

MULTISTORY

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

Registered company number: 05910607

Registered charity number: 1116214

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MULTISTORY
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COMPANY INFORMATION

Reference and Administrative Information

Charity name	Multistory
Charity Registration Number	1116214
Company Registration	05910607
Registered Office	1 st Floor Town Hall Lodge Road West Bromwich West Midlands B70 8DY

The Board of Trustees

Gordon Bates
Susan Frith
Manjeep Singh Gill
Joan Gregory-Bartosch
Steve Johnson
Louise Kilbride
Joanne McEwan
Paul Sutton
Lisa Thomson (resigned 20 October 2016)
Colin Wells

Company Secretary

C Wright

Senior Management Team

E Chetcuti – Director
C Wright – Company Manager

Auditors

PKF Cooper Parry Group Limited
Park View
One Central Boulevard
Blythe Walley Business Park
Solihull
B90 8BG

Bankers

Co-operative
TSB
Lloyds Bank
West Bromwich Building Society

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TRUSTEES' REPORT

for the year ended 31 March 2017

Multistory's Mission

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

Multistory's Aim

To create art that people want to be part of, see and talk about.

Multistory's Artistic Vision

Multistory connects art and people. Our artist commissions produce artwork, stories and experiences that people in Sandwell want to take part in, see and talk about. The art is for, with and about them, but our challenge is to make it so strong that it speaks to audiences elsewhere. Our work is rooted in the lives and experiences of people living in Sandwell, but these are also universal stories.

Our art projects always come out of our work with communities. We are the catalyst that triggers the relationship between local people and the artists we commission. Multistory is the creative producer in that process. The partnership between artists and local people is made by inviting artists to spend a week or more with us to learn about Sandwell and find a connection with people here who they want to work with and who want to work with them, so that both sides of the partnership are excited about a creative idea.

We make work that sets out to be enjoyable and revealing. Our work is driven by stories – discovering them, hearing them, shaping them, telling them, sharing them. Some of the best stories are those you haven't heard before; and some are those told in different ways – this is what artists bring. Sandwell is brimming with unknown, unheard stories: Multistory exists to help them be told in fresh and exciting ways.

We use pictures and words because they are great ways to tell a story, but also because we are skilled in creating them and producing them as exhibitions, books and films. So photography and film, as accessible and democratic media, are central to our work, along with the work of writers.

Our work is always local. It is commissioned in response to: a specific place, a specific community, a specific need, or a combination of these. The art that is produced in response to these three contexts of people, place and need, is always designed to have the greatest impact and is produced to the highest standards.

Multistory's Objectives

1. Generate new art by producing great work jointly with artists and people in Sandwell.
2. Amplify local stories by curating, publishing and promoting the work here, nationally and abroad.
3. Learn through our practice and share the results.
4. Sustain our work by securing necessary resources and managing our company to high standards.

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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. 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.

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 we do not charge for people to take part in our projects or to attend our events, exhibitions and film screenings.

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 as well as in the Black Country. 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 celebrate culture, people and places ('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.

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 every day and the ordinary, within which resides the extraordinary stories of local 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, David Goldblatt and Margaret Drabble, are internationally recognised and acclaimed. Some, such as Liz Hingley and Mahtab Hussain, have a growing reputation in Britain or the region. The arts 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.

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Review of Activities

Multistory marked its 10th anniversary in 2016. In that time, we have achieved both an exceptional and widely recognised body of artistic work, and a transformation in the company's operations, ambition and reputation; however, we cannot stand still. There have been huge economic, social and political changes since we were established and, consequently, our business model must continue to evolve. In particular, we must adapt to the uncertainties that come with leaving the European Union, in a Borough that voted strongly for Brexit and also has high numbers of residents with origins in continental Europe, the Indian subcontinent and elsewhere.

