

MULTISTORY

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

Registered company number: 5910607

Registered charity number: 1116214



Clement Keys

CHARTERED ACCOUNTANTS

SATURDAY



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MULTISTORY
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TRUSTEES' REPORT

for the year ended 31 March 2009

The trustees present their report and accounts for the year ended 31 March 2009.

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

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TRUSTEES' REPORT – continued

for the year ended 31 March 2009

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.

The company's Memorandum and Articles of Association were redrafted in January 2009, and registered with Companies House and the Charity Commission, to ensure full compliance with the recent changes in charity and company law.

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 period and up to the date of this report are set out below:

Gordon Bates
Steve Johnson
Paul Sutton
Colin Wells

Lisa Dunn (appointed 23 October, 2008)
Louise Kilbride
Frances Wardle

In accordance with the Memorandum and Articles of Association, Steve Johnson, Louise Kilbride and Frances Wardle will retire by rotation at the forthcoming Annual General Meeting in January 2010 and, being eligible, offer themselves for re-election.

We recognise the need to expand board membership and we are actively recruiting further trustees with the appropriate skills and experience. Our ambition is that the board has a wide range of skills and experience in the arts, community development knowledge, financial, marketing and other disciplines as well as representing the culturally diverse communities we work with.

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; previous minutes of Trustee meetings; 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.

The 'Terms of Reference and Responsibilities for Trustees' forms the basis for the remit of the Board. This document is reviewed annually, and amended as and when necessary, to take account of the trustees' views and to make sure that duties are carried out in line with statutory law, good practice and due diligence. The Board take part in an away day once a year with the Management Team to review strategic priorities, the outcomes of which feed into the business planning process, and to maintain an effective working relationship with the company's Executive Director and Management Team. The Board receive literature and briefings to keep them up to date with their roles and responsibilities.

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for the year ended 31 March 2009

Risk Management

For the financial year 2009/2010, the Trustees will continue to implement a risk management framework which comprises:

- a monthly, internal review through the Risk Group;
- an overall, annual review of the risks the charitable company may face;
- the establishment of systems and procedures to mitigate those risks identified in the risk framework; and
- the implementation of procedures designed to minimise any potential impact on the charitable company should those risks materialise.

Organisational Structure

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

Emma Chetcuti	Director
Jayne Clabon	Finance Manager (part-time)
Caron Wright	Operations and Administration Manager

The members of staff listed above are supported by 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.

The core permanent staff team is set at 14 employees (two part-time), 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.

Mission, Objectives and Activities

Multistory's mission is:

"To bring benefits to individuals, communities and artists in Sandwell and the West Midlands by delivering participatory arts projects of the highest creative standard, that make effective use of the resources available."

and our vision:-

'Telling people's stories; changing people's lives.'

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for the year ended 31 March 2009

Impact and benefits we aim to bring to the people we engage with, which are:

1. To provide opportunities for expression for individuals, communities and groups through participation in the arts.
2. To locate the arts at the centre of people's lives to enrich and raise aspiration.
3. To act as a catalyst for creativity and change between artists and communities bringing us together to make life better.
4. To generate new opportunities for artists, new contexts for their work and new audiences.
5. To ensure that our projects reflect diversity and are inclusive to a wide range of people and communities.
6. To achieve high artistic standards through high quality participatory experiences.
7. To help meet the needs of communities through our partnership working in the fields of health, regeneration, and learning.

Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the charitable company and in planning any future activities. In particular, we have considered how planned activities will contribute to the aims and objectives set.

This is demonstrated through our charitable purposes in the advancement of arts, culture and heritage; the advancement of citizenship and community development; and the advancement of education. 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. We are able to offer our partners in Sandwell innovative participatory arts programmes which engage with people from the six towns of Sandwell. We are able to meet the needs of local people by providing them with new opportunities for involvement, self expression and personal development and accreditation, using Arts Awards.

Our strong programme delivery skills mean we design and deliver innovative arts projects, inviting artists to collaborate with us, in non arts settings, with diverse groups, that enable us to generate new and exciting contexts for artists to develop their practice as well as new audiences for their work.

Public benefit is enshrined in Multistory's mission, impact and benefits as listed above. We carry out substantial activities to achieve our mission statement and to deliver public benefit. The public benefit for each is identified under the 'Review of Activities' and 'Future Plans' sections below.

