

MULTISTORY

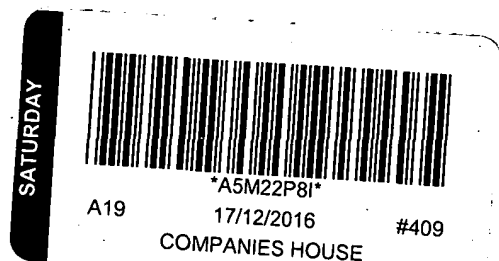
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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 2016

Multistory's Mission

To produce great art with, for and about local people.

Multistory's Aim

To create art that local people 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.

Multistory's Artistic Vision

Multistory situates its work within the broad field of community, participatory and socially-engaged arts practice, though individual projects take different positions within that space.

Our work begins and ends with art. Our commissioned artists must produce artwork and experiences that 'local people want to be part of, see and talk about'. To ensure that this happens, the art projects always come out of work with communities. A commission is always a partnership between artists and local people; it will never be finalised until both sides of the partnership are excited about working together.

Our work is driven by stories – discovering them, hearing them, shaping them, telling them, sharing them. We use pictures and words because they are great ways to tell a story and because we are skilled in handling them. So photography and film, as accessible and democratic media, are central to our work, along with the work of writers.

Our work will always aim for excellence; to be the best it can be.

Multistory's Objectives

1. Commissioning excellent artists to work in partnership with residents of Sandwell and the Black Country (the **Sandwell Programme**);
2. Extending our audiences and impact through exhibitions, touring, events, publishing and digital platforms (the **Partnership Programme**);
3. Developing our own practice while contributing to knowledge and innovation in socially engaged art through critical reflection;
4. Securing and managing our resources to sustain an excellent arts programme for the people of Sandwell and beyond.

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Multistory's Charitable Objects

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 people 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

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.

Multistory is based in one of the poorest parts of Britain: Sandwell is the 13th most deprived area out of 326 local authorities in England. More than a quarter of its inhabitants are of Black or Minority Ethnic (BME) origin; 30% of primary school pupils speak English as a second language. Census data shows that Sandwell people experience higher than average unemployment, ill health and disability and have lower educational attainment. Sandwell is ranked third lowest in Arts Council England's data on engagement in the arts.

Our programme of work is free and it champions an arts-led approach to diversity and equality. It focuses on projects that reach people who face class and socio economic barriers to arts engagement across the diverse communities across Sandwell and the Black Country and access is free. We create opportunities for people to get involved with the arts closer to where they live, enabling first time and repeat engagement with local cultural activity.

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.

All 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.

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Revenue Funders' Strategic Priorities

We continue to complement and contribute to the vision of both ACE and SMBC and our priorities are balanced against these to reflect our desire to take continued artistic risks in order to create 'great art for everyone' (ACE vision) set alongside our commitment and passion to enable communities, individuals and groups to participate in the arts as a means to raise aspirations and contribute to a better life: 'great people, great place, great prospects' (SMBC's vision).

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

Our Arts Programme

Multistory opens up new opportunities for creative imagination and expression and for people to enjoy and take part in the arts. The work we produce encourages people to find out about themselves, the people around us and the communities that we live in. Multistory's artistic programme is divided into two strands:

- the Sandwell Programme, which connects artists, photographers, writers and film-makers with local people to create new exhibitions, films, books and events; and
- the Partnership Programme, which extends that work regionally, nationally and, potentially, internationally.

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.

We invite the best artists we can attract to come and work with the communities of Sandwell and the Black Country because local people deserve to work with the best and because their stories demand to be told to the highest standards and heard and seen by the widest audience possible. We are building a social archive of photographs, stories, oral histories and films about the everyday and the ordinary, within which resides the extraordinary stories of Black Country life.

The quality of the work is always a priority for us, in all its forms, whether exhibition, publication or digitally presented. It is equally important that we gift all participants an original print of their photograph to thank them for their contribution to the project as well as copy the publication / film in which their images and stories are recorded, thereby providing a longer legacy. We also invite participants and their friends and family to special events / screenings. In this way we have built a growing audience who are eager to see, hear and participate in our Black Country Stories projects.

