

MULTISTORY

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

Registered company number: 05910607

Registered charity number. 1116214



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MULTISTORY
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TRUSTEES' REPORT

for the year ended 31 March 2012

The trustees present their report and accounts for the year ended 31 March 2012

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 No 8 Calthorpe Road Edgbaston Birmingham B15 1QT
Bankers	Barclays West Bromwich Branch 313 High Street West Bromwich B70 8LP
Company Secretary	Caron Wright

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TRUSTEES' REPORT – continued

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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 Thomson (formerly Dunn)
Louise Kilbride
Frances Louise Wardle (resigned 27 October 2011)
Peter James (appointed 19 January 2012)

In accordance with the Memorandum and Articles of Association, Gordon Bates, Colin Wells and Paul Sutton retired by rotation at the Annual General Meeting held on 5 July 2012, and, being eligible, were re-elected unanimously

Our board has a wide range of skills and experience in the arts, community development, financial, information technology, communications and other disciplines

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 regularly 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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Risk Management

For the financial year 2012/2013, 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
Caron Wright	Company 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 Business 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 4 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

Our aim

To produce great art with, for, and about the people in Sandwell and the Black Country

Our objectives

We achieve this through the following

- 1 **Producing** Multistory will commission critically acclaimed artists to work in partnership with residents of Sandwell and the Black Country
- 2 **Presenting** Multistory will make our work accessible through exhibitions, events, publishing, digital activity and engagement.
- 3 **Reflecting and learning** Multistory will engage in critical reflection of our work and our practice
- 4 **Securing the necessary resources** Multistory will deliver excellent work in a sustainable business

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Multistory works with outstanding local, national and international artists whose reputation and work is recognised by their peers and the wider arts sector, but is also accessible to a predominantly non-arts going public. We aim to create work that everyone will want to see, be part of and talk about. We believe the artistic quality of our work resides in two areas:

- 1 The calibre of the artists we attract to work with us
- 2 The quality of the relationship between Multistory, the artists we commission and the people in Sandwell and the Black Country

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

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.

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for the year ended 31 March 2012

Review of Activities

In 2011/12, 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,
- invest in innovation and best practice to diversify the arts programme,
- maintain and develop strategic partnerships,
- comprehensive planning and evaluation processes

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 2011/12, we were able to deliver a successful arts partnership programme that brought in partnership investment of £90,571 in addition to our total revenue funding of £356,856, a contribution of 25% to earned income Key achievements are listed below

- we have increased the quality and ambition of our arts programme,
- we have increased the participation of Sandwell and Black Country residents who are least engaged in the arts, in the great art we are producing and presenting,
- we are attracting critically acclaimed artists to come and work in Sandwell,
- our reputation and profile in the region is growing,
- we are developing new and innovative partnerships with organisations and individuals from inside and outside the region

Black Country Stories and Small Change are our two core programmes of work that meet our organisational objectives and they are set out in more detail below

Black Country Stories Programme

Black Country Stories is an innovative portrait of life in the post-industrial Midlands It reinvents the creative documentation of working class Britain by artists from Humphrey Jennings, George Orwell to Bill Brandt It does so through the unique connections between Black Country people and international artists enabled by Multistory, through a globalizing, diverse perspective and through its use of new technology to make and distribute the work

'Black Country Stories' is a multi-commission programme produced by Multistory that invites outstanding artists to document and record life in the Black Country Multistory is commissioning internationally renowned photographers, film makers and authors to tell amazing stories to celebrate, document and archive, in intimate detail, everyday life in the Black Country The archive is complemented by oral history recordings that tell people's stories

Martin Parr's Black Country Stories

Magnum photographer, Martin Parr's work is close-up and intensely colourful It is direct and uncompromising but also a respectful celebration of community life Over a four year period, Martin is documenting the four Black Country boroughs (Sandwell, Walsall, Wolverhampton, Dudley) During 2011/2012, Martin focused on Walsall and visited factories, foundries, pubs, working men's clubs, shops, markets, temples, mosques, churches, St George's day celebrations, Royal Wedding street parties, horticultural shows, dog training classes and much, much more The images capture and celebrate the unique mix of communities living in the area as well as existing, traditional Black Country life

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Mark Power's Black Country Stories

Mark Power finds beauty in the forgotten and overlooked and in people's continued efforts to make the best out of what they have. During 2011 and the early part of 2012, he has documented the Black Country urban landscape, produced a series of pictures showing elegant footwear seen from pavement level against a backdrop of grey concrete and crumbling brick, and created a sound installation that turns the names used to describe the colours of make-up and tattooist's dyes into a mantra-like poem.

