

MULTISTORY

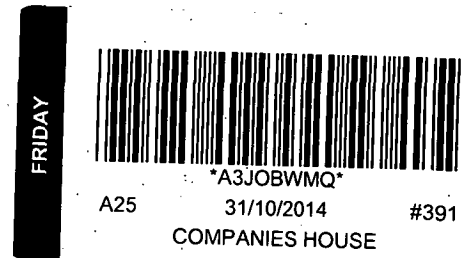
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

Registered company number: 05910607

Registered charity number: 1116214




Clement Keys
CHARTERED ACCOUNTANTS

MULTISTORY
(A company limited by guarantee)

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MULTISTORY
(A company limited by guarantee)

TRUSTEES' REPORT

for the year ended 31 March 2014

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	Lisa Thomson (formerly Dunn)
Steve Johnson	Louise Kilbride
Paul Sutton	Manjeet Singh Gill
Colin Wells	Joan Gregory-Bartosch (appointed 17 October, 2013)
Peter James (resigned on 12 July, 2013)	Joanne McEwan (appointed 17 October, 2013)

In accordance with the Memorandum and Articles of Association, Lisa Thomson retired by rotation at the Annual General Meeting held on 17 October 2013, and, being eligible, was 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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TRUSTEES' REPORT – continued

for the year ended 31 March 2014

Risk Management

For the financial year 2013/2014, the Trustees will continue to implement a risk management framework that comprises:

- an annual, internal review of the Risk Framework by the Management Team (the Framework includes governance; financial; operational; artistic, 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 decisions and actions 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; 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 create art that people in Sandwell want to be part of, see and talk about. We commission excellent, critically acclaimed artists because local people deserve to see and work with the best. We produce photographic work, films, exhibitions, publications, digital stories and archives that speak not just to Sandwell but to the whole country and beyond. Above all, we work with artists to tell compelling stories that demand to be heard.

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TRUSTEES' REPORT – continued

for the year ended 31 March 2014

Our Objectives

1. **Sandwell Programme:** Multistory will commission critically acclaimed artists to work in partnership with residents of Sandwell and the Black Country.
2. **Partnership Programme:** Multistory will expand our working model through regional and national partnerships, including museums and libraries, to develop our audiences and make our work more accessible through exhibitions, touring, events, publishing and digital platforms.
3. **Developing practice:** Multistory will develop our practice and contribute to the wider field of socially engaged art through rigorous critical reflection.
4. **Securing the necessary resources:** Multistory will deliver excellent, value-for-money art programmes in a sustainable business.

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 the Black Country 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. We carry out substantial activities to achieve our mission statement and to deliver public benefit. Our arts programme is primarily designed to meet the needs of local people by providing them with new opportunities for involvement, self expression and personal development.

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TRUSTEES' REPORT – continued

for the year ended 31 March 2014

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').

Our Arts Programme

We are using our Producing Fund to invest in the first component of our arts programme - the Sandwell Programme (previously the Black Country Stories programme) - which is our local programme of work. This allows Multistory to develop new commissions with documentary photographers, writers, film-makers and oral historians.

We have removed the Small Change as a stand-alone programme of work and will deliver projects that fit in with the Small Change ethos through the Creative People & Place programme, commencing in late 2014, which is, itself, a major part of our new Sandwell Programme.

The second component to our arts programme is the Partnership Programme. This is a new area of work that will expand upon our first partnership project: 'Open for Business'. The Open for Business touring exhibition has been developed by Multistory in collaboration with Magnum Photos, and is touring to eight venues around the UK during 2014 and 2015.

The Sandwell Programme and Partnership Programme are our two core programmes of work that meet our organisational objectives and they are set out in more detail in this report.

We will continue to exploit the momentum and growing interest we have developed through our arts programmes. These 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.

We will continue to experiment and innovate to make our arts programme available via new digital platforms.

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TRUSTEES' REPORT – continued
for the year ended 31 March 2014

Review of Activities

Multistory is a community arts charity based in the borough of Sandwell in the Black Country. Sandwell is made up of six towns and is home to almost 300,000 people.