We invite great artists at all stages of their career to work with us in Sandwell. Some, like Susan Meisalas, Martin Parr and Margaret Drabble, are internationally recognised and critically acclaimed. Some, such as Liz Hingley and Mahtab Hussain, have a growing reputation in Britain or the region. Others are at an early stage of their career with strong roots in the Black Country, such as Anand Chhabra. The Sandwell Programme draws on the particular qualities and strengths of all the artists we work with, in relation to the needs of a particular community or idea, often enabling them to work with each other and extend their practice.

The second component to our arts programme is the Partnership Programme that enables us to build alliances with a wide range of partners – artists, arts organisations, community groups, museums, galleries and libraries, media organisations, public bodies and others – around an idea of mutual and topical interest.

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Our Arts Programme - continued

Our partnership project since 2011 has been Open for Business, detailed below, which was completed in September 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.

Review of Activities

The last year has been a continuum of key objectives: producing; presenting; developing and learning; and securing the necessary resources in line with our Business Plan. We work in partnership with galleries, museums and libraries so that participants can also see the work they have contributed to in a more formal 'arts setting'. We have found mostly that it's the first time they have visited a gallery/museum. As a non-venue based company, we work hard to get the best partners to show our work.

We continue to produce projects that reach people who face class and / or socio economic barriers to arts engagement and people from a BME background and ensure that access to our activities is free. We continue to create opportunities for people to get involved with the arts closer to where they live enabling first time and repeat engagement with local cultural activity. The work we produce lets people find out about themselves, the people around us and the communities that we live in.

We are working with photographers and writers and film-makers who document everyday life in the Black Country; Bruce Gilden has photographed those who could be classed as 'left behind': people who are without homes or face difficult circumstances; David Goldblatt has photographed and interviewed ex-offenders; Mahtab Hussain's project focused on the notion of 'identity' and 'self' within the British Pakistani/Muslim society; the 'Black Country Man' project tells of ordinary, working class men's experiences of work and living; Liz Hingley worked with immigrants and refugees in Smethwick, one of the most culturally diverse towns in England; Corinne Noordenbos is working with people who are debilitated by chronic obstructive pulmonary disease.

We continue to publish our films, photographs and oral stories on our website, You Tube and Vimeo and use social media tools to share stories regularly. During 15/16, we produced more filmed interviews of the artists we commission and made them available on-line (these included Hans Eijkelboom and Daniel Meadows; David Goldblatt and Martin Parr have been filmed in previous years) and we will ensure that we produce a filmed interview with every artist and share it on-line.

Sandwell Programme

We continued, and furthered, our aims and objectives to make documentary films about aspects of local life that enhance the photographic archive and create insights into contemporary life from across a broad range of perspectives and experiences. During 15/16, an estimated 8,091 people have participated / visited / seen / been exposed to our work (with visitor numbers for Open for Business and Martin Parr's Black Country Stories additional to this). 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's Black Country Stories*: Martin's four-year photographic portrait and archive of the Black Country (2010 to 2014) began its regional tour in October 2014, at the New Art Gallery Walsall, with visitor numbers of 52,718; moving to the Wolverhampton Museum and Art Gallery in May until August 2015 with visitor numbers of 33,315; and finishing at the Merry Hill Shopping Centre in Dudley in September 2015 (visitor numbers could not be counted). The photographic exhibition is complemented by a series of four short films; a Black Country Stories book; a major archive; and project merchandise.

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Sandwell Programme - continued

We have also gifted an archive box of around 400 images to The New Art Gallery Walsall, Wolverhampton Museum and Art Gallery, Dudley MBC and Sandwell MBC (the latter two, through the local authority archive services) to keep as part of their permanent collections (each partner's 400 image archive is of their region).