Mark's work will be shown in a major exhibition (free entry) at The New Art Gallery Walsall between July and September, 2012.

Where We Dream

Where We Dream tells the story of West Bromwich Operatic Society (WBOS), an amateur group that has been performing musical theatre in the Black Country since the 1930s. WBOS produces ambitious shows in big regional theatres, and is entirely self-supporting. It has over a hundred members and its own youth theatre section but, above all, WBOS puts on great shows that are loved by their audiences.

Where We Dream follows WBOS as they stage Mel Brooks' *The Producers* from rehearsals to curtain call at the New Alexandra Theatre in Birmingham in November, 2011. Along the way it tells the story of a company that has thrived while so much of the world around has gone. It celebrates resilience, friendship and fun, and people's determination, always, to put on a great show. The book describes the whole project but also ranges widely over the company's history to explore the place of amateur theatre in a disadvantaged urban area. It includes a short film, made in collaboration with Ben Wigley, which captures the group's performing spirit, and images by Kate Jackson. We have had 1000 copies of the book printed and distribute them to local schools and libraries. Multistory held a special launch party in April 2012, to screen the film and to say 'thank you' to WBOS for letting us go behind the scenes, hundreds of people joined together comprising WBOS members and their friends and family and other invited guests.

Public Benefit - The Black Country Stories 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 and the Black Country by providing them with new opportunities for involvement, self expression and personal development.

The programme meets the principles of public benefit in relation to the advancement of the arts, culture and heritage. The programme has identifiable benefits to a section of the public, but that public is not unreasonably restricted as it is open to all members of the public within the locations specified above. Multistory does not charge a fee to any individual(s) or group(s) taking part in, and benefiting from, the Black Country Stories Programme and there are no unreasonable restrictions on anyone taking part in the programme.

Small Change Programme

Alongside our Black Country Stories programme we have developed the Small Change programme to continue to meet the needs of core partners such as Sandwell Metropolitan Borough Council and Sandwell PCT and clients in regeneration and housing. For the past six years, Multistory has been funded by Arts Council England to support the professional development of artists in the West Midlands through the Longhouse programme and this funding came to an end on 31 March, 2012. Multistory utilised the final year to run a series of projects to pilot the Small Change Programme to offer professional development opportunities to artists and develop key partnerships and relationships. Small Change has developed from the practice, writing and teaching of Nabeel Hamdi.

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The Small Change approach starts with the common sense assumption if you want to achieve something big, you start with something small and you start where it counts. Small Change therefore explores how small, practical and mostly low budget interventions, if carefully targeted, act as catalysts for bigger long-lasting change, change that is designed to improve people's lives and their life opportunities.

Multistory's Small Change Creative Projects is a community development programme that explores how creative interventions, such as participatory arts, have the potential to bring about positive change in communities. During 2011/12, Multistory delivered four creative projects in London, Bath, Birmingham and West Bromwich as described below.

- **Small Change Stirchley** - The Making of Stirchley Park working with community artists, Place Prospectors, this project explored creative ways to bring back to life Stirchley Park, a 'forgotten park' which is currently underused in the heart of the Stirchley neighbourhood in Birmingham.
- **Small Change Tufnell Park** - Agents for Change following the riots in England in 2011, a group of students from London's Acland Burghley School in Tufnell Park, Camden, formed a community journalism group. The project, developed by the young people, explored issues affecting their local community including the perceptions the community had of young people post riots.
- **Small Change Charlemont** - The Committee of Lost Memories community artists, Katy Beinart and Torange Khonsari, made a Small Change on the Charlemont Farm Estate in West Bromwich, Sandwell in the Black Country. They created a pop-up shop and community café called The Committee of Lost Memories. The project investigated how the arts and creative intervention can reinvigorate disused shops on underused high streets.
- **Small Change Foxhill** - Made in Foxhill. Foxhill is a deprived neighbourhood in south Bath. The community of Foxhill currently faces big and imminent changes due to a large regeneration housing scheme about to take place in their neighbourhood. This project explored how community stories, captured through photography, film and personal narrative, can be shared with decision-makers at the local authority, the aim being to give people whose views would normally not be heard a voice in their community.