Sandwell is ranked as the 12th most deprived area out of 326 local authorities in England in the Index of Multiple Deprivation 2010. It is ranked third in the Arts Council of England's listing of areas with lowest engagement. Sandwell is a multi-cultural and diverse borough where just over a quarter of the population (26.2%) is of Black and Minority Ethnic (BME) origin. The latest school census of January 2011 records there being 141 common languages spoken in Sandwell schools.

In 2013/14, we were able to deliver a successful arts partnership programme that brought in investment of £297,754 in addition to our total revenue funding of £263,288.

The last year has been a continuum of key objectives: producing; presenting; reflecting and learning; and securing the necessary resources in line with our Business Plan. Key achievements are listed below:

Black Country Stories

We continued, and furthered, our aims and objectives to make documentary films about aspects of Black Country life that enhance the photographic archive and create insights into contemporary life from across a broad range of perspectives and experiences. We commissioned the following people as part of our continuing ambition to attract critically acclaimed artists to work with residents in Sandwell and the Black Country and to create a powerful body of work.

Martin Parr: Martin's four-year photographic portrait and archive of the Black Country finished with Dudley in 13/14 and will start its regional tour in October 2014 at the New Art Gallery Walsall, and then Wolverhampton Museum and Art Gallery in Summer 2015. The photographic exhibition will be complemented by a series of four short films; a Black Country Stories book; a major archive to be gifted to The New Art Gallery Walsall, Wolverhampton Museum and Art Gallery and Sandwell MBC; and some project merchandise.

As part of our commitment to giving local colleges and schools access to the photographers and artists we work with, Martin Parr gave a talk at Dudley College in May, 2013.

David Goldblatt: David was not able to re-visit during 13/14 and will continue his photographic project that documents the lives of ex-offenders and the stories of their crime during 14/15, when we will look for exhibition and/or publication opportunities.

Bruce Gilden: during 13/14, Bruce completed his photographic project to take a series of portraits in the Black Country of people that could be categorised as having been 'left behind'. In 14/15, we will look for exhibition and/or publication opportunities.

Hans Eijkelboom: Hans began his photographic journey between Birmingham and Wolverhampton along the Metro line to capture the people and places on the way. In 14/15, we will look for exhibition and/or publication opportunities.

Margaret Drabble: Margaret worked with groups of women from Sandwell and the Black Country and with local writer Emma Purshouse in order to complete her three short stories for 'Black Country Women's Stories', a bespoke women's magazine that we published in September, 2013. We held a celebratory launch on 20 September 2013, attended by Margaret Drabble and Martin Parr, at the Town Hall in West Bromwich, and invited all of the participants who received a free copy of the magazine.

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TRUSTEES' REPORT – continued

for the year ended 31 March 2014

ACE Managed Funds for Participatory Arts Projects

We are grateful to ACE for providing us with additional funding for participatory arts projects to be delivered within Sandwell. A summary list of the projects is listed below and all the project delivery continued into 2014/15.

- *Susie Parr*: 'Allotment Society' is a series of essays (with photographs and illustrations) in a bespoke presentation box that captures the history and life on Sandwell allotments with short films about local beekeepers. All of the participants and key stakeholders will receive a free copy of the box.
- *Mahtab Hussain*: a photo book/exhibition about the Muslim community in Tipton, Sandwell, to document the lives of the community in Tipton, and its history and discuss the extraordinary story of the Tipton bombing last year.
- Multistory will work with the *Friends of Chainmakers'* group to help them to creatively realise their annual procession to commemorate the tenth Midlands TUC Cradley Women's Chainmaker's Festival which took place on Saturday 7 June.
- *Sandwell Women and Work 1914 to 2014* - a publication, produced on behalf of The Right Worshipful the Mayor of Sandwell 2013-14 Councillor Linda Horton, that celebrates Sandwell women's contribution to work through the century told through the stories and photographic archives of local women. A celebratory event was held at the Town Hall in West Bromwich on 11 June 2014, when all of the participants were gifted a copy of the book.
- *Sophie Gilden*: a series of texts in response to some of the portraits taken by Bruce Gilden. These texts will create insights into the lives and experiences of local residents. The emphasis of this work will be on the lives of people who have been 'left behind' or 'forgotten', and whose voices and experiences have been erased from the media.
- *Sara Tibbetts*: Sara is a documentary film-maker and producer who is working with Multistory to create a 'digital stories' documentary centred around the Black Country town of Cradley Heath. The documentary will have three threads running throughout. These threads are the Cradley Heath industry of chain-making, the Cradley Heath Amateur Operatic Society (CHAOS) and the Staffordshire Bull Terrier Club.