- *Liz Hingley* worked in Smethwick, which is one of the most culturally diverse towns in England as well as being a reception area for newly arrived immigrants. The photographs have been showcased in a brand new publication, *Home Made in Smethwick*, commissioned and produced by Multistory. The book combines Liz's portraits with favourite dishes and hand-written recipes of Smethwick residents. We partnered with Brushstrokes, a Smethwick community organisation who work with migrants and refugees. We also brokered a successful partnership with ASDA in Smethwick, in particular their Community Engagement team who have enabled access to the store and many of their colleagues. The book will be launched at Brushstrokes Community Centre in July, 2016.
- *Mahtab Hussain* made '*A quiet town called Tipton*' - a photographic portrait of the Muslim community living in Tipton. The photographs are complemented with text taken from interviews with the different generations living in the town, reflecting their experiences of arrival in the 1960s and 70s, up to the present day. The resulting publication was published in partnership with Dewi Lewis Publishing and the participants were gifted a copy of the publication at a celebratory event held as part of Tipton Community Fun Day in September 2015. A selection of photographs from the book was exhibited at Tipton Library from 14 August to 21 September 2015. Given the daily average number of visitors to the library we estimate 5,600 had the opportunity to see the photographs.
- *High Street Stories* - through the winter of 2014-15, photographer Daniel Meadows made a series of visits to West Bromwich. Exploring the High Street and the indoor and the outdoor markets, Daniel made many connections with the people he met and the movie is made up of hundreds of Daniel's photographic images that are sequenced to accompany the sound recordings that Daniel made on location. The film was premiered at The Odeon cinema in West Bromwich in October 2015, with free entry to all 90 audience members, and the DVD was gifted to the participants.
- *Black Country Man* explores the lives of men who currently live or who originate from the Black Country. We have recorded and documented personal accounts of all aspects of men's lives including their experience of education, work, fashion, relationships, food and hobbies and the resulting publication was gifted to all participants at a celebratory event held at the Town Hall, West Bromwich in June, 2015.
- *The Street & Modern Life* - Hans Eijkelboom continued his photographic journey to capture people and places and we have produced this photography book - in partnership with Dewi Lewis Publishing. The book was turned into a short film by Hans and was shown at The Barbican as part of a major exhibition curated by Martin Parr, titled '*Strange and Familiar: Britain as Revealed by International Photographers*' from 16 March to 19 June 2016, with an estimated audience of 75,000.
- *David Goldblatt* is making portraits of ex-offenders at the scene of their crimes. The resulting large format portraits and accompanying text (edited from interviews that Goldblatt undertakes with the ex-offenders) will attempt to give us insights and some understanding of the lives and events that lead the ex-offenders to their crimes. In 16/17, we will exhibit the work at HMP Manchester and HMP Birmingham and produce a publication.
- *Corinne Noordenbos / The Human Condition* - we are working with photographer Corinne Noordenbos to develop a project that addresses issues around social determinants of disease, chronic ill health, early frailty and death in our population, through an emphasis on respiratory disease. Using portraits of the patients, audio and text, we will create a body of work that will ask profound questions about the collective sensibility to illness, pain and survival in today's society.

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Sandwell Programme - continued

- *A Room of One's Own* - we are working in partnership with Creative Black Country as part of the ACE funded CPP delivery consortium to embed photography and photographic projects into their programme as a means to reach and engage audiences across the Black Country in high quality arts experiences. The first project is with photographer, Susan Meiselas: *A Room of One's Own* is a collaboration between Susan, women in refuge at The Haven in Wolverhampton and local artists. The project is designed to explore the women's experiences of domestic violence expressed through art forms that include photography, text, mixed media, film and digital technology. We will create a publication that celebrates the work the women create, as well as providing practical advice, and includes Susan's photographs.

Sandwell Council

As well as our ongoing arts programme, we look for ways to enhance wider Sandwell initiatives through collaboration with Sandwell Council run services. We are working with Sandwell Libraries to programme regular film screenings and exhibitions to get audiences for our work and to support their arts offer and we provide content for the Sandwell Arts Festival.

We host our launch events at West Bromwich Town Hall to support Sandwell Council in their awareness raising endeavors of the building and to increase footfall.

