

**RE:SOURCE BLACKBURN**  
(A Charitable Incorporated Organisation)

ACCOUNTS AND TRUSTEES' REPORT  
FOR THE YEAR ENDED  
31st March 2019

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## RE:SOURCE BLACKBURN

### Reference and administrative information for the year ended 31st March 2019

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Trustees:	Dr A Murdoch Mrs J Murdoch Mrs J Mitchell Mrs S Farinha Mrs H Thomson Mr L Steenbergen Miss P Ferrarin (resigned 31.3.19) Mrs J Ismail (resigned 30.4.19)
Administrators:	Mrs S Dent
Apprentice Building Manager	Mrs C Butler
Charity number:	1151318
Operational address:	The Exchange 71-73 King William Street Blackburn BB1 7DT
Registered office:	22 The Bramhall Centre Bramhall Stockport Cheshire SK7 1AW
Bankers:	The Cooperative Bank plc PO Box 101 1 Balloon Street Manchester M60 4EP
Independent Examiner:	J A Fell & Company Chartered Accountants 40 Houghton Street Southport PR9 0PQ
Solicitors:	Mouteney Solicitors Limited 22 The Bramhall Centre Bramhall Stockport Cheshire SK7 1AW

## Structure, governance and management

The charity is a charitable incorporated organisation (CIO) and governed by its constitution 21st March 2013. This constitution established the objects and powers of the charity, without voting members other than its trustees. In the event of the charity being wound up, the trustees are not required to contribute to its assets and have no personal responsibility for settling its debts and liabilities.

## Recruitment and appointment of trustees

Under the constitution, apart from the first charity trustees, every trustee must be appointed for a term of four years by a resolution passed at a properly convened meeting of the charity trustees. In selecting individuals for appointment as charity trustees, the charity trustees have regard to the skills, knowledge and experience needed for the effective administration of the CIO. Business, leadership, teaching, medical, dental, entrepreneurial and church leadership skills are well represented in the current trustees. These skills are supplemented by advisers to the trustees, currently Mr Keith Shortley, Business planning adviser, of solutions.org.uk.

## Trustee induction and training

The charity trustees make available to each new charity trustee, on or before his or her first appointment a copy of the constitution and any amendments made to it and a copy of the CIO's latest Trustees' Annual Report and statement of accounts. This is added to by intensive face-to-face meetings.

## Organisational structure

There are eight trustees from varying professional backgrounds who meet at least quarterly. They are responsible for the strategic direction and policy of the charity. They meet informally weekly with the rest of the founders and employees. They take on varying responsibilities for the charity depending on their professional background and skills.

## Objectives and activities

The primary objectives of the charity are:

- A. to advance the Christian religion for the benefit of the public in accordance with doctrines outlined in the apostle's creed. In the particular furtherance of the object outlined in this clause the trustees shall have power (but not the obligation) to establish or secure the establishment of a church-type fellowship of Christ-worshippers, with or without a membership criteria of such fellowship (any membership criteria of such fellowship being distinct from membership of the CIO itself, and any organisational model that such fellowship might adopt being separate to (although fully consistent with) this constitution);
- B. to further or benefit the residents of Blackburn with Darwen and the neighbourhood, without distinction of sex, sexual orientation, race or of political, religious or other opinions by associating together the said residents and the local authorities, voluntary and other organisations in a common effort to advance education and to provide facilities in the interests of social welfare for recreation leisure time occupation with the objective of improving the conditions of life for the residents. In the particular furtherance of the object outlined in this clause the trustees shall have power (but not the obligation) to establish or secure the establishment of a community centre and to maintain or manage or co-operate with any statutory authority in the maintenance and management of such a centre for activities promoted by the charity in furtherance of the object outlined in this clause;
- C. to relieve sickness and preserve health among people residing permanently or temporarily in Blackburn with Darwen.

## Achievements and performance

**Object B** was the prime reason for the establishment of the charity. As part of this object the charity has been used as a vehicle for the purchase and refurbishment of the Cotton Exchange building, Blackburn.

