

MULTISTORY

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

Registered company number: 05910607

Registered charity number: 1116214



Clement Keys

CHARTERED ACCOUNTANTS

SATURDAY



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29/10/2011

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MULTISTORY
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MULTISTORY
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TRUSTEES' REPORT

for the year ended 31 March 2011

The trustees present their report and accounts for the year ended 31 March 2011

Reference and Administrative Information

Charity name	Multistory
Company number	5910607
Charity registration number	1116214
Registered office	4 th Floor The Public New Street West Bromwich West Midlands B70 7PG
Independent Auditors	Clement Keys Chartered Accountants and Statutory 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 2011

Structure, Governance and Management

Governing Document

Multistory is a company limited by guarantee (with no share capital) incorporated under the Companies Act 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

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
Louise Kilbride
Frances Louise Wardle

In accordance with the Memorandum and Articles of Association, Lisa Dunn retired by rotation at the Annual General Meeting held on 4 May 2011, and, being eligible, was re-elected unanimously

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 operational 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 effective working relationships. The Board receive literature and briefings to keep them up to date with their roles and responsibilities.

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TRUSTEES' REPORT – continued

for the year ended 31 March 2011

Risk Management

For the financial year 2011/2012, the Trustees will continue to implement a risk management framework that comprises

- a quarterly, internal review of the Risk Framework by the Management Team (the Framework includes governance, financial, operational, external, compliance),
- an annual report on the Risk Framework reviewed by the Board, to include significant new activities or opportunities and changed, or new, external factors, 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 until July 2010)
Caron Wright	Operations Manager

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 maintain a sustainable future for the organisation. Specifically this requires the Director to

- develop and manage key strategic and funding partnerships,
- maintain a 'fit for purpose' organisation,
- create and deliver an innovative Arts Programme,
- develop and deliver a viable Operational Plan,
- take leadership on operational matters including finance and employment, and
- manage risk

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

The core permanent staff team is set at 5 employees, organised to ensure that

- there are strong reporting lines and relationships,
- there are short chains of control and direction, and
- there is flexibility to respond to changes in demand

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for the year ended 31 March 2011

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 education, the advancement of arts, culture and heritage, and the advancement of citizenship and community development. 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 partner organisations innovative participatory arts programmes that 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.

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.

All of our projects follow the two key principles of public benefit in that (1) there is an identifiable benefit or benefits, and (2) the benefit goes to the public, or section of the public. Multistory does not charge a fee to any individual(s) or group(s) taking part in, and benefitting from, our projects and there are no unreasonable restrictions on anyone taking part in our projects.

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

Mission, and Values

Multistory's mission is

'art celebrating lives'

Multistory works with people to create experiences that are

Empowering • Diverse • Rooted • Curious • Social • Excellent • Accessible

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,
- 3 To promote and preserve the health of the general public through music, drama, media, multimedia and the creative visual arts

Multistory works with the people of Sandwell to make art that reflects their lives. Our ambition is to be nationally recognised for our work so that we can attract brilliant artists to come and work with us. We want to create work that everyone will want to see, be part of and talk about.

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for the year ended 31 March 2011

Review of Activities

In 2010/11, Multistory continued to invest in a number of important areas of organisational development and growth that were set against both organisational ambitions as well as the requirements of our funding agreements, these were

- CPD for staff
- R&D to invest in innovation and best practice to diversify the arts programme
- profile and presence in region and nationally
- maintain and develop strategic partnerships
- develop critical friend partnerships
- comprehensive planning and evaluation processes

We believe that investment of resources in the above areas has produced greater management ability and resulted in increased public benefit through artistic quality and improved financial viability. We are committed to our core aims and objectives and have a strong and active board of seven trustees plus one representative from both ACE and SMBC (who attend as observers). The Board will continue to advise and help steer Multistory as it continues its growth and development.

In 2010/11, we were able to deliver a successful arts partnership programme that brought in partnership investment of £150,199 in addition to our total revenue funding of £389,838, a contribution of 38% to earned income.