We continue to support the development of the collections held by Sandwell Archives by ensuring we donate one copy of everything we publish (e.g. books, DVDs) to each library in Sandwell as a reference publication and one copy to Sandwell Archives.

Local Colleges

Our programme of work offers a range of opportunities for local/regional artists and photography students. We work with critically acclaimed artists and share the many benefits and advantages of this with Black Country colleges. We run a programme of artists talks and workshops with students from Sandwell, Dudley, Walsall and Wolverhampton colleges. This is an opportunity for the artists to share their process and practice and to provide the students with insights on a creative and practical level.

During 15/16, Liz Hingley, Susan Meiselas, Daniel Meadows and Mahtab Hussain have all presented (separately) to photography students at Sandwell College Central Campus with a combined audience of 180.

We gift copies of our publications to the College Libraries to ensure local students have access to our work.

Partnership Programme: Open for Business

We completed Open for Business in September 2015, a national touring exhibition that documented contemporary British manufacturing with photographs taken by nine Magnum photographers and shown in eight cultural venues around the UK during 2014 and 2015. The total visitor figure was 172,146.

It was a collaborative project funded by the Arts Council England, through its Strategic Touring Fund, and in partnership with National Media Museum; Manchester Museum of Science & Industry; National Railway Museum; London Science Museum; University of South Wales, Newport; Plymouth City Museum & Art Gallery; MShed Bristol; and Street Level Photoworks.

The exhibition featured in The FT Magazine in a 24 page, colour photography special on British industry and in newspapers such as The Guardian, The Independent Magazine, Manchester Evening News; listings such as Culture24, 'Art Quarterly, The Manufacturer' website and various photography blogs.

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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 Financial Support Team 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 cash flow 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 we have not used any of this fund during 2014/15 to balance the budget.

Multistory moves forward with an opening unrestricted reserves balance of £224,235 for 2016/17; and restricted reserves of £88,659 to fund projects that will continue during 2016/17.

Principal Funding Sources in 2015/2016

The principal funds were revenue grants of £121,500 from Sandwell Metropolitan Borough Council ('SMBC') and £140,812 from Arts Council England ('ACE').

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 and Going Concern

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.

We continue to provide a creative arts programme for local communities and meet the need of our revenue funders - Sandwell Council and Arts Council England with whom we maintain good relationships to ensure their continued support. Our balance sheet remains strong with net assets of £312,894 of which unrestricted reserves are £224,235. These unrestricted funds represent our producing fund. The trustees have reviewed our circumstances and consider that adequate resources continue to be available to fund our activities for the foreseeable future and are of the view that Trust and group are a going concern.

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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 the appointed 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
Joanne McEwan

Lisa Thomson (formerly Dunn)
Louise Kilbride
Manjeet Singh Gill
Joan Gregory-Bartosch
Susan Frith (appointed 22 October 2015)

In accordance with the Memorandum and Articles of Association, Louise Kilbride, Steve Johnson and Manjeet Gill retired by rotation at the Annual General Meeting held on 22 October 2015, 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.

All Trustees give of their time freely and no Trustee received remuneration in the year. Details of their expenses are disclosed in note 8 to the accounts.

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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Pay policy for senior staff

The senior management team comprise the key management personnel of the company in charge of directing and controlling, running and operating the company on a day-to-day basis.

The pay of the senior staff is reviewed annually and any increases are in accordance with public sector pay awards. The salary benchmark is against pay levels in other arts organisations of a similar size and nature.

Risk Management

For the financial year 2015/2016, the Trustees continued to implement a risk management strategy that comprises:

- an annual review of the principal risks and uncertainties that the company face;
- the establishment and implementation of procedures, systems and policies when required to mitigate those risks identified in the annual review; and
- the implementation of procedures that are designed to minimise or manage any potential impact on the company should those risks materialise.

This work has identified that financial sustainability is a risk for the company. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank, and active management of trade debtors and creditors balances to ensure sufficient working capital by the company. We also meet regularly with our principle funders.