### Activity until June 2019

**Structure:** The charity purchased the former Cotton Exchange on 4th September 2015, rescued it from continued dereliction by repairs to roofs and windows and temporarily refurbished the lower ground floor to make it usable. This was achieved by 1st May 2016 and cost about £70,000. The lower ground floor is now regularly used by Re:Ignite Church as well as being hired out to other users.

One of the options from the Options Appraisal that was completed in November 2016 was to open the upper ground floor of the building for the community with a minimum spend. Thanks to Purcell Architects and Sanderson Borland Architects, we received Planning Permission, Listed Building Consent and Building Regulations approval for this option in November 2017. The work was completed for this option apart from disabled access and toilet provision and the upper ground floor was opened on 6th April 2018 with approval for 608 people. The temporary refurbishment of the upper ground floor cost £70,000 and was completed thanks to a £60,000 contribution from Re:Ignite Church and a £10,000 donation from the Cornerstone Development Trust.

Capital improvements this year included a new fence around the lane at the side of the property thanks to a £5,000 grant from Blackburn with Darwen Borough Council, supplemented by a further £2,000 from Re:Ignite.

We also spent £7,865 on installing central heating to the lower ground floor, saving a large amount on heating costs.

**Events:** In May 2017 the upper level was used during The National Festival of Making 2017 for a specially-commissioned work which attracted worldwide publicity including being on the front page of "Design" magazine in the USA. Numbers were limited because of safety issues so only 600 were allowed in, 20m at a time, with hard hats.

See <https://lazerian.com/blogs/projects/chromatogram> and

<https://www.facebook.com/search/top/?q=Interior%20Design%20Magazine%20lazerian>

In June 2017 the upper floor was used again, this time by the "Fabrications" festival. See

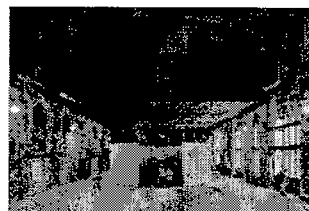
<https://superslowway.org.uk/fabrications-programme/bella-may-leonard/>

The Heritage Open Day in September 2017 saw 100 visitors and a slot on BBC Northwest. This time, hard hats were not required because we had made the ceiling and walls safe. See <http://exchangeblackburn.org.uk/2018/06/15/bbc-nor>

In November 2017, in collaboration with Blackburn Museum, the play "Finding Mr Hart" attracted 50 to the upper floor to watch a dramatisation of research into the life of a philanthropic Blackburn businessman who donated a huge collection to the Blackburn Museum. See <https://www.ies.sas.ac.uk/events/event/13868>

Our first event after being passed as safe for a public building was an amazing youth concert in April 2018 which was attended by 140 people. <https://interests.me/org/blackburn-info/story/59454>

The intermediate refurbishment of the upper floor also enabled about 3,000 people to visit the building during the National Festival of Making in May 2018, partly to view the huge piece of art: see <https://festivalofmaking.co.uk/projects/art-in-manufacturing/liz-west-and-graham-brown/>. Opinions were very divided about the art, but everyone loved the building!



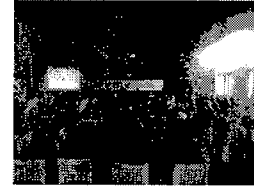
From the beginning of December '18 till February '19 we hosted Jen Kagan's light display, "Projection" working with college students. <https://www.youtube.com/watch?v=5ucEiD9eISg>. This was an amazing interactive display that was very popular with local people.



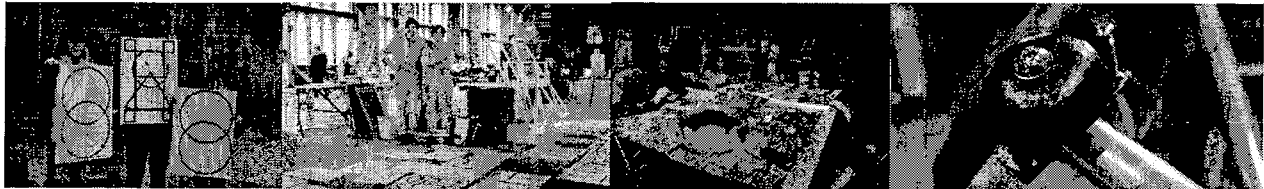
# Re:Source

Trustee's annual report  
for the year ended 31st March 2019 (continued)

On the 8<sup>th</sup> May 2019 the building hosted the launch of the Textile Biennial, with Patrick Grant, Laurie Peake and Jamie Holman being the panel.  
<https://www.facebook.com/pg/ExchangeBlackburn/posts/>



On June 15<sup>th</sup> – 16<sup>th</sup> 2019 we hosted numerous workshops for the 3<sup>rd</sup> National Festival of Making which attracted 4,000 visitors over the weekend.