The Small Change projects fit into a wider programme of work called the Small Change Forum. The Forum supports, shares and promotes small change community-based practice around the world and these projects provide case files for learning research and development. This is a partnership between Multistory and the Centre for Development and Emergency Practice (CENDEP), Oxford Brookes University.

Public Benefit - The Small Change 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 community development. During 2011/12, the Small Change programme engaged with 20 artists to provide them with creative development opportunities in public art and the public realm. The programme has identifiable benefits to a section of the public, but that public is not unreasonably restricted as it was open for any artist to apply to take part and open to all members of the public within the locations specified above. Multistory did not charge a fee to any artist or participant benefiting from this project.

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Forging Links

Forging Links was a partnership with Sandwell Museum Service and Sandwell Community History & Archives Service (CHAS). The project focused 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 brought this collection to life for a new generation and the wider community.

Multistory worked with artists to engage people from Sandwell with the Borough's rich heritage and how it relates to them directly. We helped people to discover these stories and look into them further by visiting the archives and museum sites across Sandwell. 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.

As part of the Forging Links project, Multistory commissioned 'The Foghorn', a beautifully hand-crafted metal structure, 4.25 metres in length, that was a response to an image in a 1920's Chance Brothers' brochure. Local visitors of Sandwell archives helped devise the concept and design as a means of bringing archive material into the open air and to new audiences. Designed by artist, Julian Walker, and fabricated by local blacksmith, Ian Moran, The Foghorn broadcasts recordings from the Sandwell archives recovered by local researchers and also provides amplification for anyone who wants to speak into it as a huge foghorn shaped 'microphone'.

The Foghorn toured around the Sandwell borough during 11/12, including the Sandwell Arts Festival launch at Queens Square Shopping Centre, The Public and West Smethwick Park. The Foghorn has been adopted by Sandwell MBC for future events in Sandwell as a heritage icon for the area.

Public Benefit - Forging Links 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 the arts, culture and heritage. The project 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 project 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. Multistory did not charge a fee to any participant benefiting from this project.

Financial Plans

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 Company Manager. Financial documents are produced each month by the Finance Officer and emailed to the board of trustees and also formally reported to the board at quarterly meetings. Financial information includes:

- Management Accounts – actual figures against original and revised budget and a cash position,
- an annual cashflow that is reviewed on a monthly basis,
- a Balance Sheet

Prior to 2011/12, we reduced operational costs by 42% by re-visioning and restructuring the company and we made a further saving of 18% in operational costs during 11/12 by relocating office premises. This saving will be maintained during 2012/15.

During 2011/2012, we downsized our main accounting system from Microsoft Dynamics to Sage Accounts Plus to record and produce financial data and continued to use Sage 50 Payroll. Both software packages were supported by external companies.

Year End Position - the Board of Multistory has agreed that general unrestricted reserves over and above the amount required to meet the reserves policy are to be used to strategically develop activities in order to produce a balanced budget. An allocation was made during 2011/12 and the deficit year-end position for 31 March 2012, will be met from general unrestricted reserves.

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Principal Funding Sources in 2011/2012

The principal source of funds in 2011/12 were revenue grants of £135,000 from Sandwell Metropolitan Borough Council ('SMBC') and £221,856 from Arts Council England ('ACE')

The company was also commissioned to manage partnership projects with a total income value of £90,571

Summary of Financial Forecast for 1 April 2012 to 31 March 2013

The forecast for 2012/13 presented in our business plan shows that we have secured revenue funding of £261,500 from SMBC and ACE combined plus confirmed project income of £66,301. We are also investing some of our general unrestricted reserves to strategically develop activities and to produce a balanced budget.

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). The Board of Multistory has agreed that general unrestricted reserves over and above this amount are to be used to strategically develop activities in order to produce a balanced budget.

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 carrying 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

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for the year ended 31 March 2012

We have generated funds from our unrestricted reserves (referred to internally as the 'Producing Fund') that will enable strategic investment in the Black Country Stones programme. This allows Multistory to continue to build a body of significant new work with documentary photographers, writers, film-makers and oral historians to expand our future offer, portfolio of work and our reach. This work will also be shown as part of touring and co-production partnerships.

We will continue to exploit the momentum and growing interest we have developed through Black Country Stories and the Small Change programmes. Both areas of our arts programme are bringing us into contact with new partners locally and nationally. We believe we have models for new ways of working that are of interest beyond Sandwell but that still bring benefits to our core work in Sandwell and the Black Country.