We recognise the need to diversity our fundraising base and, during 2016/17, we will continue to explore other earned income opportunities, including sponsorship, trusts and foundations and Lottery distributors. We also intend to apply to the Ambition for Excellence ACE funded programme and to the Heritage Lottery Fund.

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.

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Members of the Management Team attend all Board meetings and any sub-committees of the Board when required.

The core permanent staff team is set at four 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.

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 and continue to exploit the momentum and growing interest we have developed through our arts programmes. Our work brings 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 carry out the following.

- Continue to make work that continues to engage local people so that they will want to take part, come and see the work and also talk about the work.
- Continue to make work that continues to be local, accessible and innovative.
- Continue to produce great art that represents the distinctiveness of Sandwell and its people.
- Continue to be a good partner to other arts organisations in the Borough by sharing resources and expertise.
- Continue with our ambition to establish the company as a nationally recognised arts organisation.
- Expand our partnership base so that our fundraising opportunities are more diverse.
- Continue to improve our management, finance and administration systems, hence making savings that we can direct to core services wherever possible.
- Review evaluation, learning and communication so that we can achieve the best value from our work.

We will build on the strengths and skills that we have developed and 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.

The ambition for our arts programme is to continue to open up new opportunities for creative imagination and expression and for people to enjoy and take part in the arts.

We will continue to exploit the momentum and growing interest that 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.

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

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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 cash flow peaks and troughs; and
- to produce a balanced annual budget.

Governance

Multistory regularly reviews 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 for trustees will be reviewed in line with this.

We 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.

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Statement of Trustees' Responsibilities – continued

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 business of Clement Keys LLP merged with PKF Cooper Parry Group Limited on 8 January 2016. Clement Keys LLP has resigned as auditors and the merged firm, PKF Cooper Parry Group Limited, has been appointed in its place.

PKF Cooper Parry Group Limited (formerly Clement Keys LLP) has expressed its willingness to continue in office and will be proposed for re-appointment at the Annual General Meeting.

Approved by the Board of Trustees on 20 October 2016 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 2016 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), including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland".

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 pages 11 and 12 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 2016 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: 20 October 2016

PKF Cooper Parry Group Limited

**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 2016

	Note	Unrestricted funds £	Restricted funds £	2016 Total £	2015 Total £
Income from:					
Donations and legacies	2	259,974	-	259,974	262,312
Charitable activities	3	-	64,870	64,870	315,952
Other trading activities	4	2,511	-	2,511	5,179
Investments	5	519	-	519	1,107
		<u>263,004</u>	<u>64,870</u>	<u>327,874</u>	<u>584,550</u>
Expenditure on:					
Charitable activities	6	243,153	113,347	356,500	423,383
		<u>243,153</u>	<u>113,347</u>	<u>356,500</u>	<u>423,383</u>
Net income/(expenditure) being net movement in funds		19,851	(48,477)	(28,626)	423,383
Reconciliation of funds					
Total funds brought forward		204,384	137,136	341,520	180,353
		<u>204,384</u>	<u>137,136</u>	<u>341,520</u>	<u>180,353</u>
Fund balances at the end of the year		<u>224,235</u>	<u>88,659</u>	<u>312,894</u>	<u>341,520</u>

All incoming resources and resources expended are derived from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

MULTISTORY
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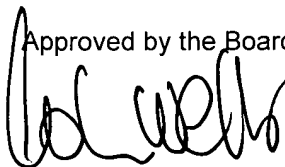
BALANCE SHEET
Company Number: 05910607

as at 31 March 2016

	Note	£	2016 £	£	2015 £
Fixed assets	10		4,387		1,430
Current assets					
Debtors	11	2,825		121,599	
Cash at bank and in hand		322,230		229,862	
		<u>325,055</u>		<u>351,461</u>	
Creditors : amounts falling due within one year	12	(16,548)		(11,371)	
Net current assets			<u>308,507</u>		<u>340,090</u>
Total assets less liabilities			<u>312,894</u>		<u>341,520</u>
Reserves					
Unrestricted funds			224,235		204,384
Restricted funds			88,659		137,136
Total funds	13		<u>312,894</u>		<u>341,520</u>

The notes on pages 17 - 24 form part of the financial statements.