Multistory's charitable 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 2009

Key Principles

All of our work is underpinned by three key principles:

- We pride ourselves on learning from the projects that we develop with communities, artists and strategic partners. Rigorous evaluation underpins everything we do.
- We strive to sustain the financial stability of the company.
- We aim to develop projects of the highest creative standard that benefit communities and artists alike.

Review of Activities

In the financial year 2008/09, 38% of our income was comprised of revenue funding. We received revenue income of £304,050 and utilised this to generate additional income of £499,339. This total income of £803,389¹ enabled us to meet our overhead commitments and to deliver high quality, participatory arts activity. This has enabled us to carry out 13 arts projects, work with 38 artists and engage with 44 groups (4,353 participants) across the six towns of Sandwell and the wider West Midlands region.

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 seven 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 2009/2012 has been approved by SMBC and ACE, WM and this will be reviewed again between October 2009 and February 2010.

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.

The following is a sample of the programmes and projects undertaken during 2008/09.

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.

Time to Talk began delivery in 2007 as a one year programme of work to improve speech and language skills of 3-5 year olds through a range of creative interventions and training opportunities. The Creative Arts strand of the Time to Talk programme was developed around increased personal, social and emotional developments resulting in improvements in speaking and listening skills within children. In 2008/09, we reduced the menu of activities to those that provided the greatest impact across year one in order that these activities could be further developed.

¹ NB: £60,796 of this income will be utilised in 2009/10 in order to complete projects that have spanned two financial years.

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for the year ended 31 March 2009

The programme has been Multistory's flagship project and has been successful in providing a presence for Multistory in every school, children's centre and nursery across the six towns of Sandwell as a high quality arts provider. Since the programme began we have visited 138 different early years settings including children's centres, schools and private day nurseries; providing up to 2 creative interventions of 6 sessions to engage their children in new shared experiences. We have engaged 4055 children in creative activities, and 717 adults have been present to participate with the children, this includes parents, teachers and practitioners.

We delivered creative professional development to 350 practitioners through a range of training opportunities from full day training, 2 hour sessions to training days with in-situ support in using their new skills.

The evaluation of year one (07/08) is available for download on our website; the report details the impact, success and learning of each of the different creative activities we provided as each activity had different specific outcomes. (Please note that the evaluation report was a key outcome requirement for year one of the programme but was not undertaken for year two.)

Public Benefit

The Time to Talk programme contributed to Sandwell Strategic Partnership's agenda and the Sandwell Plan using the charitable purposes of arts and culture, community development and the advancement of education. The programme reflects our mission, aims and objectives with clear identifiable benefits and beneficiaries appropriate to those aims.

SIX

Commissioned as part of Sandwell Council's Year of Communities, and inspired by the Six Word Memoirs project run by SMITH Magazine in America - 'Six' challenged the people of Sandwell to tell a story in just six words. The original concept was derived from a literary bet that Ernest Hemingway had with a friend where he stated he could write a novel in no more than six words; he won the bet with, "For sale: baby shoes, never worn."

To reach the widest possible audience in Sandwell we employed traditional (direct contact and workshops) and innovative marketing techniques (interactive website and SMS text messaging) to enable people to contribute stories outside of fixed workshop activities. This approach led to an eclectic, eye catching and impressive mix of stories and images that have been published in a book and on a dedicated website, giving the opportunity for local writers, illustrators and artists to feature their work. 'Six' celebrates the literary and creative talents within Sandwell and has been a great success; the website received over 1,300 stories from Sandwell, Great Britain and the world via the workshops and web submissions. The project featured as a TV story on BBC Midlands Today on 2 April 2009.

www.sixwordstories.co.uk

A notable outcome of the project was that three of the stories submitted for the project were selected to appear in the British edition of SMITH Magazine's book 'One Life, Six Words, What's Yours?' published by HarperPress.

Public Benefit

The project reflects our mission, aims and objectives with clear identifiable benefits and beneficiaries appropriate to those aims. The project met the principles of public benefit in relation to the advancement of citizenship and community development and the advancement of the arts and there was an open invitation to all of the residents of Sandwell as well as to a wider community through the website.

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TRUSTEES' REPORT – continued

for the year ended 31 March 2009

Home Sweet Home

'Home Sweet Home' was an exhibition held at The Public in West Bromwich to give a public voice to local people living through domestic abuse. The ambition of the project was also to increase the profile of support organisations working against domestic violence within the Sandwell borough and promote their hard work and dedication, as well as to raise local people's awareness of these issues. The project coincided with the International White Ribbon Day on 25 November 2008, as part of a global campaign to raise awareness of domestic abuse.

