their legal obligations under charity and company law; a copy of the Memorandum and Articles of Association; Terms of Reference and Responsibilities for Trustees (produced internally) along with a Trustee Job Description; and the current business plan and recent financial performance of the charitable company. They also meet with key staff and other Trustees. Board away days and training is provided as required.

Risk management

The financial assets of Multistory are invested in a Barclay's Bank Current Account. The Trustees are of the view that the current investment has a minimal risk for the Charitable company

For the financial year 2008/2009, the Trustees will implement a risk management strategy which comprises:

- An annual review of the risks the charitable company may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan; and
- The implementation of procedures designed to minimise any potential impact on the charitable company should those risks materialise.

MULTISTORY
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TRUSTEES' REPORT – continued
for the year ended 31 March 2008

Organisational Structure

Multistory is managed by the Director supported by the Operations & Administration Manager; the Finance Manager; and two Arts Managers (together known as the Management Team) who are responsible to the Board of Trustees.

The role of the Director is to assume delegated authority from the Board (within terms of delegation approved by the Board) to lead Multistory through the strategic changes required to create a sustainable future for the organisation. Specifically this requires the Director to:

- develop and manage key strategic and funding partnerships;
- develop a 'fit for purpose' organisation;
- create and deliver an innovative Arts Programme;
- develop a viable Business Plan;
- be responsible for operational matters including finance and employment; and
- manage risk.

Members of the Management Team attend Board meetings and sub-committees of the Board.

Multistory was established with the minimum of three trustees required by the Articles of Association and we will continue to review the appropriate skills and experience to maintain a board with a broad range of skills and experience including local representation, community arts knowledge, financial, marketing and other disciplines.

The core permanent staff team is set at 13.5 employees, organised to ensure that there are:

- clearly defined reporting lines and relationships within and between functional areas;
- short chains of control and direction;
- potential for delegation; and
- flexibility to respond to changes in demand.

Objectives and Activities

Multistory's mission is:

"To develop community art projects of the highest creative standard, in the fields of regeneration and learning, that bring benefits to communities and artists in Sandwell, the Black Country and the region."

The Charitable company's objects are:

1. To promote education in music, drama, media, multimedia, the creative visual arts and to promote the appreciation of the arts and creative media amongst members of the community;
2. To provide facilities in the interests of social welfare for recreation and other leisure-time occupation with the object of improving the conditions of life for the persons for whom such facilities are primarily intended; and
3. To promote and preserve the health of the general public through music, drama, media, multimedia and the creative visual arts.

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TRUSTEES' REPORT – continued
for the year ended 31 March 2008

Objectives and Activities – continued

To devise and deliver our programmes of activity, we work in partnership with other voluntary and statutory agencies to pool our resources and ideas, building reciprocal and collaborative relationships, to share and deploy greater knowledge. We work to transform our communities – connecting and communicating – to change perceptions and realise aspirations, to celebrate the past but looking forward, and enhance regional identity and diversity. Our programmes of work enable us to develop projects of work in the fields of:

- community cohesion;
- early years' learning;
- creative learning; and
- regeneration, health and well being

in order to encourage greater participation, involvement and access by individuals with each other / their neighbourhoods / wider communities by using the arts as a bridge and a tool.

Review of activities

Multistory has been running as an independent organisation since December 2006. During this time we have achieved a great deal. We have consolidated our core partnerships and we have delivered over £1.15 million of high quality, participatory arts activity. We have worked with 68 artists and engaged with over 3,300 participants across the six towns of Sandwell and beyond.

During the first 16 months of operation we have re-established our core relationships with:

- communities from the six towns of Sandwell;
- national and regional artists;
- Sandwell Metropolitan Borough Council (SMBC) and Arts Council England, West Midlands (ACE,WM) who provide our annual revenue funding and
- strategic funding partners, including the Children and Young People's Partnership, The Children's Trust, the Sandwell Local Strategic Partnership, and The National Campaign for Learning.

We have reviewed our financial reporting procedures to ensure there is simple and effective communication, internally and externally. We have extended our work in collaboration with artists from the West Midlands region and nationally to produce innovative projects in new settings, reaching wider audiences.

We are committed to our core aims and objectives and have a strong and active board of six trustees plus two representatives from ACE, WM and SMBC (who sit as observers). The Board will continue to advise and help steer Multistory as it continues its growth and development.