Approved by the Board of Trustees on 20 October 2016 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 2016

1 Principal accounting policies

Basis of preparation

Multistory (the charity) is a registered incorporated charity in the United Kingdom. The address of the registered office is given in the charity information page of these financial statements. The nature of the charity's operations and principal activities are to produce great art with, for and about local people.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Transition to FRS 102

No subsequent restatement of items has been required in making the transition to FRS 102. The transition date was 1 April 2014.

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 (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

MULTISTORY
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

Principal accounting policies - continued

Incoming resources - continued

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding surplus assets for investment purposes predominately in bank deposit accounts. It includes interest. Interest income is recognised using the effective interest method.

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

MULTISTORY
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

Principal accounting policies - continued

Investments

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

2	Income from donations and legacies	2016 £	2015 £
	Sandwell Metropolitan Borough Council	121,500	121,500
	Arts Council England	140,812	140,812
	Arts Council England – repayment of funds	(2,338)	-
		259,974	262,312

All of the above income is attributable to unrestricted funds.

3	Charitable activities	2016 £	2015 £
	Participatory Arts Projects 1 - ACE	-	10,000
	Participatory Arts Projects 2 - ACE	-	200,000
	Participatory Arts Projects 2 - The Owen Family Trust	-	1,500
	Participatory Arts Projects 2 - The Grimmer Trust	-	500
	Open for Business – ACE	32,940	68,232
	Black Country Stories – HLF	4,930	19,720
	Open for Business (partners)	2,000	16,000
	Partner Project 1 - Creative Black Country (CBC)	25,000	-
		64,870	315,952

All of the above income is attributable to restricted funds.

4	Other trading activities	2016 £	2015 £
	Miscellaneous income	-	1,102
	Retail	2,511	4,077
		2,511	5,179

All of the above income is attributable to unrestricted funds.

5	Investment income	2016 £	2015 £
	Bank interest receivable	519	1,107

All of the above income is attributable to unrestricted funds.

MULTISTORY
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

6	Total resources expended	Core activities	Projects	Governance	2016 Total	2015 Total
		£	£	£	£	£
	Wages, salaries and sessional workers	30,987	198,301	-	229,288	276,905
	Project delivery	-	51,814	-	51,814	45,131
	Subscriptions and publications	1,561	-	-	1,561	429
	Recruitment and training	648	-	-	648	1,436
	Rent and rates	7,922	-	-	7,922	8,423
	Insurance	2,308	-	-	2,308	2,940
	Office maintenance	746	-	-	746	2,020
	Printing and stationery	1,133	-	-	1,133	2,669
	Marketing and publicity	10,227	6,430	-	16,657	19,313
	Computer costs	5,242	-	-	5,242	7,231
	Telephone and postage	3,616	163	-	3,779	4,661
	Promotional activities	1,194	-	-	1,194	1,249
	Travelling	12,196	10,561	-	22,757	20,745
	Professional fees	2,041	-	-	2,041	6,220
	Audit costs	-	-	5,400	5,400	4,566
	Sundry expenses	620	-	-	620	3,075
	Organisational development	5,774	-	-	5,774	12,928
	Equipment	(625)	-	-	(625)	811
	Bad debt	251	-	-	251	-
	Partial exemption VAT recoverable	(4,066)	-	-	(4,066)	-
	Depreciation of fixed assets	2,056	-	-	2,056	2,631
		<u>83,831</u>	<u>267,269</u>	<u>5,400</u>	<u>356,500</u>	<u>423,383</u>

Of the above expenditure £243,153 (2015: £253,198) was attributable to unrestricted funds and £113,347 (2015: £170,185) was attributable to restricted funds.

7	Staff costs and Staff numbers	2016 £	2015 £
	Salaries and wages	143,310	106,944
	Social security	12,651	9,201
		<u>155,961</u>	<u>116,145</u>

The average number of employees during the year, calculated on the basis of full time equivalents was:

	No.	No.
Management and projects	4	4

No employee earned in excess of £60,000.