To prepare for this change, we have planned a transitional year in 2017 that will allow us to complete existing projects and pilot new ideas that will form the backbone of our work in Sandwell between 2018 and 2022. The profound social and economic changes underway in the UK make our work more relevant – and more urgent – than ever. We will continue to help people to imagine and reflect creatively, and present the results in artistic form so that they touch local, national and international audiences.

As a smaller organisation, drawing in outside expertise as necessary, we have shown ourselves to be flexible and highly resilient. So, when our Artistic Director had to take long-term sickness leave in 2016, the company was able to cope effectively. The existing programme commitments were successfully met because of the strength of the team and the continued leadership of the Director, albeit from her home, whilst she recovered.

At the same time, Multistory's business model continues to serve the company well. Investment in the Producing Fund enables us to attract a high calibre of artists to work here. Our continuing strategy is to tell important stories in artistically compelling ways because Sandwell deserves great art and because our sustainability depends on producing exciting work that people want to enjoy.

During 16/17, Multistory's website was redesigned to enable us to make more creative work available to audiences online, and to improve the visitor experience. We upload all images, films, publications and oral histories we create through our work. We will continue to develop an accessible archive of past work so that people can access the growing body of completed projects more easily.

Arts 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 16/17, an estimated 27,147 people participated / visited / seen / been exposed to our work in Sandwell and the Black Country. We commissioned the following people as part of our continuing ambition to attract acclaimed artists to work with local residents and to create a powerful body of work.

- Following on from the successful project *Women at Work in Sandwell and the Black Country: 1914-2014*, which looked in depth at the working lives of Black Country women, and *Black Country Man* which explored all aspects of local men's lives, the third in the series - *Black Country Roots* - was published in September, 2016. The book explores the stories of the Afro-Caribbean communities who came from the Caribbean to help with rebuilding after the Second World War. It was gifted to all participants at a celebratory event held at African Caribbean Resource Centre in West Bromwich in October, 2016.
- *David Goldblatt* has made 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) attempt to give us insights and some understanding of the lives and events that lead the ex-offenders to their crimes. In May 2017, we will exhibit the work at HMP Manchester and HMP Birmingham and produce a publication later in the year.

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- *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 an exhibition and a book that will ask profound questions about the collective sensibility to illness, pain and survival in today's society.
- *Polly Braden/ Fit to Plead* - Polly is photographing people with learning disabilities who have experience of the criminal justice system and Sally Williams is interviewing them and writing their stories. The project will be realised as an exhibition and a book. We will launch *Fit to Plead* at the Southbank in London in 2017, close to the ten-year anniversary of the Prison Reform Trust report 'No One Knows' and exhibit locally.
- *A Room of Their Own* - we are working in partnership with Creative Black Country (CBC) as part of the ACE funded Creative People and Places 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. In May 2017, we published the finished book titled *A Room of Their Own* that explores the women's experiences of domestic violence expressed through art forms that included photography, text, mixed media, film and digital technology. We will create an exhibition from the work that will tour locally.
- *Michelle Sank* is working on our second project with CBC and she is making a photographic body of work about gender fluidity with teenagers from Sandwell. We are partnering with Sandwell Youth Services and LGBT services in Sandwell.

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.

Our work was shown in The Barbican's major exhibition *Strange and Familiar* curated by Martin Parr (16 March-19 June 2016) (estimated audience of 75,000). Martin included our commissions with Bruce Gilden and Hans Eijkelboom - a testament to the strength of the work. It was also shown at Manchester Art Gallery (25 November 2016-20 May 2017).

Our Home Made in Smethwick project was featured in The British Journal of Photography; The Guardian; and on BBC Midlands Today. Our work was part of Flatpack Film Festival in Birmingham.

Working internationally supports our ambitions to develop new opportunities and audiences and create lasting relationships here and abroad. Our work also travels – it begins locally and then is included in international exhibitions, as follows:

- One of the short films we made with Martin Parr was shown in an exhibition organised by FOTODOK, a space for documentary photography in Utrecht (NL).
- The Street & Modern Life, our project with Hans Eijkelboom, will be part of DOCUMENTA 14 in Athens and in Kassel in 2017.
- A major retrospective of Susan Meiselas, that includes our project with her, will be at the Antoni Tàpies Foundation in Barcelona and at the Jeu de Paume-Concorde during 2017/18.
- Our work with David Goldblatt will be featured as part of a career survey at the Centre Pompidou.