Black Country Stones Programme – Future Plans

The overarching themes for the Black Country Stones programme are documenting, archiving, collecting and storytelling. We will build on the work we have delivered for the past two years and continue to commission new work from outstanding artists. Listed below are some of the projects planned for Black Country Stories in 2012/13.

Martin Parr's Black Country Stones

For the next two years, Martin Parr will continue his photographic journey across the Black Country, creating material for a new exhibition for each of the partner's venues (The New Art Gallery Walsall, Wolverhampton Art Gallery, Dudley Art Gallery) during the period 2014/15. There will also be 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, an online access to the archive and oral histories, and a series of short films.

Margaret Drabble's Black Country Stones

Between May and July 2012, Margaret Drabble will work with women and girls from the Black Country to help them to record, through the written word, their stories and this work will accompany Martin Parr's photographs. Margaret will visit Teddy Gray's sweet factory in Dudley, Crossroads Café in Willenhall, Susan's Hairdressers in West Bromwich, and Pat Gorman's pork pie factory in Bloxwich.

David Goldblatt's Black Country Stones

In September and October 2012, South African photographer David Goldblatt will make portraits of ex-offenders from the Black Country at the scene of their crimes. These large format portraits and accompanying text, edited from interviews that Goldblatt will undertake with the ex-offenders, attempt to give us insights and some understanding of the lives and events that lead the ex-offenders to their crimes.

The Space

Black Country Stones will be on The Space between May and October 2012. The Space is a joint initiative by the BBC and the Arts Council and is a new on-demand digital arts channel that will help transform the way people connect with and experience arts, music, film and give artists space to innovate and experiment. The images, stories, ambient sounds created through the work with Magnum photographers Martin Parr and Mark Power will be produced to create 30 beautifully crafted short films to include interviews with the artists and local people.

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Small Change Programme – Future Plans

Three Small Change creative projects will be developed by Multistory through collaboration with a range of various stakeholders. At least one or two of these projects will look to sustain and scale up one or more of the four Small Change creative projects that were carried out as phase one in 2011/2012, in order to build on the existing relationships, resources and knowledge gained and develop larger scale projects.

The Small Change projects aim to inspire change by developing creative interventions that share peoples' stories in response to a community problem. The programme will develop quick, inexpensive, and flexible participatory art projects using creative techniques such as storytelling, photography and film-making to produce human-interest stories. The stories will be shared with local decision-makers through targeted showcase events and online blogs with the aim of bringing about positive change. The stories will provide new ways to influence local people, decision-makers and policy based on local and existing knowledge, resources and aspirations.

Multistory will continue to 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.

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. All programmes and projects are free to the beneficiaries.

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').

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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.

Multistory will continue to use its general unrestricted reserves for the following:

- to strategically develop activities,
- to invest in opportunities and in long-term development which cannot be easily or quickly fundraised for;
- to respond strategically to changes in funding and the external environment without being forced into short term cost cutting,
- to manage cashflow peaks and troughs, and
- to produce a balanced annual budget.

Multistory will change its payroll software to Sage Instant Payroll as it is more appropriate to a company with four employees.

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.

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Multistory for the purposes of company law) are responsible for preparing the Trustees' 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 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.

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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.

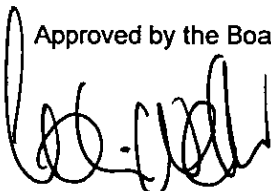
Auditors

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 20 September 2012 and signed on its behalf by



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 2012 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 13 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 2012 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**

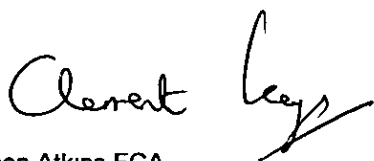
Opinion on other matter prescribed by Companies Act 2006

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 20 September 2012

CLEMENT KEYS
Chartered Accountants
Statutory Auditors
No 8 Calthorpe Road
Edgbaston
Birmingham
B15 1QT

MULTISTORY
(A company limited by guarantee)
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
for the year ended 31 March 2012