We are now working to programme the space for the next few years pending full refurbishment and have an Adidas shoes display in September and October. <https://mixmag.net/read/adidas-spezial-exhibition-blackburn-fashion>.

**Board development:** Sara Hilton, the mentor originally appointed by the BRICK programme of the Prince's Regeneration Trust has continued to support us with board development and developing a sustainable business plan. Keith Shortley, our business planning adviser, gave unstintingly of his time to clarify our planning and business processes and we are now working with an alliance of potential future tenants. We have been awarded a Project Development Grant from the Architectural Heritage Fund to pay for further mentorship support.

**Other developments:** Our Project Development Grant enabled us to have an options appraisal for the front of the building, including access and toilets. It also paid for an Options Appraisal for the Council to assess options for access to Tony's Ballroom. These appraisals enabled us to bid with the Council for £1,000,000 from the Cultural Development Fund, which the Arts Council England supported, but was turned down by the government minister. This would have provided a new access to both floors, lifts, toilets and access to Tony's Ballroom.

The Options Appraisal also enabled us to bid with the Council for a Heritage Action Zone for £300,000 for the repair of the roof, but this was also turned down by the government minister.

"MeeMaws Café and Kitchen" unfortunately ceased trading in June 2018 and Re:Source purchased the assets from MeeMaws and now manages this space.

Re:Source continues to run the Creative English course. Creative English is for those who do not speak English, and those enrolled are primarily from the local South Asian Heritage community. As a result of being able to attract many more people and opening more centres, we have been able to employ Mrs Lisa Clarke on a temporary contract.

**Object A.** Re:Ignite Church continues to meet weekly at The Exchange, Blackburn. Re:Ignite Church is the main source of funding for The Exchange. We have had recent approval for Re:Ignite to be its own charity, so this will be reported separately next year.

**Object C.** There is no activity under this object at present.

## How our activities deliver public benefit

The trustees confirm that they have had regard to the Charity Commission's guidance on public benefit when setting the objectives and assessing their activities. The public benefit for the transformation of the Cotton Exchange will be very significant indeed. This could revolutionise attitudes both to Blackburn and in Blackburn and will be useable by all sections of society without any exclusions.

As regards the church part of the objects, in line with the Charity Commission's guidance on public benefit for the advancement of religion, we welcome anyone to join us at our meetings and desire that all would grow in faith. We have a focus on enabling people to worship, pray and minister like Jesus did. About 40 people join us regularly each week and in midweek meetings.

## RE:SOURCE BLACKBURN

### Trustee's annual report for the year ended 31st March 2019 (continued)

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#### Financial review

This was our fifth year in operation, and we are continued to receive regular income either directly from collections at church meetings and the resultant gift aid claims. The Cornerstone Development Trust's donations of £10,000 enabled us to refurbish the upper ground floor.

The results for the year and the state of the charity's affairs as at 31 March 2019 are set out in the financial statements following.

#### Reserves policy

The trustees have assessed the charity's reserves requirements and have agreed that free reserves equal to 3 months' operational expenditure should be maintained which amounts to around £15,000.

#### Statement of trustees responsibilities

Law applicable to charities in England and Wales require the trustees to prepare the financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the trustees are required to:

- a. select suitable accounting policies and apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- d. prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Approval

This report was approved by the trustees on 1st October 2019 and signed on their behalf by:



Dr A Murdoch - Trustee

## Independent examiner's report to the trustees of Re:Source Blackburn

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I report on the accounts of the charity for the year ended 31 March 2019, which are set out on pages 8 to 14.

### Respective responsibilities of trustees and examiner

The charity's Trustees are responsible for the preparation of the financial statements. The charity's Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011( the 2011 Act ) and that an independent examination is needed.