Open for Business

Open for Business is based on our model for Black Country Stories and has resulted in a national touring exhibition to eight cultural venues around the UK to take place during 2014 and 2015.

The photographic shoots began in February 2013, and finished in October, 2013. The work of the nine Magnum photographers was then curated into a 132 piece touring show, with accompanying films and text, and Open for Business was launched at the National Media Museum Bradford on Thursday 30 January, 2014. It will tour for two years, ending in Glasgow at Street Level Photoworks in September, 2015.

Small Change / Creative People and Places

After a period of long reflection and researching funding opportunities, we made the decision, in January 2014, not to continue with Small Change. This was made in part because we have been awarded funding through the ACE Creative People and Places (CPP) programme and projects we would have carried out within the Small Change Programme can now be delivered through CPP. The aim of CPP is to get more people engaged and inspired by the arts in areas that have been identified by ACE as areas least engaged in the arts across the UK and our bid focuses on Sandwell, Walsall and Wolverhampton. The bid will provide local people with opportunities to experience high quality art and shape arts provision in their local community; art that is more relevant and representative of their own lives.

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TRUSTEES' REPORT – continued

for the year ended 31 March 2014

Reflecting and learning; and securing the necessary resources

Multistory continues to grow in experience, reach and ambition. We have spent another busy year focusing on producing, presenting and reflecting on the impact and future direction of the company. Some areas of the programme have been more successful than others.

Black Country Stories continued to grow in momentum and has provided a project model for future opportunities (it was the model for our successful bid to ACE Strategic Touring fund to deliver Open for Business). As described earlier, Black Country Stories is now known as the Sandwell Programme.

The success of Black Country Stories is due in part to the availability of the Producing Fund that we have established but also because of the strength of the programme in meeting our dual purpose of excellence and participation. Our next challenge is to find sponsorship and business investment to address a current reliance on public funding.

The Small Change programme has struggled to attract investment from trusts and foundations or other public sector sources and this is one of the main reasons we decided to end the programme.

Multistory has been continuing to build our producing and presenting skills whilst raising our profile and ambition and we now need to spend time and resources to invest in the company's development and in the presentation and dissemination of the work across a range of platforms and investment beyond the public sector.

Multistory did not have the resources nor capacity to review and reflect on our evaluation practices during the last year and this will be done during 14/15, in order to carry out a thorough reassessment of how we approach these areas.

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 Company Manager 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.

Year End Position

The Board of Trustees 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. These unrestricted reserves are known internally as the 'Producing fund' and an amount of £43,361 has been utilised during 2013/14 to fund the planned deficit result. Multistory moves forward with an opening unrestricted reserves balance of £198,764 for 2014/15.

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TRUSTEES' REPORT – continued

for the year ended 31 March 2014

Principal Funding Sources in 2013/2014

The principal source of funds in 2013/14 were revenue grants of £121,500 from Sandwell Metropolitan Borough Council ('SMBC') and £141,788 from Arts Council England ('ACE').

The company was also commissioned to manage partnership projects with a total income value of £297,754.

Summary of Financial Forecast for 1 April 2014 to 31 March 2015

The forecast for 2014/15 presented in our business plan shows that we have secured revenue funding of £262,312 from SMBC and ACE combined, plus forecast project income of £299,748.

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 3 months and 12 months operating costs in the event of a reduction in funding or programme activity. (Currently we plan to carry nearer to 3 months). The Board of Multistory has agreed that general unrestricted reserves over and above this amount are to be used to strategically develop activities, through its Producing Fund in order to produce a balanced budget.

Future Plans

As one of the Arts Council of England's National Portfolio Organisations, Multistory has received confirmed revenue funding for the period 1 April 2015 to 31 March 2018. 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.