MULTISTORY
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

8 Trustees' and key management personnel remuneration and expenses

No Trustee received any remuneration during the year.

During the year, expenses totalling £140 (2015: £502) were reimbursed to three (2015: three) trustees.

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

The total amount of employee benefits received by key management personnel is £85,000 (2015: £85,000). The company considers its key management personnel comprise of 2 individuals being the Director and Company Manager.

9 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.

10 Fixed assets

	Office furniture and audio visual equipment £	Computer equipment £	Total £
Cost			
At 1 April 2015	12,183	16,121	28,304
Additions	-	5,013	5,013
Disposals	-	(4,000)	(4,000)
At 31 March 2016	12,183	17,134	29,317
Depreciation			
At 1 April 2015	10,753	16,121	26,874
Charge for the year	1,081	975	2,056
Eliminated on disposal	-	(4,000)	(4,000)
At 31 March 2016	11,834	13,096	24,930
Net book value			
At 31 March 2016	349	4,038	4,387
At 31 March 2015	1,430	-	1,430

MULTISTORY
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

11	Debtors					2016	2015
						£	£
	Trade debtors					120	119,258
	Other debtors					302	2,341
	Prepayments					2,404	-
						2,825	121,599
12	Creditors: amounts due within one year					2016	2015
						£	£
	Trade creditors					5,714	1,975
	Other taxation and social security					3,718	3,470
	Accruals					7,116	5,926
						16,548	11,371
13	Funds	Balance as at 01.04.2015 £	Incoming £	Outgoing £	Transfers £	Balance as at 31.03.2016 £	
	Restricted funds						
	Open for Business	6,460	34,940	(41,400)	-	-	
	Black Country Stories - HLF	(4,930)	4,930	-	-	-	
	Participatory Arts Project 2 (ACE)	135,606	-	(46,947)	-	88,659	
	Partner Project 1 (CBC)	-	25,000	(25,000)	-	-	
		137,136	64,870	(113,347)	-	88,659	
	General funds	204,384	263,004	(243,153)	-	224,235	
		341,520	327,874	(356,500)	-	312,894	

Restricted funds

Open for Business – was commissioned and produced by Multistory in collaboration with Magnum Photos. Multistory was been awarded funding from the Arts Council of England's Strategic Touring Programme to deliver the project with eight partners also contributing financially.

The project was the largely untold story of British manufacturing and industry through the lens of the world's greatest photographers. Multistory worked in partnership with Magnum Photos and commissioned nine world-renowned Magnum photographers to document and record manufacturing industries in nine British cities. We worked with eight cultural partners to show the work in eight venues and created a major touring exhibition of approximately 100 framed prints.

MULTISTORY
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

13 Funds - continued

Participatory Arts Projects 2 - we have received additional funding from Arts Council England for a series of participatory arts projects to be delivered within Sandwell.

Black Country Stories - between 2010 and 2015, Magnum photographer, Martin Parr undertook a photographic journey across the Black Country to produce a major photographic archive that has been donated to the libraries and archives services in the Black Country boroughs. This project was supported by the HLF; Walsall MBC; Wolverhampton MBC; and Dudley MBC

Partner Project 1 – Creative Black Country (CBC) - we are working in partnership with CBC through the Creative People and Place ACE funded programme. CBC have commissioned us to deliver three projects over three years (starting April 2015), to embed photographic projects into their programme as a means to reach and engage audiences across the Black Country in high quality arts experiences.

14 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds £	2016 Total £	2015 Total £
Fixed assets	4,387	-	4,387	1,430
Net current assets	219,848	88,659	308,507	340,090
	<u>224,235</u>	<u>88,659</u>	<u>312,894</u>	<u>341,520</u>

15 Commitments under operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2016 £	2015 £
Leases expiring:		
Within 2-5 years	<u>2,930</u>	<u>3,416</u>

16 Company limited by guarantee

The company is limited by guarantee and does not have a share capital. Each member's liability is limited to a maximum of £1. At 31 March 2016 there were 9 members of the company.