It is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

### Basis of independent examiner's Statement

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

### Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
  - (i) to keep accounting records in accordance with section 130 of the 2011 Act; and
  - (ii) to prepare financial statements which accord with the accounting records and comply with the accounting requirements of the 2011 Act; have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Oliver J Grills FCA  
for and on behalf of J A Fell and Company,  
Chartered Accountants

Date: 3/10/2019.

40 Hoghton Street,  
Southport,  
PR9 0PQ



Statement of Financial Activities  
for the year ended 31st March 2019

	Note	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
<b>INCOME FROM:</b>					
Donations and gifts	2	84,536	-	84,536	102,429
Other trading activities	3	2,961	-	2,961	4,319
Investments	4	-	-	-	-
<b>TOTAL INCOME</b>		<b>87,497</b>	<b>-</b>	<b>87,497</b>	<b>106,748</b>
<b>EXPENDITURE ON:</b>					
Raising funds	5	762	-	762	-
Charitable activities	6	69,128	-	69,128	60,807
<b>TOTAL EXPENDITURE</b>		<b>69,890</b>	<b>-</b>	<b>69,890</b>	<b>61,757</b>
<b>NET (EXPENDITURE) / INCOME</b>		<b>17,607</b>	<b>-</b>	<b>17,607</b>	<b>44,991</b>
Total funds brought forward		762,722	-	762,722	717,731
Total funds carried forward		<b>780,329</b>	<b>-</b>	<b>780,329</b>	<b>762,722</b>

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

The notes on pages 10 to 14 form part of these financial statements.

## RE:SOURCE BLACKBURN

### Balance Sheet as at 31st March 2019

	Note	2019 £	2018 £
<b>FIXED ASSETS:</b>			
Tangible assets	8	784,736	750,276
<b>CURRENT ASSETS:</b>			
Stocks	9	360	360
Debtors	10	3,834	10,298
Cash at bank and in hand		3,551	14,072
		7,745	24,730
<b>CURRENT LIABILITIES:</b>			
Creditors due in less than one year	11	(9,652)	(12,284)
<b>TOTAL ASSETS</b>		<b>782,829</b>	<b>762,722</b>
<b>THE FUNDS OF THE CHARITY:</b>			
Unrestricted funds	14	780,329	762,722
Restricted funds	14	-	-
		<b>780,329</b>	<b>762,722</b>

The financial statements were approved and authorised for issue by the trustees on 1st October 2019 and signed on their behalf by:



Dr A Murdoch - Trustee

The notes on pages 10 to 14 form part of these financial statements.

**1 Accounting policies**

**Charity information**

Re:Source Blackburn is a Charitable Incorporated Organisation registered with the Charity Commission

**1.1 Basis of Preparation**

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of recommended Practice (SORP FRS102), "Accounting and Reporting by Charities" as amended for accounting periods commencing from 1st January 2016.

**1.2 Fund Accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds would comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund will be set out in the notes to the financial statements where applicable.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund will be set out in the notes to the financial statements where applicable.

**1.3 Income and Gift Aid**

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

**1.4 Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Premises and other overheads have been allocated according to the level of activity undertaken throughout the year.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

**1.5 Taxation**

The charity has operated in accordance with its charitable objects and is therefore exempt from taxation.

**1.6 Going Concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue, therefore the financial statements have been prepared on the going concern basis.

## RE:SOURCE BLACKBURN

## Notes to the Financial Statements

for the year ended 31st March 2019 (Continued)

## 1 Accounting policies (Continued)

### 1.7 Tangible fixed assets

Individual assets acquired at a cost of more than £1,000 which are intended for use on a continuing basis in the charity's activities have been capitalised. Depreciation is provided using the following rates to reduce, by annual instalments, the cost, less estimated residual value, of the tangible assets over their estimated useful lives:

Land and buildings 0% on cost

### 1.8 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

## 1.9 Related parties

There were no related party transactions during the year.