New Commissions Programme

We have developed a 'New Commissions Programme' that is now at the heart of our way of working. The projects developed and delivered by Multistory through this programme are created because it is our intention to continue to build a body of work that finds a powerful form and voice for the lives of people in Sandwell that can also stand alone as great art work. Multistory will commission new work with artists with a high reputation in their field and are recognised by their peers. The New Commissions Programme will enable us to develop a body of outstanding work with, and for, the people in Sandwell. We also believe that the best way to secure our future is by producing outstanding work that people want to see, support and be involved in.

Martin Parr's Black Country Stories

For the first project in the New Commissions Programme, at the beginning of 2010, Multistory commissioned one of the UK's most important and influential Magnum photographers, Martin Parr, to spend a year documenting everyday life in Sandwell in the Black Country. Multistory worked in partnership with staff at The Public to curate and produce a free exhibition at The Public in West Bromwich that opened on 11 November 2010, and ran until Sunday 23 January 2011. It is estimated that around 13,000 people saw the exhibition.

From the many hundreds of images that Martin took, 668 photographs were showcased in the exhibition and these were donated by Multistory, in a bespoke presentation box, to Sandwell Metropolitan Borough Council as an archive collection for future generations to enjoy.

A four-page colour photographic insert was included in 48,000 copies of the Express & Star a week before the exhibition opened.

Martin photographed local people at clubs, pubs, a sweet factory, a spice factory, metal-bashing industries, factories, markets, shops, local community groups and social clubs, Gurdwaras, Temples, Mosques, restaurants, cafes, fishing on the canals, at weddings and at local celebrations for St George's day, Easter and Vaisakhi, and the Sandwell Community Show.

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for the year ended 31 March 2011

Martin also mentored local students and teaching staff from the Photography Department at Sandwell College for their own project called 'Show Me a Secret' that encouraged them to use their local area as their inspiration to create a series of photographs. The resulting images were produced as a book and also exhibited at The Public alongside 'Black Country Stories'.

Allan Ahlberg

In January 2010, Multistory began working with Allan Ahlberg, international bestselling children's author, to create new work with Rood End and Bleak House primary schools in Oldbury. In the 1950s, Allan was a pupil at Rood End primary school where there is still an archive of school log books and photographs from that time. We used Allan's books about his childhood in Oldbury as catalysts for work with pupils in Years 3 and 4, their teachers and parents. We also worked with eight local artists to support Allan on this project including Black Country Touring, an illustrator, an oral historian and a photographer.

The project will culminate in 2011, with a free summer exhibition at The Public in West Bromwich.

Public Benefit

The New Commissions Programme has been developed and created by Multistory to demonstrate and fulfill our mission plus our aims and objectives with clear identifiable benefits and beneficiaries appropriate to those aims. The programme is primarily designed to meet the needs of people in Sandwell by providing them with new opportunities for involvement, self expression and personal development.

Multistory does not charge a fee to any individual(s) or group(s) taking part in, and benefitting from, the New Commissions Programme and there are no unreasonable restrictions on anyone taking part in the programme.

Partnership Arts Programme

Alongside our New Commissions Programme we continue with our Partnership Arts Programme to meet the needs of core partners such as Sandwell Metropolitan Borough Council and Sandwell PCT and clients in regeneration and learning. Detailed below are some of the partnership projects undertaken during 2010/2011.

Beyond Bricks

Multistory managed and co-ordinated this community cohesion arts programme that was initiated, and funded, by Urban Living and Arts Council England, West Midlands.

Beyond Bricks was an exciting programme of creative participatory projects taking place in the Urban Living Housing Market Renewal Pathfinder area, which includes areas of Birmingham and Sandwell. Beyond Bricks recognised the importance of arts activity and its role towards empowering local people to provide opportunities to respond to the social, economic and environmental changes taking place within their community and develop their skills. Beyond Bricks brought a diverse range of artists and residents to work together to help foster community cohesion and strengthen connections, and delivered a series of high quality arts projects that reflected the ideas, talents and aspirations of local people.