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Sandwell Council

As well as our ongoing arts programme, we look for ways to enhance wider initiatives through collaboration with heads of departments. We work with Sandwell Libraries to programme regular film screenings and exhibitions to get audiences for our work and to support their arts offer.

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.

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 information is produced each month by the outsourced Financial Support Team who report to the Company Manager and it is emailed monthly 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.

Our unrestricted reserves are invested in a Producing Fund that is the foundation of our artistic achievements; it enables us to invest in developing/piloting new projects/commissions to make new relationships with artists/community groups. It has also been central to how we have developed major new programmes; it allows us to fund the necessary planning and secure matching resources. We have carefully built and managed the Producing Fund through successful delivery of contracts since 2006. Any earned income that results in a surplus is reinvested into the Producing Fund to develop the arts programme which enables us to build a 'cultural capital of assets' – what we call The Multistory Collection - comprising of our digital archive/books/films/exhibitions. We use these cultural assets to create income and partnership opportunities.

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 invested any of this fund during 2016/17 to balance the budget.

Multistory moves forward with an opening unrestricted reserves balance of £247,275 for 2017/18; and restricted reserves of £40,257 to fund projects that will continue during 2017/18.

Principal Funding Sources in 2016/2017

The principal funds were revenue grants of £110,809 from Sandwell Metropolitan Borough Council ('SMBC') and £140,812 from Arts Council England ('ACE').

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Investment Policy

The charitable company's investments and operating reserves are invested in low risk, low 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 which meets the need of our revenue funders – Sandwell Council and Arts Council England who we maintain good relationships with to ensure their continued support. Our balance sheet remains strong with net current assets of £285,078.

Our year-end position at 31 March 2017, provides us with unrestricted reserves of £247,275 which makes up 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 Multistory is a going concern.

In May 2017, we were awarded £417,954 from the Ambition for Excellence ACE strategic funds for the period 1 June 2017 to 30 June 2019, for the Blast! Festival.

We have been successful in maintaining our local authority revenue funding, when many arts organisations have not.

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.

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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 (resigned on 20 October 2016)
Louise Kilbride
Manjeet Singh Gill
Joan Gregory-Bartosch
Susan Frith

In accordance with the Memorandum and Articles of Association, Joan Gregory-Bartosch and Joanne McEwan retired by rotation at the Annual General Meeting held on 20 October 2016, 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, PR and 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.

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.

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Risk Management

For the financial year 2016/2017, 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 diversify our fundraising base and, during 2017/18, we will continue to explore other earned income opportunities, including sponsorship, trusts and foundations and Lottery distributors.

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 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.

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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 2018 to 31 March 2022. Sandwell Metropolitan Borough Council submitted a report to their Cabinet on 22 March 2017 that was approved. The decision was formalised on 27 March 2017, and has now passed through their Scrutiny Committee. The main points to note from the report are that:

- Funding is confirmed for 17/18, at the level granted in 16/17.
- The Council will negotiate a further funding agreement with us to match the term of any confirmed ACE funding support for 18/19 and subsequent years.

The ACE funding support has been confirmed and we are in negotiations with SMBC regarding the Service Level Agreement.

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 engages local people so that they will want to take part, come and see the work and also talk about the work.
- Develop and deliver the Blast! Festival.
- 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 support Sandwell Council to enhance wider initiatives through collaboration with their heads of departments and libraries.
- 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 adequate 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.