Multistory was commissioned by Sandwell Organisations Against Domestic Abuse (SOADA) to explore participants' experiences and understanding of domestic abuse and to interpret these into visual and written messages using their illustrations and words to form the content for an exhibition at The Public. Each unique artwork was then printed onto an item of clothing, e.g. t-shirts for adults and children, an apron, a baby bib and pegged out on to a washing line, with a fictitious garden backdrop, to recreate a 'perfect' domestic setting and this formed the exhibition at The Public. However, the artworks told a different story, mirroring the experiences of what can happen 'behind closed doors'.

Public Benefit

This project is a good example in meeting our mission, aims and objectives with clear identifiable benefits and beneficiaries appropriate to those aims. The project met 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 in that they had all experienced domestic violence but there was an open invitation to all of the organisations that SOADA works with for participants to join the workshops.

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.

Public Benefit

Each year, the Longhouse programme overall engages with approximately 16 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 project met the principles of public benefit in relation to the advancement of the arts.

Financial Review

The current financial climate demands a different approach to financial management. What was once considered safe now represents a higher level of risk. We have therefore adapted our financial procedures in order to minimise this risk. We will continue to review and adapt our procedures and policies in order to meet the ever changing needs of the company and the challenging environment that we operate in. Fixed costs are kept to an absolute minimum and are reviewed on a quarterly basis to make savings and re-forecasts where appropriate.

The improved financial procedures introduced in 2008 have now been effectively embedded in the day to day operation of the business providing:

- improved financial reporting in terms of clarity and openness;
- greater understanding of the company finances both internally and externally;
- the ability to analyse and track financial trends;
- clear visibility regarding financial targets and progress towards these;
- lower cost to the organisation for financial management enabled by rationalised processes which

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TRUSTEES' REPORT – continued

for the year ended 31 March 2009

- has allowed a reduction in staff hours;
- new credit control procedures mean that we do everything possible to ensure that we have no debtors in excess of 30 days;
- reserves earning interest in low risk, low interest accounts;
- improved financial risk management;
- a more effective and personalised, support service for the financial software package.

Summary of Financial Forecast for 1 April 2009 to 31 March 2010

Since its incorporation, Multistory has completed two full financial years of activity. The forecast for 2009/10 presented in our business plan shows that we have secured revenue funding of £308,208 and confirmed project income of £200,315 (£60,795 of the confirmed income has been carried forward from 2008/09 to continue projects that span two financial years). We have a forecast pipeline and 'other' income of £449,538 and a projected surplus of £13,164.

We will continue to be responsive to the financial environment and external conditions that affect our organisation.

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 £154,050.

Grants were also received from Department of Communities and Local Government (DCLG) - £50,000 and from Sandwell Partnership of £191,033. The charitable company is also commissioned to do a number of smaller projects and design services.

For the year 2008/2009, the charitable company generated around 41% of its unrestricted income.

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 reviewed the Reserves Policy established in September 2007 with regard to risks associated with operating the charitable company in the current economic climate; the security of project funding until 31 March, 2010; and organisational commitments and forecasts. In order to be prudent and ensure a sensible provision for the operation of the charitable company, the revised policy now provides for between 6 months and 12 months operating costs in the event of a reduction in funding or programme activity.

Unrestricted reserves at the period end totalled £391,703 with £60,000 designated in 2009/10 as follows:

- £10K to continue with CPD for staff, to include an analysis of current skills, to strengthen in-house skills and to develop staff skills' sets to enable the organisation to reach new audiences and to ensure excellence in our arts programme.
- £30K into an in-house R&D Arts Fund to diversify current programme activity into new artistic areas. This is a new area of work to enable the arts programme team to develop ideas and partnerships.
- £20k to be designated for moving costs to new premises.

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TRUSTEES' REPORT – continued

for the year ended 31 March 2009

Future Plans

The aim of our arts programme is 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 continue to extend the programme into the Black Country and wider region. We hope to develop a strong, creative partnership with The Public as we can bring high quality creative content to the building (developed with local people and a local audience) as it enters a new period of business development. We will work closely with Sandwell's voluntary and community sector to maximise and create business opportunities through the 'First Class Commissioning' initiative and work with partners on the new personalisation agendas that can create new 'brokering' roles for the voluntary and community sector.