Public Benefit

The Beyond Bricks programme contributed to Urban Living and Arts Council strategic priorities using the charitable purposes of arts and culture and community development. The programme reflected Multistory's 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, culture and heritage. The Beyond Bricks programme had identifiable benefits to a section of the public within a specified location but that public was not unreasonably restricted as it was open to all members of the public within those locations.

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Longhouse

Longhouse is dedicated to supporting the professional development of artists in the West Midlands. Arts Council England 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 plus a website.

Public Benefit

The programme reflects Multistory's 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 the arts, culture and heritage. During 2010/11, the Longhouse programme engaged with 31 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 was open for any artist to apply to take part.

Forging Links

Forging Links is a partnership with Sandwell Museum Service and Sandwell Community History & Archives Service (CHAS). The project focuses on the heritage of the local metal bashing trades and the communities that have shaped and been shaped by them. CHAS hold an important and diverse collection relating to many Sandwell companies which made an impact on both the national and international stage. Forging Links will bring this collection to life for a new generation and the wider community. A group of young people has been working with several artists to interpret these collections for new audiences, exploring life as an industrial worker and capturing the intangible heritage of community memory in video, photography and sound recordings to reveal the collections' social and human context. The final results were presented at the Sandwell Arts Festival in July, 2011 and exhibited at Haden Hill House Museum in Cradley Heath, Rowley Regis.

A piece of public art will also be created.

Digital Stories

Everyone has a story to tell, technology now allows anyone to tell it in their own way and Multistory wants to develop many different ways for people to tell their stories. 'Digital Stories' gives people the opportunity to make short films using personal photographs, sound, images, objects, recordings, memories. Multistory wants to get people's stories heard, to pass on skills, to capture everyday living, in all its different ways.

During 2010/11, Multistory received in-house delivery training in this area of work to develop staff skills and used this in a pilot project at Hallam Street Hospital in West Bromwich.

Public Benefit

Both Digital Stories and Forging Links reflect Multistory's mission, aims and objectives with clear identifiable benefits and beneficiaries appropriate to those aims. The projects met the principles of public benefit in relation to the advancement of the arts, culture and community development. The projects reflect Multistory's mission, aims and objectives with clear identifiable benefits and beneficiaries appropriate to those aims. The projects met the principles of public benefit in relation to the advancement of citizenship and community development and the advancement of the arts, culture and heritage. The projects had identifiable benefits to a section of the public within a specified location but that public was not unreasonably restricted as it was open to all members of the public within those locations.

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for the year ended 31 March 2011

Financial Review

The current financial climate continues to demand a prudent approach to financial management. Fixed costs are kept to a minimum and are reviewed on a monthly basis to make savings and re-forecast where appropriate. All budgets are forecast on a cash accounting basis. Project budgets are held by the project managers but final sign off of any expenditure is controlled by the Operations Manager. Financial documents are produced each month and emailed to the board of trustees and also formally reported to the board of trustees at quarterly meetings. Financial information includes

- Management Accounts – actual figures against original and revised budget and a cash position,
- a Balance Sheet

During 2010/11, we used Microsoft Dynamics financial accounting software to record financial data and Sage payroll software for salary processing. Both software packages were supported by external companies.

Principal Funding Sources in 2010/2011

The principal source of funds of the charitable company in 2010/11 were revenue grants of £150,000 from Sandwell Metropolitan Borough Council ('SMBC') and £239,838 from Arts Council England ('ACE').

The charitable company was also commissioned to manage a number of partnership projects with a total financial value of £150,199.

Summary of Financial Forecast for 1 April 2011 to 31 March 2012

The forecast for 2011/12 presented in our operational plan shows that we have secured revenue funding of £356,856 from SMBC and ACE combined plus confirmed project income of £70,599.

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

Investment Policy

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

Reserves Policy

In July 2009, the Trustees reviewed the Reserves Policy with regard to risks associated with operating the charitable company in the current economic climate, the security of project funding, 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 continues to provide for between 6 months and 12 months operating costs in the event of a reduction in funding or programme activity.