## 2 Income from donations and gifts

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Donations	66,677	-	66,677	75,769
Grants received	17,859	-	17,859	26,660
	<u>84,536</u>	<u>-</u>	<u>84,536</u>	<u>102,429</u>

### 3 Other trading activities

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Sales of books	778	-	778	155
Café income	199	-	199	-
Rents received	1,984	-	1,984	4,164
	<u>2,961</u>	<u>-</u>	<u>2,961</u>	<u>4,319</u>

Notes to the Financial Statements  
for the year ended 31st March 2019 (Continued)

4 Income from investments

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Bank interest received	-	-	-	8

5 Cost of raising funds

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Opening stock of books	360	-	360	50
Books purchased	762	-	762	310
Closing stock of books	(360)	-	(360)	(360)
	762	-	762	-

6 Cost of charitable activities

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Wages and salaries	16,150	-	16,150	10,019
Rent, CCL and insurance	12,609	-	12,609	14,869
Repairs and equipment	2,643	-	2,643	2,343
Consumables	2,022	-	2,022	1,703
Administration	2,980	-	2,980	1,513
Light and heat	4,733	-	4,733	11,430
Water	1,993	-	1,993	1,810
Website costs and advertising	1,520	-	1,520	875
Bank charges	416	-	416	142
Telephone	817	-	817	782
Consultancy and legal fees	800	-	800	1,991
Travel	352	-	352	959
Event fees - Canal & River Trust	8,740	-	8,740	-
Sundry costs	647	-	647	2,984
Accountancy & independent examination	1,160	-	1,160	950
Grants and donations made (note 7)	11,546	-	11,546	9,387
	69,128	-	69,128	60,807

Notes to the Financial Statements  
for the year ended 31st March 2019 (Continued)

<b>7</b>	<b>Grants and donations made</b>	<b>Unrestricted Funds 2019 £</b>	<b>Restricted Funds 2019 £</b>	<b>Total Funds 2019 £</b>	<b>Total Funds 2018 £</b>
	<b>Grants to institutions &amp; individuals</b>				
	Healing on the Streets	120		120	260
	The Stirring	3,760		3,760	4,680
	Brazil Mission Trip	4,500		4,500	500
	A & S McClelland	2,000		2,000	-
	Nothing Hidden Ministries	-		-	500
	Sundry donations	1,166		1,166	3,447
		<u>11,546</u>	<u>-</u>	<u>11,546</u>	<u>9,387</u>
<b>8</b>	<b>Tangible fixed assets</b>				
			<b>Land and Buildings £</b>	<b>Total £</b>	
	<b>Cost</b>				
	At 31st March 2018		750,276	750,276	
	Additions		<u>34,460</u>	<u>34,460</u>	
	At 31st March 2019		784,736	784,736	
	<b>Net book value</b>				
	At 31st March 2018		<u>750,276</u>	<u>750,276</u>	
	At 31st March 2019		<u>784,736</u>	<u>784,736</u>	
<b>9</b>	<b>Stocks</b>		<b>2019 £</b>	<b>2018 £</b>	
	Book stocks		<u>360</u>	<u>360</u>	
<b>10</b>	<b>Debtors</b>		<b>2019 £</b>	<b>2018 £</b>	
	Other debtors		2,003	3,036	
	VAT		<u>1,831</u>	<u>7,262</u>	
			<u>3,834</u>	<u>10,298</u>	

## 11 Creditors due in less than one year

	2019 £	2018 £
Other creditors	1,752	-
Accruals	900	2,284
Loan	7,000	10,000
	<u>9,652</u>	<u>12,284</u>

## 13 Employees and trustees

The charity employed 3 part-time administration staff members during the year. No employee earned over £60,000 in the year and no trustee received any remuneration.

	2019 £	2018 £
<b>Employment costs</b>		
Wages and salaries	16,023	9,851
Social security costs	-	131
Other pension costs	127	37
	<u>16,150</u>	<u>10,019</u>

## 14 Statement of funds

	Balance at 1 April 2018	Movement in year			Balance at 31 March 2019
		Income	Expenditure	Transfers	
Unrestricted funds	762,722	87,497	(69,890)	-	780,329
Restricted funds	-	-	-	-	-
Total funds	<u>762,722</u>	<u>87,497</u>	<u>(69,890)</u>	<u>-</u>	<u>780,329</u>