Our Service Level Agreement with Sandwell MBC will enable us to continue to explore, develop and deliver new ways that our arts programme for 2009-2012 can contribute to Sandwell's Local Area Agreement, the Sandwell Plan and Sandwell's Community Engagement Strategy. 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. These are some of the contexts for developing our partnership work that engages communities and create opportunities for artists.

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 – N11.
- 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.

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 is commissioned to do on behalf of the agencies within Sandwell 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

Our priorities are outlined below and reflect our desire to take continued artistic risks in order to create 'great art for everyone' (Arts Council England's vision 2009) set alongside our commitment and passion to enable communities, individuals and groups to participate in the arts as a means to raise aspirations and contribute to a better life 'Great people, great place, great prospects' (Sandwell Plan). We continue to complement and contribute to ACE, WM and Sandwell's strategic priorities which are set out below.

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TRUSTEES' REPORT – continued

for the year ended 31 March 2009

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
- Economy, Skills and Jobs

Arts Council England's Strategic Priorities under 'Great Art for Everyone'

- Visual Arts
- Children and Young People
- Digital Opportunity
- London 2012 Cultural Olympiad

Priorities and Projects for 2009/10 to 2012

Our Arts Programme will continue to develop opportunities for artists and communities to work together to deliver innovative arts programmes as well as develop new regional and national partnerships to expand our work and profile beyond Sandwell. 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. Our revenue agreements with both Arts Council England, West Midlands and Sandwell MBC provide the framework for our contribution to each funder's strategic priorities as detailed above.

We will initiate new regional and national partnerships to expand our work and profile beyond Sandwell and 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.

Longhouse

Arts Council England, West Midlands undertook a review of their regularly funded visual arts/artist development agencies in the region and Longhouse (run by Multistory as a separately funded programme) was one of two organisations in the region to be reviewed. It was agreed that the work of Longhouse would be integrated into Multistory's arts programme in order to create clear links between the contexts and outcomes that Multistory provides and the artist development and added value Longhouse brings.

As a result we have consolidated both our key programme remits of regeneration and health and learning and our artist development programme, Longhouse, to engage both artists and communities in a high quality arts programme that best realises all of our stakeholder priorities. It should be noted, therefore, that Longhouse is now integrated into relevant areas of work of the arts programme as a whole.

Areas for programme development are as follows:

- environment and recycling;
- creative professional and skills development, including Longhouse;
- health and well being – personalisation agenda;
- digital opportunity;
- R&D - arts programme research and development, innovation and risk.

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for the year ended 31 March 2009

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.

Our programme will continue to explore new ways to contribute 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.

Financial Review

At the close of the financial year 2009/10, we will review our funding conversion rates and trends as we will have had three full years of trading.

Governance

An annual review 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 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.

Multistory will continue to review the appropriate skills and experience to maintain a board that represents the culturally diverse environment in which we work, together with a broad range of skills and experience needed.

We will review the organisational 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.

Statement of Trustees' Responsibilities

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

Company law requires the directors (who are also Trustees for the purposes of charity law) 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:

- a) select suitable accounting policies and then apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgements and estimates that are reasonable and prudent;
- d) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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The Trustees are responsible for keeping 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 requirements of the Companies Act 1985. 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.

In so far as the Trustees are aware:

- a) there is no relevant audit information of which the charitable company's auditors are unaware; and
- b) they have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the auditors are aware of that information.

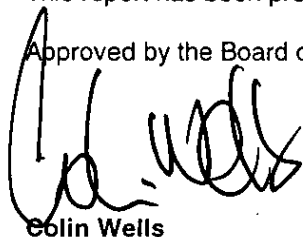
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions

Auditors

Clement Keys will offer themselves for re-appointment at the forthcoming annual general meeting.

This report has been prepared in accordance with Part VII of the Companies Act 1985 relating to small entities.

Approved by the Board of Trustees on 23 July 2009 and signed on its behalf by:



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 2009 which comprise the Statement of Financial Activities, Balance Sheet and related notes. These financial statements have been prepared under 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 Accepted 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.

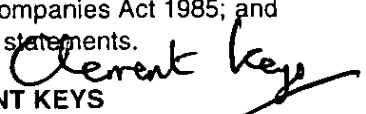
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity 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 2009 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.