A three year business plan for 2008/2011 has been approved by SMBC and ACE, WM and this will be reviewed again in January / February 2009.

Partnership working is central to our core business and reflects a trend across national and local government agendas and agencies. We identify opportunities for partnership working across the fields of Regeneration, Health and Learning.

Our partnership working in the last year has been predominantly with the Sandwell Strategic Partnership, through its core themes: Safer Sandwell; Health and Well Being; Children and Young People; Skills and Economy; and Environment and Housing.

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TRUSTEES' REPORT – continued

for the year ended 31 March 2008

Review of activities - continued

The following programmes and projects were undertaken during 2007/08.

Children & Young People, Neighbourhood Renewal Fund : 'Time to Talk'

An excellent example of our partnership working in the last year has been with Sandwell's Children and Young People's Service to contribute to the 'Every Child Matters' and 'Birth to Three Matters' agendas. We developed and delivered a 'Creative Arts Programme' for 'Time to Talk', a Neighbourhood Renewal Fund programme to develop the speech and language skills of three to five year olds. We ran creative arts projects in 131 early years' settings in Sandwell in partnership with 11 artists. We engaged with 2032 children, 397 parents, carers and staff and worked in partnership with the Playhouse Education Theatre Company to train 112 early years' practitioners to introduce creative play into their teaching.

Safer, Stronger Communities, Neighbourhood Renew Fund – Creative Evaluation and Projects

This programme of work delivered a creative project in each of the six towns of Sandwell to promote community cohesion and to enable different communities to work together to a shared goal and to celebrate the people and places of Sandwell, increasing civic pride amongst the residents. Each of these projects was designed with the town teams and local community organisations to ensure that it was unique to that town and to address local need.

From 2006 to March 2008, a wide range of people have taken part in the programme that, overall, included seven creative projects plus a creative evaluation through a publication and DVD of six selected services that were funded through the Neighbourhood Renewal Programme. The programme actively engaged 62 people working across Sandwell; 1,279 members of the public including those from the voluntary and community sector; and 24 artists.

Public Benefit

The public benefit for both Safer, Stronger Communities and Time to Talk are the same. Both of these programmes of work contribute to Sandwell Strategic Partnership's agenda and the Sandwell Plan using the charitable purposes of arts and culture, citizenship and community development and, in the case of Time to Talk, the advancement of education. Each of the programmes reflect our mission, aims and objectives with clear identifiable benefits and beneficiaries appropriate to those aims.

Longhouse

Longhouse is an annual programme of work run through Multistory that is dedicated to supporting the professional development of artists in the West Midlands. Arts Council England, West Midlands funds this programme to carry out these specific aims and objectives. Longhouse commissions and supports many artists each year through its PAD residential programme and action research bursary scheme, as well as hosting a number of seminars and forums in the West Midlands.

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TRUSTEES' REPORT – continued

for the year ended 31 March 2008

Review of activities - continued

Public Benefit

Each year, the Longhouse programme overall engages with approximately 20 artists to provide them with creative development opportunities in public art and the public realm. The programme has identifiable benefits to a section of the public; but that public is not unreasonably restricted as it is for artists throughout the whole of the West Midlands.

The PAD programme provided artists with a rare opportunity to take part in a two-day residential on a 'live' regeneration site and this year we had additional funding through 'Working Parts' to focus on Arts & Disability and offer additional bursaries to three disabled artists. The aim of the residential is to broaden the artists' understanding and knowledge of working in the public realm by exploring a 'real' regeneration area - this year the chosen area was Stoke-on-Trent city centre (Hanley). During the programme, the artists scrutinise the architects' regeneration proposals and the regeneration site through walkabouts in and around the city centre and through discussions with other artists, community representatives, architects and local planners in order to gather knowledge to produce individual and group responses to the site. The artists' responses are documented in a publication and a copy of this can be requested through the Longhouse website.

Keepsakes

Keepsakes was created by Multistory as a family learning project to create their own bespoke book and audio CD for their children and families and Campaign for Learning commissioned Multistory to engage with young parents in young offenders' institutions. The workshops aimed to increase participants' literacy, numeracy and confidence under the Skills for Life agenda.

Public Benefit

The Campaign for Learning is a national charity which aims to create a passion for learning that sustains people for life. Research shows that lifelong learners are more likely to be happier, healthier, have better jobs, contribute more to society and live longer and more fulfilled lives.