- Continue to expand our partnership base so that our fundraising opportunities are more diverse.
- Continue to develop our touring programme in order to attract wider attendance and participation and develop website and digital projects.
- Continue to 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 and charitable sectors.
- Continue to improve our management, finance and administration systems, hence making savings that we can direct to core services wherever possible.
- Continue to work to be a good partner to other arts organisations in the Borough by sharing resources and expertise.
- Review evaluation, learning and communication so that we can achieve best value from our work.

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TRUSTEES' REPORT – continued

for the year ended 31 March 2014

Sandwell Programme

Multistory's Sandwell Programme builds on the successful model established between 2010 and 2013 for Black Country Stories, a programme of work that has brought Martin Parr, Margaret Drabble, Bruce Gilden, David Goldblatt, Hans Eijkelboom and other leading artists to the Black Country. We will continue to work with artists of this calibre to reflect the everyday life, cultures and experiences in Sandwell, through the creative connections we make between local people and the artists; and the presentation of the resulting artwork in exhibitions, films, oral histories, digital stories, publications, archives and other forms. This work will also be shown as part of touring and co-production partnerships.

We will build on the strengths and skills that we have developed from producing Black Country Stories. This will involve two principal areas of work: (1) continuing to build the body of artistic and cultural work we have produced for, and about, Sandwell and the Black Country since 2010; and (2) developing and testing new ways of capitalising on that work both to engage new audiences and to create new income streams.

Partnership Programme

The Partnership Programme will be established using our Partnership Commissioning Model (PCM). Our projects aim to strengthen people's engagement in, and expectations of, the arts on their own terms and for their own interests. We do this with individuals, groups and whole communities, ensuring that whatever the art form, process and final work, fantastic artistic experiences are at the heart of everything we do. The principle of engaging communities throughout the project as well as them becoming an audience for the work, underpins everything we do.

The PCM - as used in Open for Business and Martin Parr's Black Country Stories - extends our artistic reach and enhances our cultural partners' audience development strategies because it provides them with new content of direct interest to under-represented audiences.

These projects aim to increase visitor numbers, develop the extent and quality of community engagement, raise awareness of existing collections (where applicable), diversify audiences and bring wider social benefits to participants. Not all PCM projects target all these objectives, but they all exist to connect great new work with new audiences.

We will continue to exploit the momentum and growing interest we have developed through our programmes of work that bring 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.

Financial Review

Multistory will continue to review and adapt its procedures and policies in order to meet the ever-changing needs of the company and a challenging environment.

When required, Multistory will continue to use its general unrestricted reserves, through its Producing Fund, for the following:

- to strategically develop arts 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.

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TRUSTEES' REPORT – continued

for the year ended 31 March 2014

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.

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.

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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TRUSTEES' REPORT – continued

for the year ended 31 March 2014

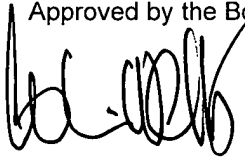
Auditors

The auditors, Clement Keys LLP, 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 23 October 2014 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 2014 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 charitable 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 charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable 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 10 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatement or inconsistencies we consider the implications for our report.

Opinion on 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 2014 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**

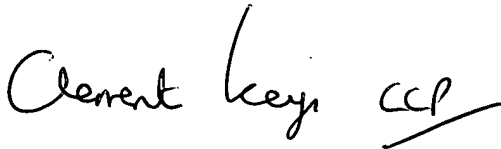
Opinion on other matter prescribed by Companies Act 2006

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 and take advantage of the small companies' exemptions from the requirement to prepare a strategic report.



Simon Atkins FCA

Senior Statutory Auditor
for and on behalf of:

Date: 23 October 2014

CLEMENT KEYS LLP
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 2014

	Note	Restricted funds £	Unrestricted funds £	2014 Total £	2013 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	3	-	263,288	263,288	268,250
Activities for generating funds	4	37,104	7,576	44,680	22,716
Investment income	5	-	1,650	1,650	1,697
<i>Incoming resources from charitable activities</i>					
Grants receivable	6	260,650	-	260,650	119,433
Total incoming resources		297,754	272,514	570,268	412,096
Resources expended					
Charitable activities		344,970	264,299	609,269	464,037
Governance costs		-	4,360	4,360	6,084
Total resources expended	7	344,970	268,659	613,629	470,121
Net (outgoing)/incoming resources for the year being net (expenditure)/income for the year before transfers		(47,216)	3,855	(43,361)	(58,025)
Transfer between funds		10,000	(10,000)	-	-
Net outgoing resources for the year being net expenditure for the year	18	(37,216)	(6,145)	(43,361)	(58,025)
Reconciliation of funds					
Fund balances at the beginning of the year		18,805	204,909	223,714	281,739
Fund balances at the end of the year		(18,411)	198,764	180,353	223,714