At a meeting held on 30 September 2010, the Trustees agreed that the level of unrestricted reserves be brought down nearer to the lower end of the agreed Reserves Policy (i.e. we will plan to carry nearer to 6 months). Excess general unrestricted reserves over and above this amount are to be allocated to the New Commissions Programme in order to continue to strategically develop this strand of work.

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for the year ended 31 March 2011

Future Plans

As one of the Arts Council of England's National Portfolio Organisations, Multistory will receive confirmed revenue funding for the period 1 April 2012 to 31 March 2015. Sandwell Metropolitan Borough Council has confirmed Multistory as one of the Council's Preferred Strategic Arts Partners following the charity's change of status from that of a Regularly Funded Organisation to that of National Portfolio Organisation.

We will continue with our ambition to establish the company as a nationally recognised arts organisation by

- delivering the New Commissions Programme for Sandwell,
- delivering a Partnership Arts Programme with local organisations,
- developing the Sandwell Imaginareum – an archive of local creative life,
- developing community based arts practice and debate,
- securing the resources to manage a successful business,
- documenting, evaluating and communicating our work

In support of this we will carry out the following

- Expand our partnership base so that our fundraising opportunities are more diverse,
- Develop a touring programme in order to attract wider attendance and participation and develop website and digital projects,
- Develop a new business model that requires us to change our mindset from a largely subsidised organisation, with some earned income from the public sector, to more innovative partnerships across the private, public and civic sectors,
- Continue to improve our management, finance and administration systems, hence making savings that we can direct to core services wherever possible,
- Work to be a good partner to other arts organisations in the Borough by sharing resources and expertise,
- Implement a full cost recovery accounting system and invest further in the professional development of our staff,
- Review evaluation, learning and communication so that we can achieve best value from our work,

In early 2010, we identified and mitigated against the risk of reduced public sector funding and revised by restructuring the company in order to drive resources to frontline arts delivery and activity, this reduced operational costs by 42% in 2010/11. We will make a further saving of 18% in operational costs for 2011/12 by relocating office premises, this saving will be maintained during 2011/15 and means that our operational costs will be approximately 52% less for 2011/12 onwards than they were in 2009/10.

As a result of this, plus successful delivery of our arts programmes, we have generated funds from our unrestricted reserves that will enable strategic investment in the New Commissions Programme. This allows Multistory to build a body of significant new work with artists to expand our future offer, portfolio of work and our reach. This work will also be part of the Sandwell Imaginareum and shown as part of touring and co-production partnerships.

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TRUSTEES' REPORT – continued

for the year ended 31 March 2011

Developing the Sandwell Imaginareum

Developed by Multistory, the Imaginareum will be an online, accessible archive of local imaginative and creative life. It will be a repository for local stories, oral histories, images, artifacts and cultural activities resulting from our arts programme and the work we do with communities that will be collected and curated by Multistory and the artists we collaborate with. Our ambition is to make the Imaginareum a catalogue of local creative knowledge that can be dispersed in many ways, and we will encourage users to get involved in how the site is used and developed.

Multistory will invest directly in the development of this project during 2011/12 and ensure that all our projects have outputs that are used in the Imaginareum.

New Commissions Arts Programme – Future Plans

The overarching themes for the New Commissions Programme for 2011-2015 are documenting, archiving, collecting and storytelling. We will build on the work we have delivered in 2010/11 and continue to commission new work from outstanding artists. Listed below are some of the projects planned for the New Commissions Programme.

Martin Parr's Black Country Stories

Following the success of the Sandwell project, we have new partnerships with three Black Country arts venues, plus funding from the Heritage Lottery Fund, to develop Black Country Stories and engage a wider audience, namely New Art Gallery Walsall, Wolverhampton Museum and Art Gallery, and Dudley Museum and Art Gallery. Between 2011 and 2014, Martin Parr will continue his photographic journey across the Black Country, producing a new exhibition at each of the partners' venues, a major photographic archive, a collection of oral histories that will be donated to the libraries and archives services in each borough, a community newspaper of selected images distributed across the Black Country, an education programme with local schools and the partner venues, and online access to the archive and oral histories via the Imaginareum.