	Note	Restricted funds £	Unrestricted funds £	2012 Total £	2011 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	3	-	356,856	356,856	389,838
Activities for generating funds	4	10,000	604	10,604	91,925
Investment income	5	-	1,112	1,112	1,596
<i>Incoming resources from charitable activities</i>					
Grants receivable	6	80,363	-	80,363	58,981
Total incoming resources		<u>90,363</u>	<u>358,572</u>	<u>448,935</u>	<u>542,340</u>
Resources expended					
Charitable activities		90,363	375,381	465,744	543,791
Governance costs		-	6,071	6,071	5,150
Total resources expended	7	<u>90,363</u>	<u>381,452</u>	<u>471,815</u>	<u>548,941</u>
Net outgoing resources for the year being net expenditure for the year	2	-	(22,880)	(22,880)	(6,601)
Reconciliation of funds					
Fund balances at the beginning of the year		-	304,619	304,619	311,220
Fund balances at the end of the year		<u>-</u>	<u>281,739</u>	<u>281,739</u>	<u>304,619</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
Company Number 05910607

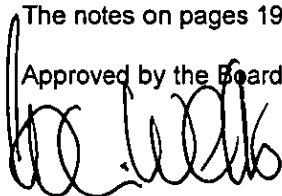
as at 31 March 2012

	Note	£	2012	£	£	2011	£
Fixed assets	12			-			1,750
Current assets							
Debtors	13	71,965			39,019		
Cash at bank and in hand		310,017			374,360		
		381,982			413,379		
Creditors - amounts falling due within one year	14	(100,243)			(110,510)		
Net current assets				281,739			302,869
Total assets less liabilities				281,739			304,619
Reserves							
Restricted funds				-			-
Unrestricted funds - general fund				281,739			304,619
Total funds	15			281,739			304,619

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 25 form part of the financial statements

Approved by the Board of Trustees on 20 September 2012 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 2012

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 2012

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 registered 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

2 Net incoming resources

Planned Deficit

General unrestricted reserves over and above the amount required to meet the reserves policy are being used to strategically develop activities in order to produce a balanced budget and meet the deficit year-end position.

	2012 £	2011 £
These are stated after charging the following:		
Auditors' remuneration	6,071	5,150
Depreciation of owned assets	1,750	1,479

MULTISTORY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

3	Voluntary income	2012	2011
		£	£
	Core revenue funding received from		
	Sandwell Metropolitan Borough Council	135,000	150,000
	Arts Council England	221,856	239,838
		356,856	389,838
4	Activities for generating funds	2012	2011
		£	£
	Unrestricted		
	Miscellaneous income	396	707
	Urban Living (Beyond Bricks Phase 2)	208	91,218
		604	91,925
	Restricted		
	Black Country Stories – Walsall MBC	10,000	-
		10,604	91,925
5	Investment income	2012	2011
		£	£
	Bank interest receivable	1,112	1,596
6	Grants receivable	2012	2011
		£	£
	Forging Links – HLF & MLA	40,799	17,782
	Black Country Stories - HLF	13,050	29,701
	DCD & Digital Stories – ACE & BCC	6,500	263
	The Vodaphone Foundation (Small Change)	-	8,735
	Ripple Urban Living	-	2,500
	The Space - ACE	5,770	-
	Longhouse – ACE (see note 14)	8,000	-
	Small Change - SMBC	6,244	-
		80,363	58,981

MULTISTORY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

7	Total resources expended	Core activities	Projects	Governance	2012 Total £	2011 Total £
		£	£	£		
	Wages, salaries and sessional workers	159,659	200,957	-	360,616	397,258
	Project delivery (2)	-	19,316	-	19,316	9,951
	Subscriptions and publications	1,290	-	-	1,290	174
	Recruitment and training	5,956	-	-	5,956	6,841
	Rent and rates (1)	7,206	-	-	7,206	30,409
	Insurance	2,113	-	-	2,113	6,155
	Office maintenance	31	-	-	31	10,146
	Printing and stationery	1,537	8,270	-	9,807	12,862
	Marketing and publicity	11,830	204	-	12,034	13,550
	Computer costs	11,740	-	-	11,740	11,366
	Telephone and postage	3,209	131	-	3,340	8,623
	Promotional activities	856	-	-	856	1,248
	Travelling	1,168	-	-	1,168	723
	Professional fees	6,102	-	-	6,102	4,369
	Audit costs	-	-	6,071	6,071	5,150
	Utilities (1)	161	-	-	161	1,988
	Sundry expenses	1,733	-	-	1,733	7,263
	Organisational development	11,260	-	-	11,260	12,672
	Materials	-	3,120	-	3,120	2,677
	Equipment	500	5,645	-	6,145	4,037
	Depreciation of fixed assets	1,750	-	-	1,750	1,479
		<u>228,101</u>	<u>237,643</u>	<u>6,071</u>	<u>471,815</u>	<u>548,941</u>