The project had the following outcomes for 68 participants in 8 institutions:

- increased self confidence through skills for life support;
- opportunity to experiment with traditional and digital arts; and
- opportunity to create artworks that contributed to a high quality Keepsakes book.

All of the impacts and benefits listed above under the 'mission, objectives and activities' were met as were the principles of public benefit in relation to the advancement of citizenship and the advancement of the arts. This project was offered to a specific community who were in young offender institutions but there was an open invitation in each institution for participants to join the workshops.

Financial Review

We review our fixed costs on a quarterly basis to make savings and re-forecasts where appropriate.

Principal Funding Sources

The principal source of funds of the charitable company were grants from Sandwell Metropolitan Borough Council ("SMBC") totalling £150,000 and Arts Council England, West Midlands totalling £150,000.

Grants were also received from SMBC (through Sandwell Partnership / NRF) - £297,000 and from SMBC (through Sandwell Children & Young People's Trust / NRF) - £237,341. The charitable company is also commissioned to do a number of smaller projects and design services.

For the year 2007/2008 the charitable company generated around 27% of its unrestricted income.

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TRUSTEES' REPORT – continued
for the year ended 31 March 2008

Financial review - continued

Investment Policy

The charitable company's investments and operating reserves are invested in low risk, interest earning accounts so as to protect the revenue and project funding invested.

Reserves Policy

The Trustees have approved the principles of a Reserves Policy that provides for a minimum of 3 months' operating costs; and to have 3 to 6 months' operating costs as a general policy in the event of a reduction in funding or programme activity.

Unrestricted reserves at the period end totalled £331,848. Based on the budget for 2008/2009, 6 months' operating costs would approximate to £335,432 so we have achieved the maximum amount required under the Reserves Policy. It is the trustees' intention to work to maintain the Reserves Policy as stated and the Trustees will continue to review the policy on an annual basis.

Future Plans

Our Arts Programme is primarily designed to meet the needs of people in Sandwell and to introduce artists to new contexts to develop their practice. However, these needs exist beyond the geographical boundaries of Sandwell and it is our intention to extend the programme into the Black Country and beyond.

National Indicators

We will continue to contribute to the following National Indicators which will be addressed through Sandwell's Local Area Agreement, which is managed by the Sandwell Partnership.

- Participation – NI 1.
- Stronger Safer Communities - NI 1, 2, 3, 4, 5, 11, 21.
- Children and Young People (Improving health and successful young people) - NI 56, 107, 117.
- Economic Well Being (successful young people) - NI 110, 117.

The Sandwell Partnership is committed to a joint planning process with all its members (which include voluntary and community sector organisations) which will lead to a focused shared strategy designed to improve the quality of life for all the people of Sandwell. The partnership now has an agreed Vision for the Sandwell of 2020 as expressed in its agreed *Community Strategy*. This is as follows:

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TRUSTEES' REPORT – continued

for the year ended 31 March 2008

Future Plans - continued

"The Sandwell of 2020 will be a thriving, sustainable, optimistic and forward looking community. Sandwell residents will live in a transformed and safe living environment, will enjoy excellent health, rewarding work, experience choice in their lives, and have a positive role in a revitalised West Midlands. It will continue to be a diverse but harmonious mix of industrial/commercial activity and urban living, in which traditional environmental conflicts will be minimised and the principles of sustainable development applied."

Public Benefit

The specific National Indicators listed above are included in our Service Level Agreement with Sandwell Metropolitan Borough Council and our activities are monitored and evaluated against these so that our work can be evidenced to contribute to Sandwell MBC's priorities, Sandwell Strategic Partnership's national indicators and agendas and the Sandwell Plan using arts and culture and community development. The work that Multistory are commissioned to do on behalf of Sandwell Partnership provides opportunities and benefits to all sectors of the community to take part in creative projects; to be consulted on issues that effect them

Revenue Funders' Strategic Priorities

We continue to complement and contribute to ACE, WM and Sandwell's strategic priorities which are set out below.

Sandwell MBC's Cultural Strategic Priorities:

Sandwell MBC has three key corporate priorities outlined in its Corporate Business Plan for 2008-11.

- Safer, Cleaner, Active Communities;
- Every Child Matters; and
- Economy, Skills and Jobs.