Each year we will invite an artist to work in parallel with Martin Parr and in response to the growing photographic archive and community stories that will begin to emerge in the Imaginareum.

Mark Power's Black Country Stories

Multistory has commissioned Mark Power, Magnum photographer to work with us on the Black Country Stories body of work. We have invited Mark to explore the social landscape of the Black Country, using his large negative (5x4 inch) Horseman FA camera - a camera that must be used on a tripod and with a cloak that makes the photographer visible and attracts attention on a busy street. The large format camera also means the photographer stands at some distance from the subject, hence producing images with a still-life quality that encourages contemplation and analysis. As part of Mark's commission we have asked him to work digitally to make a series of short digital films and stills.

Mark Power's Black Country Stories will be shown in a free exhibition at The New Art Gallery Walsall from July to September in 2012, and will then tour to a number of regional venues.

Rick Davies' Black Country Stories

A documentary landscape commission that explores the relationship between mechanised, industrial work and the regenerated Black Country landscape through panoramic photography and a Rodchenko-style construction. This work will be shown in a free exhibition at The Public as part of their Spring Programme for 2012.

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TRUSTEES' REPORT – continued

for the year ended 31 March 2011

Where we Dream

This project will celebrate the amateur artists of Sandwell all the people who work so hard to share their gifts and talents with friends and strangers. We will be working with writer and community artist, François Matarasso, to find out about the activities of amateur artists in West Bromwich. We will document people's work, record conversations and build an archive that will be available online.

We will also have a free exhibition and a showcase event in Spring 2012, and François will produce a book of stories celebrating amateur arts and culture.

Partnership Arts Programme – Future Plans

During 2011/12, we will carry out the following

Small Change

Small Change is a research and development project with Nabeel Hamdi, Jeni Burnell (of ASF), François Matarasso and Anshu Sharma of Seeds, an international development agency in India. We will pilot Small Change in 2011/12 in Leh in India and continue it in the West Midlands. Small Change tests new approaches to managing cities and neighbourhoods more equitably and sustainably. It adapts innovative international practice to a British context, drawing on ideas from poor communities in South Asia, Latin America and Eastern Europe as well as the UK. The importance of good governance is widely recognised but securing a legitimate voice for civil society in urban planning and management remains difficult. We will work with Sandwell MBC and other partners to address that challenge.

Digital Stories

Over the next three years, Multistory will promote and share the benefits and power of storytelling by using digital technology to develop and tailor bespoke projects with a wide range of individuals and partners. The projects will not only be beneficial and enriching to the individuals telling the stories but these stories will also be essential resources and become social, cultural and educational assets for Multistory and our partners. The stories will bring innovative and new approaches to how organisations engage with the people they work with, and for, raise awareness around specific issues, provide resources for skills development and training purposes, a better understanding and evaluation of the services provided within their practice.

Multistory will explore and find opportunities to gain experience and improve its delivery skills, knowledge and experience in this field by researching and developing new partnerships and funding streams to initiate partnership projects.

We will also continue with the Longhouse programme and Forging Links during 2011/12.

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 in the advancement of education, the advancement of arts, culture and heritage, and the advancement of citizenship and community development. These, in turn, inform our mission, aims and objectives that fulfill the strategic priorities and agendas of both SMBC and ACE.