Notes

(1) Rent, rates and utilities are lower due to leasing of new premises

(2) Project delivery was higher due to further investment in the Black Country Stories Programme

8	Staff costs and Staff numbers	2012 £	2011 £
	Salaries and wages	143,334	162,137
	Social security	15,725	16,351
		<u>159,659</u>	<u>178,488</u>

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	4	7

No employee earned in excess of £60,000

MULTISTORY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

10 Trustees remuneration and related party transactions

No Trustee received any remuneration during the year

During the year, expenses totalling £596 (2011 £304) were reimbursed to one (2011 two) trustee

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

12 Fixed assets

	Office furniture and equipment £	Computer equipment £	Total £
Cost			
At 1 April 2011 and 31 March 2011	4,027	16,121	20,148
Depreciation			
At 1 April 2011	3,907	14,491	18,398
Charge for the year	120	1,630	1,750
At 31 March 2012	4,027	16,121	20,148
Net book value			
At 31 March 2012	-	-	-
At 31 March 2011	120	1,630	1,750

13 Debtors

	2012 £	2011 £
Trade debtors	67,255	31,360
Other debtors	-	93
Prepayments	4,710	7,566
	71,965	39,019

MULTISTORY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

14	Creditors: amounts due within one year	2012	2011
		£	£
	Trade creditors	25,401	26,117
	Other taxation and social security	4,227	4,463
	Accruals	8,764	10,970
	Deferred income	61,851	68,960
		100,243	110,510
	Deferred incoming resources are made up as follows		
		2012	2011
		£	£
	As at 1 April 2011	68,960	122,751
	Grants deferred in current year		
	Longhouse 10/11 – ACE	-	8,000
	Forging Links – HLF & MLA	-	19,823
	The Vodafone Foundation (Small Change)	-	250
	Black Country Stories – HLF	-	34,387
	The Space – ACE	40,514	-
		40,514	62,460
	Grants released in current year		
	Longhouse 09/10 – ACE	-	(9,539)
	Urban Living (Beyond Bricks Phase 2)	-	(104,000)
	Longhouse 10/11 – ACE	(8,000)	-
	DCD & Digital Stories – ACE & BCC	(6,500)	(2,712)
	Black Country Stories – HLF	(13,050)	-
	The Vodafone Foundation (Small Change)	(250)	-
	Forging Links – HLF & MLA	(19,823)	-
		(47,623)	(116,251)
	As at 31 March 2012	61,851	68,960

Grants have been deferred where the grant agreement states a specific level of performance is required before the income is due to the charity. Level of completeness of the project has therefore been the driving factor in the calculation.

MULTISTORY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

15 Funds	Balance as at 01.04.2011 £	Incoming £	Outgoing £	Transfers £	Balance as at 31 03.2012 £
<i>Restricted funds</i>					
Longhouse – Small Change	-	14,244	(14,244)	-	-
Forging Links	-	40,799	(40,799)	-	-
Black Country Stories	-	23,050	(23,050)	-	-
DCD & Digital Stories	-	6,500	(6,500)	-	-
Space	-	5,770	(5,770)	-	-
	-	90,363	(90,363)	-	-
<i>General funds</i>	304,619	358,572	(381,452)	-	281,739
	304,619	448,935	(471,815)	-	281,739

Restricted funds

Arts Council England – Longhouse— an annual programme of work funded by ACE 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

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 The project was funded by HLF and MLA through Sandwell MBC

Black Country Stories - between 2010 and 2015, Magnum photographer, Martin Parr is undertaking a photographic journey across the Black Country producing a major photographic archive that will be donated to the libraries and archives services in the Black Country boroughs This project is supported by the HLF, Walsall MBC, Wolverhampton MBC, and Dudley MBC

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 Space – a joint initiative by the BBC and the Arts Council that is a new on-demand digital arts channel that will help transform the way people connect with and experience arts, music, film and give artists space to innovate and experiment The images, stories, ambient sounds created through the work with Magnum photographers Martin Parr and Mark Power will be produced to create 30 beautifully crafted short films This project is funded by ACE

MULTISTORY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

16	Analysis of net assets between funds	Unrestricted funds £	2012 Total £	2011 Total £
	Fixed assets	-	-	1,750
	Net current assets	281,739	281,739	302,869
		281,739	281,739	304,619

17 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 2012 there were 7 members of the company.