Arts Council England's Strategic Priorities:

- Taking part in the arts;
- Children and young people;
- Vibrant communities; and
- Celebrating diversity.

Public Benefit

With all our programmes and projects there are identifiable benefits to the public or a section of the public with regard to the charitable purposes of the advancement of the arts, culture and heritage; the advancement of citizenship and community development; and the advancement of health. These, in turn, inform our mission, aims and objectives which feed into the strategic priorities and agendas of both Sandwell MBC and ACE, WM. Both funding bodies have approved our business plan which details how we will meet these priorities and agendas.

Projects for 2008/09

We will continue to develop projects in learning and regeneration in Sandwell and the region as well as advancing our practice into agendas for community cohesion and health. We will continue the 'Time to Talk' programme described above and listed below are some of the projects we will be undertaking throughout 2008/09.

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TRUSTEES' REPORT – continued

for the year ended 31 March 2008

Future Plans - continued

- **Beyond Bricks**

Commencing in 2008/09, Multistory has been invited to manage and deliver a two year arts programme for the Urban Living Pathfinder. One of the pathfinder's goals is to distinguish Lozells and East Handsworth as a positive, imaginative place in which to live / visit, increasing community identity, pride and vitality.

- **SIX**

Ernest Hemingway bet that he could write a novel in six words – "For Sale: baby shoes, never worn" – he won his bet. Multistory is working in partnership with SMITH, an American internet publisher that tells people's stories, to create six word stories with the people from the six towns of Sandwell. The project will contribute to community engagement activities being planned for the opening of The Public building.

- **Longhouse**

We will continue the Longhouse programme to provide professional development bursaries and training for artists from the West Midlands who want to develop their practice in the public realm. Multistory creates contexts for artists on the Longhouse programme to develop opportunities for work, for example through Building Schools for the Future, Urban Living Pathfinder.

- **New Ways of Curating**

A partnership programme - the MLA; Arts Council England; Sandwell Museums Libraries and Archives; Multistory; and Public Gallery are exploring a model for new ways of collecting and exhibiting social and industrial heritage.

Public Benefit

All of the above programmes and projects have identifiable benefits to the public or a section of the public with regard to the charitable purposes of the advancement of the arts, culture and heritage; the advancement of citizenship and community development; and the advancement of health. These, in turn, inform our mission, aims and objectives which feed into the strategic priorities and agendas of both Sandwell MBC and ACE, WM. Both funding bodies have approved our business plan which details how we will meet these priorities and agendas.

Beyond 2008/09

Our Arts Programme over the next three years will continue to develop opportunities for artists and communities to work together to deliver innovative arts programmes across the areas of regeneration, health and learning. We will initiate new regional and national partnerships to expand our work and profile beyond Sandwell.

Areas for programme development:

- skills and community enterprise;
- the environment;
- social marketing; and
- community cohesion.

We will continue to strive for excellence in our arts programme. We will develop new partnerships and relationships with people locally and beyond to sustain and develop the organisation and its business over the next three years and we will continue to advocate for participation in the arts to bring positive benefits for those who take part.

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TRUSTEES' REPORT – continued

for the year ended 31 March 2008

Future Plans - continued

Annual reviews of the Board and its requirements will be undertaken to ensure that the company continues to have trustees with relevant experience and skills to take the charitable company forward. We will review and monitor legislation, regulations, guidelines and best practice in relation to both company and charity law on an ongoing basis. The 'Terms of Reference' document will be reviewed on a yearly basis in line with this.

We will review the structure, management processes, working practices and project management tools on a yearly basis to ensure best practice and fitness for purpose and continue to monitor and evaluate staff development and working practices annually through the Performance Management System.

Public Benefit

Through the charitable purposes of the advancement of the arts, culture and heritage; the advancement of citizenship and community development; and the advancement of education, our programme will continue to explore new ways to contribute to Arts Council England's strategic priorities as well as to Sandwell's Local Area Agreement and Sandwell's Community Engagement Strategy, both of which underpin the Sandwell Plan, overseen by the Local Strategic Partnership. The community engagement strategy responds to the local government white paper 'Strong and Prosperous Communities'; the Local Government and Public Involvement in Health Bill, the 'Every Child Matters' agenda; and supports the delivery of the Government's 'Place Shaping' agenda.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year.

Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue on that basis.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. Trustees 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.