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Revenue Funders' Strategic Priorities

We continue to complement and contribute to the vision of both ACE and SMBC and our priorities are balanced against these to reflect our desire to take continued artistic risks in order to create 'great art for everyone' (ACE vision) 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' (SMBC's vision)

Public Benefit

The specific deliverables and targets are included in funding agreements with SMBC and ACE, and our activities are monitored and evaluated against these. These activities provide free opportunities and identifiable benefits to all sectors of the community, not unreasonably restricted, to take part in creative arts projects ('great art for everyone'), and to be consulted on issues that effect them ('great people, great place, great prospects')

Financial Review

Multistory will work towards the development and utilisation of budgets based on a full cost recovery model. We will continue to review and adapt our procedures and policies in order to meet the ever-changing needs of the company and a challenging environment. Due to a greatly reduced amount of financial transactions, we will change our financial accountancy software package during 2011, from Microsoft Dynamics to Sage 50 Accounts Plus 2012, this will also reduce our fixed costs.

Governance

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 continue to 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 in line with this.

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.

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Statement of Trustees' Responsibilities

The trustees (who are also the directors of Multistory for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish 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 financial statements may differ from legislation in other jurisdictions

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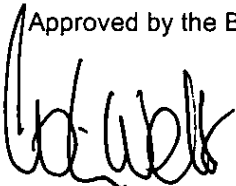
Auditors

The auditors, Clement Keys, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

Small company provisions

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

Approved by the Board of Trustees on 13 October 2011 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Colin Wells', written over a horizontal line.

Colin Wells
Trustee and Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MULTISTORY

We have audited the financial statements of Multistory for the year ended 31 March 2011 which comprise the Statement of Financial Activities, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 directors and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14 the directors (who are also the trustees of the charitable company for the purpose of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards of Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatement or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MULTISTORY – continued**

Opinion on other matters prescribed by Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

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



Simon Atkins FCA

Senior Statutory Auditor
for and on behalf of

Date 13 October 2011

CLEMENT KEYS
Chartered Accountants
Statutory Auditors
39/40 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

MULTISTORY
(A company limited by guarantee)

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

for the year ended 31 March 2011

	Note	Restricted funds £	Designated funds £	Unrestricted funds £	2011 Total £	2010 Total £
Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income	3	78,554	-	311,284	389,838	379,823
Activities for generating funds	4	-	-	91,925	91,925	204,874
Investment income	5	-	-	1,596	1,596	3,554
<i>Incoming resources from charitable activities</i>						
Grants receivable	6	58,981	-	-	58,981	51,528
Total incoming resources		137,535	-	404,805	542,340	639,779
Resources expended						
Charitable activities		137,535	-	406,256	543,791	715,275
Governance costs		-	-	5,150	5,150	4,987
Total resources expended	7	137,535	-	411,406	548,941	720,262
Net (outgoing)/incoming resources for the year being net (expenditure)/income before transfers						
			-	(6,601)	(6,601)	(80,483)
Transfers between funds	15	-	(60,000)	60,000	-	-
Net (outgoing)/incoming resources for the year being net (expenditure)/income for the year		-	(60,000)	53,399	(6,601)	(80,483)
Reconciliation of funds						
Fund balances at the beginning of the year		-	60,000	251,220	311,220	391,703
Fund balances at the end of the year		-	-	304,619	304,619	311,220

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
Company Number 05910607

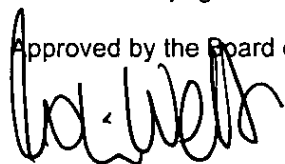
as at 31 March 2011

	Note	£	2011	£	£	2010	£
Fixed assets	12			1,750			3,229
Current assets							
Debtors	13	39,019			64,327		
Cash at bank and in hand		374,360			426,209		
			413,379		490,536		
Creditors . amounts falling due within one year	14	(110,510)			(182,545)		
Net current assets				302,869			307,991
Total assets less liabilities				304,619			311,220
Reserves							
Restricted funds				-			-
Unrestricted funds							
General fund				304,619			251,220
Designated Funds				-			60,000
Total funds	15			304,619			311,220

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006

The notes on pages 19 to 26 form part of the financial statements

Approved by the Board of Trustees on 13 October 2011 and signed on its behalf by



Colin Wells
Trustee and Chair

MULTISTORY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

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 2006 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)

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 2006

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

MULTISTORY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

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.
- Investment income is included when receivable.