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

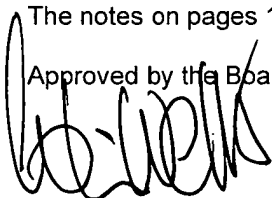
as at 31 March 2014

	Note	£	2014 £	£	2013 £
Fixed assets	12		3,277		5,734
Current assets					
Debtors	13	98,843		22,628	
Cash at bank and in hand		108,050		222,283	
			206,893	244,911	
Creditors : amounts falling due within one year	14	(29,817)		(26,931)	
Net current assets			177,076		217,980
Total assets less liabilities			180,353		223,714
Reserves					
Restricted funds			(18,411)		18,805
Unrestricted funds - general fund			198,764		204,909
Total funds	15		180,353		223,714

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The notes on pages 16 to 23 form part of the financial statements.

Approved by the Board of Trustees on 23 October 2014 and signed on its behalf by:



Colin Wells
Trustee and Chair

MULTISTORY
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

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 under the historical cost convention and include the results of the charitable company's operations which are described in the Trustees' Report.

The financial statements have been prepared in accordance with the provisions of the Companies Act 2006 and in compliance with the revised Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued in March 2005 and applicable accounting standards.

The charitable company has taken advantage of the exemption in Financial Reporting Standard for Smaller Entities (effective April 2008) from the requirement to produce a cashflow statement on the basis it is a small company.

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
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

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 audio visual equipment 3 years

2 Net outgoing resources

	2014 £	2013 £
These are stated after charging the following:		
Auditors' remuneration - audit	4,360	4,500
- non audit	-	1,584
Depreciation of owned assets	2,457	1,638
	<u> </u>	<u> </u>

MULTISTORY
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

3	Voluntary income	2014	2013
		£	£
	Core revenue funding received from:		
	Sandwell Metropolitan Borough Council	121,500	128,250
	Arts Council England	141,788	140,000
		263,288	268,250
4	Activities for generating funds	2014	2013
		£	£
	Unrestricted		
	Miscellaneous income	2,028	1,576
	Publications	5,548	-
	Small Change	-	2,140
		7,576	3,716
	Restricted		
	Open for Business – Partnership	37,104	19,000
		44,680	22,716
5	Investment income	2014	2013
		£	£
	Bank interest receivable	1,650	1,697
6	Grants receivable	2014	2013
		£	£
	Black Country Stories - HLF	-	21,337
	The Space - ACE	-	40,514
	Participatory Arts Project – ACE	90,000	-
	Open for Business – ACE	170,650	57,582
		260,650	119,433

MULTISTORY
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

7	Total resources expended	Core activities	Projects	Governance	2014 Total	2013 Total
		£	£	£	£	£
	Wages, salaries and sessional workers	122,343	343,646	-	465,989	355,204
	Project delivery	-	42,491	-	42,491	25,786
	Subscriptions and publications	1,100	-	-	1,100	1,692
	Recruitment and training	961	-	-	961	1,506
	Rent and rates	6,142	-	-	6,142	8,947
	Insurance	2,914	-	-	2,914	2,867
	Office maintenance	508	-	-	508	238
	Printing and stationery	1,408	8,232	-	9,641	9,445
	Marketing and publicity	10,380	25,578	-	35,959	13,001
	Computer costs	13,282	-	-	13,282	7,373
	Telephone and postage	4,695	1,047	-	5,742	3,993
	Promotional activities	1,338	-	-	1,338	1,092
	Travelling	1,401	-	-	1,401	1,009
	Professional fees	3,992	-	-	3,992	9,833
	Audit costs	-	-	4,360	4,360	6,084
	Sundry expenses	2,783	-	-	2,783	1,533
	Organisational development	7,120	-	-	7,120	9,176
	Materials	-	2,389	-	2,389	915
	Equipment	-	3,062	-	3,062	5,191
	Depreciation of fixed assets	2,457	-	-	2,457	1,638
	Refund of ACE project income – The Space	-	-	-	-	3,598
		182,824	426,445	4,360	613,629	470,121
		=====	=====	=====	=====	=====
8	Staff costs and Staff numbers				2014 £	2013 £
	Salaries and wages				110,401	135,000
	Social security				11,942	14,502
					=====	=====
					122,343	149,502
					=====	=====
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				3	4
					=====	=====
	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 2014