In accordance with company law, as the charitable company's Trustees, we certify that at the time the report is approved:

- so far as we are aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- as the Trustees of the charitable company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

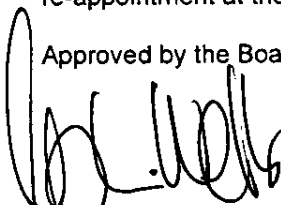
MULTISTORY
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TRUSTEES' REPORT – continued
for the year ended 31 March 2008

Auditors

Clement Keys were appointed as the charitable company's auditors during the year and will offer themselves for re-appointment at the charitable company's first annual general meeting.

Approved by the Board of Trustees on 23 October 2008 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Colin Wells', written over the printed name.

Colin Wells
Trustee and Chair

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MULTISTORY
Limited by Guarantee**

We have audited the financial statements for the year ended 31 March 2008 which are set out on pages 13 to 21 and which comprise the Statement of Financial Activities, Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As described in the Statement of Trustees' Responsibilities the Trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepting Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the information given in the Trustees' Annual Report is not consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

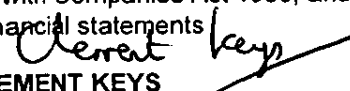
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs at 31 March 2008 and its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements

39/40 Calthorpe Road
Edgbaston
Birmingham
B15 1TS


CLEMENT KEYS
Chartered Accountants
Registered Auditor
23 October 2008

MULTISTORY

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STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account)

For the year ended 31 March 2008

	Note	Restricted funds £	Unrestricted funds £	2008 Total £	2007 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	3	-	300,000	300,000	136,250
Activities for generating funds	4	-	114,592	114,592	21,018
Investment income	5		6,044	6,044	70
<i>Incoming resources from charitable activities</i>					
Grants receivable	14	693,113	-	693,113	204,782
<i>Other incoming resources</i>	6	-	-	-	61,260
Total incoming resources		<u>693,113</u>	<u>420,636</u>	<u>1,113,749</u>	<u>423,380</u>
Resources expended					
Charitable activities		695,263	210,036	905,299	291,507
Governance costs		-	5,475	5,475	3,000
Total resources expended	7	<u>695,263</u>	<u>215,511</u>	<u>910,774</u>	<u>294,507</u>
Net (outgoing)/incoming resources for the year being net (expenditure)/income for the year		(2,150)	205,125	202,975	128,873
Reconciliation of funds					
Fund balances at the beginning of the year		<u>2,150</u>	<u>126,723</u>	<u>128,873</u>	-
Fund balances at the end of the year		<u>-</u>	<u>331,848</u>	<u>331,848</u>	<u>128,873</u>

All incoming resources and resources expended are derived from continuing activities. There are no other gains and losses other than those recognised above and accordingly no separate statement of total recognised gains and losses has been prepared.

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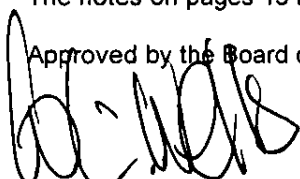
BALANCE SHEET

as at 31 March 2008

	Note	£	2008 £	£	2007 £
Fixed assets	11		11,656		-
Current assets					
Debtors	12	50,830		61,693	
Cash at bank and in hand		509,989		226,499	
			560,819	288,192	
Creditors : amounts falling due within one year	13	(240,627)		(159,319)	
Net current assets			320,192		128,873
Total assets less liabilities			331,848		128,873
Reserves					
Restricted funds	14		-		2,150
Unrestricted funds			331,848		126,723
			331,848		128,873

The notes on pages 15 to 21 form part of the financial statements.

Approved by the Board of Trustees on 23 October 2008 and signed on its behalf by:



Colin Wells
Trustee and Chair

MULTISTORY

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charitable company's financial statements.

Basis of accounting

The financial statements have been prepared in accordance with the provisions of the Companies Act 1985 and in compliance with the historical cost accounting rules, on an accruals basis and in accordance with applicable Accounting Standards. In preparing the financial statements the Trustees have adopted the provisions of the Statement of Recommended Practice - "Accounting and Reporting by Charities" (SORP 2005).

Comparative Figures

The comparative figures cover the period from 1 December 2006 to 31 March 2007.

Cash flow statement

The charitable company has taken advantage of the exemption from preparing a cash flow statement in accordance with Financial Reporting Standard No.1 on the basis that it is a small company as defined in the Companies Act 1985.