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.

MULTISTORY
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

2	Net incoming resources	2011	2010
		£	£
	These are stated after charging the following		
	Auditors' remuneration	5,150	4,987
	Operating leases – land and buildings	-	8,986
	Depreciation of owned assets	1,479	5,918
3	Voluntary income	2011	2010
		£	£
	Core revenue funding received from		
	Sandwell Metropolitan Borough Council	150,000	150,000
	Arts Council England	239,838	229,823
		389,838	379,823
4	Activities for generating funds	2011	2010
		£	£
	Community arts projects	-	67,319
	Miscellaneous income	707	1,012
	Design projects	-	30,504
	Urban Living – Sense of Place	-	80,000
	Walsall Metropolitan Borough Council	-	26,039
	Urban Living (Beyond Bricks)	91,218	-
		91,925	204,874
5	Investment income	2011	2010
		£	£
	Bank interest receivable	1,596	3,554
6	Grants receivable	2011	2010
		£	£
	ACE, WM (Beyond Bricks)	17,782	32,218
	Forging Links	29,701	-
	HLF Black Country Stories	263	-
	DCD & Digital Stories	8,735	-
	The Vodafone Foundation	2,500	-
	Ripple	-	15,000
	City Limits	-	4,310
		58,981	51,528

MULTISTORY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

7	Total resources expended	Core activities	Projects	Governance	2011 Total	2010 Total
		£	£	£	£	£
	Wages, salaries and sessional workers	178,488	218,770	-	397,258	485,721
	Subscriptions and publications	174	-	-	174	769
	Recruitment and training	6,841	-	-	6,841	5,557
	Rent and rates (1)	30,409	-	-	30,409	10,400
	Insurance	6,155	-	-	6,155	3,894
	Office maintenance	10,146	-	-	10,146	12,661
	Printing and stationery (2)	1,793	11,069	-	12,862	62,446
	Marketing and publicity (3)	13,545	5	-	13,550	892
	Computer costs (4)	11,366	-	-	11,366	1,656
	Telephone and postage	7,832	791	-	8,623	8,684
	Entertaining	1,248	5,911	-	7,159	2,791
	Travelling	723	4,040	-	4,763	5,296
	Professional fees	4,369	-	-	4,369	5,600
	Equipment hire	-	-	-	-	1,810
	Audit costs	-	-	5,150	5,150	4,987
	Utilities	1,988	-	-	1,988	1,065
	Environmental/health and safety	-	-	-	-	2,124
	Sundry expenses (5)	19,935	-	-	19,935	4,543
	Materials	-	2,677	-	2,677	7,840
	Equipment	-	4,037	-	4,037	38
	Venue hire	-	-	-	-	1,490
	Depreciation of fixed assets	1,479	-	-	1,479	5,918
	Loss on disposal of fixed assets	-	-	-	-	5,939
	Continuing professional development	-	-	-	-	9,636
	Research and development	-	-	-	-	3,429
	Relocation and restructuring	-	-	-	-	65,076
		296,491	247,300	5,150	548,941	720,262

Notes

- (1) Rent was less in 2010 because of a rent free period
- (2) Printing and stationery costs were more in 2010 due to the nature of the projects undertaken that year
- (3) Marketing and Publicity costs were higher in 2011 due to the commissioning of a Communications Strategy and a re-design of the company website
- (4) Computer costs were more in 2011 due to the purchase of new hardware and software
- (5) Sundry expenses were more in 2011 because the costs of moving to new premises in March 2010 have been included here

MULTISTORY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

8	Staff costs and number	2011 £	2010 £
	Salaries and wages	162,137	333,814
	Social security	16,351	31,836
		178,488	365,650
9	Staff costs and number: continued		
	The average number of employees during the year, calculated on the basis of full time equivalents was	No	No
	Administration and support	7	15
	No employee earned in excess of £60,000		
10	Trustees remuneration and related party transactions		
	No Trustee received any remuneration during the year		
	During the year, expenses totalling £304 (2010 £542) were reimbursed to two (2010 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		
11	Taxation		
	As a charitable company, Multistory, is exempt from tax on income and gains falling within section 478 of the Taxes Act 2010 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		