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CLEMENT KEYS
Chartered Accountants
Registered Auditor
23 July 2009

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

for the year ended 31 March 2009

	Note	Restricted funds £	Unrestricted funds £	2009 Total £	2008 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	3	-	304,050	304,050	300,000
Activities for generating funds	4	-	220,424	220,424	114,592
Investment income	5	-	11,540	11,540	6,044
<i>Incoming resources from charitable activities</i>					
Grants receivable	13	241,033	26,342	267,375	693,113
Total incoming resources		<u>241,033</u>	<u>562,356</u>	<u>803,389</u>	<u>1,113,749</u>
Resources expended					
Charitable activities		241,033	496,309	737,342	905,299
Governance costs		-	6,192	6,192	5,475
Total resources expended	6	<u>241,033</u>	<u>502,501</u>	<u>743,534</u>	<u>910,774</u>
Net incoming resources for the year being net income for the year		-	59,855	59,855	202,975
Reconciliation of funds					
Fund balances at the beginning of the year		-	331,848	331,848	128,873
Fund balances at the end of the year		-	<u>391,703</u>	<u>391,703</u>	<u>331,848</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.

MULTISTORY

(A company limited by guarantee)

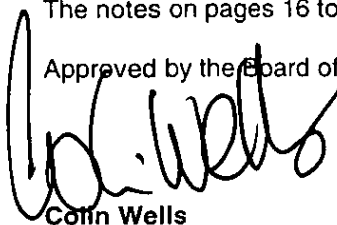
BALANCE SHEET

as at 31 March 2009

	Note	£	2009	£	£	2008	£
Fixed assets	10			17,348			11,656
Current assets							
Debtors	11	39,828			50,830		
Cash at bank and in hand		442,607			509,989		
				482,435		560,819	
Creditors : amounts falling due within one year	12	(108,080)			(240,627)		
Net current assets				374,355			320,192
Total assets less liabilities				391,703			331,848
Reserves							
Restricted funds				-			-
Unrestricted funds							
General fund				331,703			331,848
Designated Funds				60,000			-
Total funds	13			391,703			331,848

The notes on pages 16 to 22 form part of the financial statements.

Approved by the Board of Trustees on 23 July 2009 and signed on its behalf by:



Colin Wells
Trustee and Chair

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2009

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 April 2008 to 31 March 2009.

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 2009

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:

Motor vehicles	25% reducing balance
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 2009

2	Net incoming resources	2009	2008
		£	£
	These are stated after charging the following		
	Auditors' remuneration	6,192	5,475
	Operating leases – land and buildings	30,000	30,000
	Depreciation of owned assets	7,336	5,741
3	Voluntary income	2009	2008
		£	£
	Core revenue funding received from:		
	Sandwell Metropolitan Borough Council	150,000	150,000
	Arts Council England	154,050	150,000
		304,050	300,000
4	Activities for generating funds	2009	2008
		£	£
	National Heritage Memorial Fund	-	17,350
	Design services	-	17,758
	Community arts projects	210,004	53,731
	Miscellaneous income	10,420	25,753
		220,424	114,592
5	Investment income	2009	2008
		£	£
	Bank interest receivable	11,540	6,044

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2009

6	Costs directly allocated to activities	Core activities	Projects	Governance	2009	2008
		£	£	£	Total £	Total £
	Wages, salaries and sessional workers	362,397	183,763	-	546,160	622,503
	Subscriptions and publications	635	-	-	635	458
	Recruitment and training	5,170	369	-	5,539	5,933
	Rent and rates	32,630	-	-	32,630	23,323
	Insurance	10,348	-	-	10,348	8,238
	Office maintenance	17,250	-	-	17,250	10,658
	Printing and stationery	5,003	34,902	-	39,905	74,816
	Marketing and publicity	12	-	-	12	4,091
	Computer costs	3,534	-	-	3,534	9,807
	Telephone and postage	12,348	293	-	12,641	12,724
	Entertaining	2,064	4,574	-	6,638	5,496
	Travelling	3,505	4,506	-	8,011	12,568
	Professional fees	20,086	-	-	20,086	4,460
	Equipment hire	-	1,859	-	1,859	9,031
	Audit costs	-	-	6,192	6,192	5,475
	Utilities	9,593	-	-	9,593	13,123
	Environmental/health and safety	2,296	-	-	2,296	1,652
	Restructuring costs	-	-	-	-	7,413
	Sundry expenses	4,307	4,039	-	8,346	2,990
	Materials	-	99	-	99	56,439
	Equipment	91	2,803	-	2,894	2,901
	Venue hire	-	1,530	-	1,530	8,490
	Bank charges	-	-	-	-	16
	Depreciation of fixed assets	7,336	-	-	7,336	5,741
	Refund of surplus on Tibbingham project	-	-	-	-	2,428
		<u>498,605</u>	<u>238,737</u>	<u>6,192</u>	<u>743,534</u>	<u>910,774</u>
7	Staff costs and number				2009	2008
					£	£
	Salaries and wages				330,404	314,640
	Social security				31,993	30,578
					<u>362,397</u>	<u>345,218</u>
	The average number of employees during the year, calculated on the basis of full time equivalents was:				No	No
	Administration and support				16	16
	No employee earned in excess of £60,000.				<u></u>	<u></u>