Fund accounting

Restricted funds

Restricted funds represent grants and donations which are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Unrestricted funds and designated funds

Unrestricted funds represent funds that are expendable at the discretion of the Trustees in the furtherance of the objects of the charitable company. Such funds may be held in order to finance both working capital and capital investment. Designated funds are those funds which are unrestricted in nature but which have been designated by the Trustees to be used in a particular manner.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charitable company 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 by way of grants, donations and gifts 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 charitable company, are recognised when it becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charitable company where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

Principal accounting policies - continued

Incoming resources - continued

- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charitable company earns the right to consideration by its performance. Where income is received in advance of performance it is treated as deferred income and included within creditors.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred.

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include audit fees and costs linked to the strategic management of the charitable company.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

VAT

The charitable company is partially exempt for VAT. Value added tax which is not recoverable is included in the relevant costs in the Statement of Financial Activities and tangible fixed assets.

Fixed assets

Tangible fixed assets costing £1,000 or more are capitalised and stated at cost less accumulated depreciation.

Depreciation of fixed assets is provided on a straight line basis commencing with the year of acquisition at rates estimated to write off their cost less any residual value over their expected useful lives and charged to the relevant fund as follows:

Office furniture and equipment	3 years
Computer equipment	3 years

Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are reflected in the Statement of Financial Activities as incurred.

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

2	Net incoming resources	2008	2007
		£	£
	These are stated after charging the following		
	Auditors' remuneration	5,475	3,000
	Operating leases – land and buildings	30,000	30,000
	Depreciation of owned assets	5,741	-
3	Voluntary income	2008	2007
		£	£
	Core revenue funding received from:		
	Sandwell Metropolitan Borough Council	150,000	109,000
	Arts Council England	150,000	27,250
		300,000	136,250
4	Activities for generating funds	2008	2007
		£	£
	National Heritage Memorial Fund	17,350	-
	Disability launch event	-	15,136
	Book sales	-	400
	Design services	17,758	445
	Community arts projects	53,731	-
	Miscellaneous income	25,753	5,037
		114,592	21,018
5	Investment income	2008	2007
		£	£
	Bank interest receivable	6,044	70
6	Other incoming resources		

On 15 March 2006, The Public Ltd went into administration. The preferred, and most viable, option for continuing the community arts programme of work carried out by The Public (previously Jubilee Arts) was to establish a brand new charitable company (Multistory) with no legal connection to The Public Ltd. Some of The Public's assets (staff, goodwill and physical assets) were formally transferred to Multistory via a signed legal document – a Transfer of Assets Agreement - which was executed on 13 December 2006.

Other income comprises £61,260 received in cash from PricewaterhouseCoopers. This is the net result from the year when the charitable company was under the administration of PricewaterhouseCoopers.

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

7	Costs directly allocated to activities	Core activities	Projects	Governance	2008 Total	2007 Total
		£	£	£	£	£
	Wages, salaries and sessional workers	345,218	277,285	-	622,503	159,318
	Subscriptions and publications	458	-	-	458	504
	Recruitment and training	4,920	1,013	-	5,933	2,870
	Rent and rates	23,323	-	-	23,323	14,801
	Insurance	8,238	-	-	8,238	2,336
	Office maintenance	10,658	-	-	10,658	2,226
	Printing and stationery	9,351	65,465	-	74,816	12,366
	Marketing and publicity	578	3,513	-	4,091	914
	Computer costs	9,807	-	-	9,807	7,816
	Telephone and postage	12,513	211	-	12,724	4,545
	Entertaining	1,654	3,842	-	5,496	1,862
	Travelling	1,200	11,368	-	12,568	1,839
	Professional fees	4,460	-	-	4,460	4,318
	Equipment hire	-	9,031	-	9,031	273
	Audit costs	-	-	5,475	5,475	3,000
	Utilities	13,123	-	-	13,123	4,369
	Environmental/health and safety	1,652	-	-	1,652	1,456
	Restructuring costs	7,413	-	-	7,413	1,178
	Sundry expenses	2,389	601	-	2,990	1,103
	Materials	-	56,439	-	56,439	62,829
	Equipment	-	2,901	-	2,901	4,584
	Venue hire	-	8,490	-	8,490	-
	Bank charges	16	-	-	16	-
	Depreciation of fixed assets	5,741	-	-	5,741	-
	Refund of surplus on Tibbingham project	-	2,428	-	2,428	-
		<u>462,712</u>	<u>442,587</u>	<u>5,475</u>	<u>910,774</u>	<u>294,507</u>
8	Staff costs and number				2008	2007
					£	£
	Salaries and wages				314,640	90,198
	Social security				30,578	8,696
					<u>345,218</u>	<u>98,894</u>
	The average number of employees during the year, calculated on the basis of full time equivalents was:				No	No
	Administration and support				16	13
	No employee earned in excess of £60,000.					