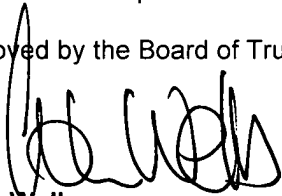
Auditors

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

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 18 October 2017 and signed on its behalf by:



Colin Wells
Trustee and Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULTISTORY

We have audited the financial statements of Multistory for the year ended 31 March 2017 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 12 and 13 the directors (who are also the trustees of the charitable company for the purpose of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements 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 2017 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 AUDITOR'S 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 and the Trustees' Report and has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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:

PKF Cooper Parry Group Limited

**Chartered Accountants
Statutory Auditors**

**Park View
One Central Boulevard
Blythe Valley Park
Solihull
Birmingham
B90 8BG**

18 October 2017

MULTISTORY
(A company limited by guarantee)

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

for the year ended 31 March 2017

	Note	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Income from:					
Grants received	2	251,621	-	251,621	259,974
Charitable activities	3	-	25,000	25,000	64,870
Other trading activities	4	5,092	-	5,092	2,511
Investments	5	421	-	421	519
		<u>257,134</u>	<u>25,000</u>	<u>282,134</u>	<u>327,874</u>
Expenditure on:					
Charitable activities	6	234,094	73,402	307,496	356,500
		<u>234,094</u>	<u>73,402</u>	<u>307,496</u>	<u>356,500</u>
Net income/(expenditure) being net movement in funds		23,040	(48,402)	(25,362)	(28,626)
Reconciliation of funds					
Total funds brought forward		224,235	88,659	312,894	341,520
		<u>224,235</u>	<u>88,659</u>	<u>312,894</u>	<u>341,520</u>
Fund balances at the end of the year		247,275	40,257	287,532	312,894
		<u>247,275</u>	<u>40,257</u>	<u>287,532</u>	<u>312,894</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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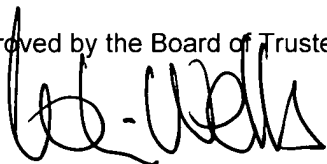
BALANCE SHEET
Company Number: 05910607

as at 31 March 2017

	Note	£	2017 £	£	2016 £
Fixed assets	10		2,454		4,387
Current assets					
Debtors	11	2,376		2,825	
Cash at bank and in hand		297,207		322,230	
			299,583	325,055	
Creditors : amounts falling due within one year	12	(14,505)		(16,548)	
Net current assets			285,078		308,507
Total assets less liabilities			287,532		312,894
Reserves					
Unrestricted funds			247,275		224,235
Restricted funds			40,257		88,659
Total funds	13		287,532		312,894

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

Approved by the Board of Trustees on 18 October 2017 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 2017

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.

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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

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 2017

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.

Tax

The charity meets the legal definition of 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.

Foreign currency translation

Functional and presentation currency

The charity's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

2	Income from grants	2017 £	2016 £
	Sandwell Metropolitan Borough Council	110,809	121,500
	Arts Council England	140,812	140,812
	Arts Council England – repayment of funds	-	(2,338)
		251,621	259,974

All of the above income is attributable to unrestricted funds.

3	Charitable activities	2017 £	2016 £
	Open for Business – ACE	-	32,940
	Black Country Stories – HLF	-	4,930
	Open for Business (partners)	-	2,000
	Partner Project 1 - Creative Black Country (CBC)	-	25,000
	Partner Project 2 - Creative Black Country (CBC)	25,000	-
		25,000	64,870

All of the above income is attributable to restricted funds.

4	Other trading activities	2017 £	2016 £
	Miscellaneous income	750	-
	Retail	4,342	2,511
		5,092	2,511

All of the above income is attributable to unrestricted funds.