MULTISTORY

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2009

8 Trustees remuneration and related party transactions

No Trustee received any remuneration during the year.

During the year, expenses totalling £467 (2008: £560) were reimbursed to two (2008: two) trustees.

No Trustee or any 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.

9 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.

10 Fixed assets	Office furniture and equipment £	Computer equipment £	Motor Vehicles £	Total £
Cost				
At 1 April 2008	5,029	12,368	-	17,397
Additions	2,628	3,753	6,648	13,029
At 31 March 2009	7,657	16,121	6,648	30,426
Depreciation				
At 1 April 2008	1,660	4,081	-	5,741
Charge for the year	1,949	4,419	969	7,337
At 31 March 2009	3,609	8,500	969	13,078
Net book value				
At 31 March 2009	4,049	7,621	5,678	17,348
At 31 March 2008	3,369	8,286	-	11,656

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.

11 Debtors	2009 £	2008 £
Trade debtors	31,981	34,419
Other debtors	93	123
Prepayments	7,754	16,288
	39,828	50,830

MULTISTORY

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2009

12	Creditors: amounts due within one year				2009 £	2008 £
	Trade creditors				14,920	100,058
	Other taxation and social security				25,879	62,698
	Accruals				6,508	22,428
	Deferred income				60,773	55,443
					108,080	240,627
13	Funds	Balance as at 01.04.2008 £	Incoming £	Outgoing £	Transfers £	Balance as at 31.03.2009 £
	<i>Restricted funds</i>					
	Urban Living	-	50,000	(50,000)	-	-
	Time to Talk	-	191,033	(191,033)	-	-
	<i>Designated funds</i>					
	Continuing Professional Development	-	-	-	10,000	10,000
	Research & Development	-	-	-	30,000	30,000
	Office move	-	-	-	20,000	20,000
	<i>General funds</i>	331,848	562,356	(502,501)	(60,000)	331,703
		331,848	803,389	(743,534)	-	391,703

Restricted funds

Urban Living – this project is one of nine Housing Market Renewal Pathfinder areas in the UK set up and funded by the Department of Communities and Local Government (DCLG). The Pathfinder covers substantial areas within Birmingham City Council and Sandwell Metropolitan Borough Council, who are the two local authority partners. The pathfinder is an ambitious 15 year regeneration programme, which aims to improve neighbourhoods where problems of low demand housing are most acute.

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.

Restricted income was received from the following sources:

	2009 £	2008 £
Arts Council England	-	45,985
Sandwell Metropolitan Borough Council	-	297,000
- Neighbourhood Research Fund	241,033	331,496
Sandwell Metropolitan Borough Council	-	18,632
Other	-	-
	<u>241,033</u>	<u>693,113</u>

MULTISTORY

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2009

13 Funds – continued

Designated funds

Continuing professional development - fund to continue with CPD for staff, to include an analysis of current skills, to strengthen in-house skills and to develop staff skills' sets to enable the organisation to reach new audiences and to ensure excellence in our arts programme.

Research and development fund - an in-house R&D Arts Fund to diversify current programme activity into new artistic areas. This is a new area of work to enable the arts programme team to develop ideas and partnerships.

Office move - designated monies for moving costs to new premises.

14	Analysis of net assets between funds	Unrestricted funds £	2009 Total £	2008 Total £
	Fixed assets	17,348	17,348	11,656
	Net current assets	374,355	374,355	320,192
		391,703	391,703	331,848

15 Financial commitments

The charitable company has financial commitments under the following non-cancellable operating leases

Expiry within:
one year

	2009 Land and buildings £	2008 Land and buildings £
	-	30,000

16 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 2009 there were 7 members of the company.