MULTISTORY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

12	Fixed assets	Office furniture and equipment £	Computer equipment £	Total £
	Cost			
	At 1 April 2010	4,027	16,121	20,148
	Additions	-	-	-
	Disposals	-	-	-
	At 31 March 2011	4,027	16,121	20,148
	Depreciation			
	At 1 April 2010	3,790	13,129	16,919
	Charge for the year	117	1,362	1,479
	Eliminated on disposals	-	-	-
	At 31 March 2011	3,907	14,491	18,398
	Net book value			
	At 31 March 2011	120	1,630	1,750
	At 31 March 2010	237	2,992	3,229
13	Debtors		2011 £	2010 £
	Trade debtors		31,360	49,611
	Other debtors		93	93
	Prepayments		7,566	14,623
			39,019	64,327
14	Creditors' amounts due within one year		2011 £	2010 £
	Trade creditors		26,117	11,352
	Other taxation and social security		4,463	11,950
	Accruals		10,970	36,492
	Deferred income		68,960	122,751
			110,510	182,545

MULTISTORY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

15 Funds	Balance as at 01 04 2010 £	Incoming £	Outgoing £	Transfers £	Balance as at 31 03 2011 £
Restricted funds					
Longhouse 10/11	-	78,554	(78,554)	-	-
ACE, WM (Beyond Bricks)	-	17,782	(17,782)	-	-
Forging Links	-	29,701	(29,701)	-	-
HLF - Black Country Stories	-	263	(263)	-	-
DCD & Digital Stories	-	8,735	(8,735)	-	-
The Vodafone Foundation	-	2,500	(2,500)	-	-
Designated funds					
Strategic consultancy work	30,000	-	-	(30,000)	-
Strategic arts programme	30,000	-	-	(30,000)	-
General funds	251,220	404,805	(411,406)	60,000	304,619
	311,220	542,340	(548,941)	-	304,619

Restricted funds

Arts Council England – Longhouse 10/11– an annual programme of work that is dedicated to supporting the professional development of artists in the West Midlands through a residential programme and action research bursary scheme, plus there are a number of seminars and forums in the West Midlands

Urban Living and Arts Council England - Beyond Bricks – a programme of creative participatory projects that recognises the importance of arts activity and its role towards empowering local people to respond to local issues and the social, economic and environmental changes taking place within their community

Forging Links- a partnership with Sandwell Museum Service & Sandwell Community History & Archives Service (CHAS) The project focuses on the heritage of the local metal bashing trades and the communities that have shaped and been shaped by them CHAS hold an important and diverse collection and Forging Links will bring it to life for a new generation and the wider community

HLF Black Country Stories - between 2011 and 2014, Martin Parr is undertaking a photographic journey across the Black Country producing a major photographic archive and collection of oral histories that will be donated to the libraries and archives services in the Black Country boroughs This project is funded by the Heritage Lottery Fund

DCD & Digital Stories - a series of projects for public service organisations who are interested in using people's stories to improve what they do Digital Stories gives people the opportunity to make short films using personal photographs, sound, images, objects, recordings, memories This project was supported by ACE DCD funding and Birmingham City Council

The Vodafone Foundation – a grant to support VaST - a research and development project that tests new approaches to managing cities and neighbourhoods more equitably and sustainably

MULTISTORY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

16	Analysis of net assets between funds	Unrestricted funds £	2011 Total £	2010 Total £
	Fixed assets	1,750	1,750	3,229
	Net current assets	302,869	302,869	307,991
		304,619	304,619	311,220

17	Financial commitments	2011 Land and buildings £	2010 Land and buildings £
	The charitable company has financial commitments under the following non-cancellable operating leases	£	£
	Expiry within		
	More than five year	-	21,000

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 2011 there were 7 members of the company.