10 Trustees remuneration and related party transactions

No Trustee received any remuneration during the year.

During the year, expenses totalling £303 (2013: £408) were reimbursed to one (2013: one) 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 audio visual equipment £	Computer equipment £	Total £
Cost			
At 1 April 2013	11,399	16,121	27,520
Additions	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2014	<u>11,399</u>	<u>16,121</u>	<u>27,520</u>
Depreciation			
At 1 April 2013	5,665	16,121	21,786
Charge for the year	<u>2,457</u>	<u>-</u>	<u>2,457</u>
At 31 March 2014	<u>8,122</u>	<u>16,121</u>	<u>24,243</u>
Net book value			
At 31 March 2014	<u>3,277</u>	<u>-</u>	<u>3,277</u>
At 31 March 2013	<u>5,734</u>	<u>-</u>	<u>5,734</u>

13 Debtors

	2014 £	2013 £
Trade debtors	87,124	18,625
Other debtors	7,335	-
Prepayments	<u>4,385</u>	<u>4,003</u>
	<u>98,843</u>	<u>22,628</u>

MULTISTORY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

14	Creditors: amounts due within one year	2014 £	2013 £
	Trade creditors	22,301	7,668
	Other taxation and social security	2,956	8,252
	Accruals	4,560	11,011
		29,817	26,931

Deferred incoming resources are made up as follows:

	2014 £	2013 £
As at 1 April 2013	-	61,851
Grants deferred in current year	-	-
Grants released in current year		
The Space - ACE	-	(40,514)
Black Country Stories - HLF	-	(21,337)
As at 31 March 2014	-	-

Grants have been deferred where the grant agreement states that a specific level of performance is required before the income is due to the charitable company.

MULTISTORY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

15 Funds	Balance as at 01.04.2013 £	Incoming £	Outgoing £	Transfers £	Balance as at 31.03.2014 £
Restricted funds					
Open for Business - ACE	1,805	170,650	(171,896)	-	559
Open for Business – P'ship	17,000	37,104	(54,104)	-	-
Participatory Arts Project	-	90,000	(89,500)	-	500
Black Country Stories - HLF	-	-	(29,470)	10,000	(19,470)
	18,805	297,754	(344,970)	10,000	(18,411)
General funds	204,909	272,514	(268,659)	(10,000)	198,764
	223,714	570,268	(613,629)	-	180,353

Restricted funds

Open for Business - will be commissioned and produced by Multistory in collaboration with Magnum Photos. Multistory has been awarded funding from the Arts Council of England's Strategic Touring Programme to deliver the project.

It will be the largely untold story of British manufacturing and industry through the lens of the world's greatest photographers. Multistory will work in partnership with Magnum Photos to commission nine world-renowned Magnum photographers to document and record manufacturing industries in nine British cities. Multistory will work with nine cultural partners to show the work in nine venues and create a major touring exhibition of approximately 100 framed prints. Open for Business will give people across the UK new access to great art and encourage them to engage with their local area.

ACE Managed Funds for Participatory Arts Projects

We have received additional funding from Arts Council England for a series of participatory arts projects to be delivered within Sandwell between January and October, 2014.

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.

At the year-end, the fund is in deficit as the latest submitted claim made in arrears was awaiting payment.

MULTISTORY
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

16 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds £	2014 Total £	2013 Total £
Fixed assets	3,277	-	3,277	5,734
Net current assets	195,487	(18,411)	177,076	217,980
	<u>198,764</u>	<u>(18,411)</u>	<u>180,353</u>	<u>223,714</u>

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 2014 there were 9 members of the company.

18 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.