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

9 Trustees remuneration and related party transactions

No Trustee received any remuneration during the year.

During the year, expenses totalling £560 were reimbursed to two trustees.

No Trustee or other person related to the charitable company had any personal interest in any contract or transaction entered into by the charitable company during the year.

10 Taxation

As a charitable company, Multistory, is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen within the charitable company.

11 Fixed assets

	Office furniture and equipment £	Computer equipment £	Total £
Cost			
At 1 April 2007	-	-	-
Additions	5,029	12,368	17,397
At 31 March 2008	5,029	12,368	17,397
Depreciation			
At 1 April 2007	-	-	-
Charge for the year	1,660	4,081	5,741
At 31 March 2008	1,660	4,081	5,741
Net book value			
At 31 March 2008	3,369	8,286	11,656
At 31 March 2007	-	-	-

The tangible fixed assets are all held for charitable purposes. Assets inherited from The Public in December 2006 are not included within fixed assets on the basis that all were fully written down and had no material value to the charitable company.

12 Debtors

	2008 £	2007 £
Trade debtors	34,419	41,287
Other debtors	123	4,258
Prepayments	16,288	16,148
	50,830	61,693

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

13	Creditors: amounts due within one year		2008 £	2007 £	
	Trade creditors		100,058	115,855	
	Other taxation and social security		62,698	6,257	
	Accruals		22,428	6,505	
	Deferred income		55,443	30,702	
			240,627	159,319	
14	Restricted funds	Balance as at 01.04.2007	Incoming £	Outgoing £	Balance as at 31.03.2008 £
	Longhouse	-	45,985	45,985	-
	NRF Serving the Community	-	297,000	297,000	-
	NRF Time to Talk	-	331,496	331,496	-
	NRF Safer, Stronger Communities	-	18,132	18,132	-
	Building Schools	2,150	500	2,650	-
		2,150	693,113	695,263	-

Longhouse – an annual programme of work that is dedicated to supporting the professional development of artists in the West Midlands.

NRF Serving the Community – a creative evaluation of the impact of 6 key activities within the NRF Serving the Community commission and three from the wider NRF programme on the everyday lives of Sandwell residents as well as 7 creative interventions to support the investment in a common vision and sense of belonging for all communities.

NRF Time to Talk - a programme of creative activities and interventions designed to develop innovative approaches to supporting the speech and language development of 3-5s in Sandwell.

NRF Safer, Stronger Communities – documentation of the changes in aspirations of Tibbington Estate residents under the 4 strands of the initiative which are: Family Outreach Workers; Skills Link; Schools Mentors; Joblink.

Building Schools for the Future - a framework document for commissioning Sandwell's BSF public art programme.

Restricted income was received from the following sources:	2008 £	2007 £
Arts Council England	45,985	16,296
Sandwell Metropolitan Borough Council		
- Neighbourhood Research Fund	297,000	172,347
Sandwell Metropolitan Borough Council	331,496	11,767
Other	18,632	4,372
	<u>693,113</u>	<u>204,782</u>

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2008

15	Analysis of net assets between funds	Unrestricted funds £	2008 Total £	2007 Total £
	Fixed assets	11,656	11,656	-
	Net current assets	320,192	320,192	128,873
		331,848	331,848	128,873
16	Financial commitments		2008 Land and buildings	2007 Land and buildings
	The charitable company has financial commitments under the following non-cancellable operating leases		£	£
	Expiry within :			
	one year		30,000	-
	one to two years		-	30,000

17 Comparative figures

The comparative figures cover the period from 1 December 2006 to 31 March 2007.

18 Company limited by guarantee

The company is limited by guarantee and does not have a share capital. Each member's liability is limited to a maximum of £1. At 31 March 2008 there were 6 members of the company.