5	Investment income	2017 £	2016 £
	Bank interest receivable	421	519

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 2017

6	Total resources expended	Core activities	Projects	Governance	2017 Total £	2016 Total £
		£	£	£		
	Wages, salaries and sessional workers	140,412	51,505	-	191,917	215,490
	Project delivery	-	23,225	-	23,225	51,814
	Subscriptions and publications	1,406	-	-	1,406	1,561
	Recruitment and training	612	-	-	612	648
	Rent and rates	8,249	-	-	8,249	7,922
	Insurance	2,713	-	-	2,713	2,308
	Office maintenance	2,235	-	-	2,235	746
	Printing and stationery	1,192	-	-	1,192	1,133
	Marketing and publicity	17,900	5,882	-	23,782	16,657
	Computer costs	5,888	-	-	5,888	5,242
	Telephone and postage	3,219	202	-	3,421	3,779
	Promotional activities	-	-	-	-	1,194
	Travelling	3,012	8,496	-	11,508	22,757
	Professional fees	17,184	-	-	17,184	15,839
	Audit costs	-	-	4,600	4,600	5,400
	Sundry expenses	766	13	-	779	620
	Organisational development	6,985	-	-	6,985	5,774
	Equipment	-	-	-	-	(625)
	Bad debt	-	-	-	-	251
	Partial exemption VAT recoverable	(132)	-	-	(132)	(4,066)
	Depreciation of fixed assets	1,932	-	-	1,932	2,056
		<u>213,573</u>	<u>89,323</u>	<u>4,600</u>	<u>307,496</u>	<u>356,500</u>

Of the above expenditure £234,094 (2016: £243,513) was attributable to unrestricted funds and £73,402 (2016: £113,347) was attributable to restricted funds.

7	Staff costs and Staff numbers	2017 £	2016 £
	Salaries and wages	127,814	143,310
	Social security	10,440	12,651
		<u>138,255</u>	<u>155,961</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 2017

8 Trustees' and key management personnel remuneration and expenses

No Trustee received any remuneration during the year.

During the year, expenses totalling £253 (2016: £140) were reimbursed to one (2016: 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 (2016: £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 2016 & 31 March 2017	12,183	17,134	29,317
Depreciation			
At 1 April 2016	11,834	13,096	24,930
Charge for the year	262	1,671	1,933
At 31 March 2017	12,096	14,767	26,863
Net book value			
At 31 March 2017	87	2,367	2,454
At 31 March 2016	349	4,038	4,387

MULTISTORY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

11	Debtors					2017	2016
						£	£
	Trade debtors					-	120
	Other debtors					484	302
	Prepayments					1,892	2,404
						2,376	2,825
12	Creditors: amounts due within one year					2017	2016
						£	£
	Trade creditors					4,186	5,714
	Other taxation and social security					3,267	3,718
	Accruals					7,052	7,116
						14,505	16,548
13	Funds	Balance as at 01.04.2016	Incoming	Outgoing	Transfers	Balance as at 31.03.2017	
		£	£	£	£	£	
	Restricted funds						
	Participatory Arts Project 2 (ACE)	88,659	-	(63,313)	-	25,346	
	Partner Project 2 (CBC)	-	25,000	(10,089)	-	14,911	
		88,659	25,000	(73,402)	-	40,257	
	General funds	224,235	257,134	(234,094)	-	247,275	
		312,894	282,134	(307,496)	-	287,532	

Restricted funds

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.

Partner Project 2 – Creative Black Country (CBC) - we are working in partnership with CBC through the Creative People and Place ACE funding programme. CBC have commissioned us to deliver three projects over three years (starting April 2015) to embed photographic projects into their programme to support their aim to reach and engage audiences across the Black Country in high quality arts experiences.

MULTISTORY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

14 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds £	2017 Total £	2016 Total £
Fixed assets	2,454	-	2,454	4,387
Net current assets	244,821	40,257	285,078	308,507
	<u>247,275</u>	<u>40,257</u>	<u>287,532</u>	<u>312,894</u>

15 Commitments under operating leases

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

	2017 £	2016 £
Land and buildings		
Within 1 year	6,144	-
2 – 5 years	6,144	-
	<u>6,144</u>	<u>-</u>

16 Auditors remuneration

	2017 £	2016 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	4,600	5,400
	<u>4,600</u>	<u>5,400</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 2017, there were 9 members of the company.