

Open House Festival Limited

(A company limited by guarantee)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their report and the audited financial statements of the group and the parent charitable company for the year ended 31st March 2023.

ACQUISITION OF SUBSIDIARY

On 15 August 2022, the charitable company formed a group of companies and became the parent and ultimate parent company by acquiring 100% of the issued ordinary share capital of Open House Trading Ltd, a company incorporated and registered in Northern Ireland. Further details of the subsidiary acquired is outlined in note 17 in the notes to the financial statements.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) “Accounting and Reporting by Charities” (FRS 102) in preparing the annual report and financial statements of the group and parent charitable company.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the financial statements and comply with the charity’s governing document, the Charities Act (Northern Ireland) 2008, Charities Act (Northern Ireland) 2013, The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015, Companies Act 2006 and 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 SORP 2019 (FRS 102).

Since the group and parent charitable company qualifies as small under Section 383 of the Companies Act 2006, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director’s Report) Regulations 2013 is not required.

TRUSTEES OF THE CHARITY

The directors of the parent charitable company are its trustees for the purposes of charity law. The terms “director” and “trustee” are used interchangeably throughout the financial statements. The trustees who have served during the year were as follows:

Mr Stephen Dunlop (Chairman)
Mr David Gerard Lennon
Mr Stephen Roycroft
Mr Nicholas Garbutt (resigned 15 May 2023)
Mr Jonathan Moore
Ms Sarah Jones
Mr Chris McCreery (appointed 18 August 2022)
Mr Tim Herron (appointed 10 August 2022)
Ms Rachel Edwards (appointed 18 August 2022)
Mr Martin Fleetwood (appointed 20 January 2023)
Ms Kathryn Thomson (resigned 30 November 2022)
Mrs Joanne Timoney (resigned 30 November 2022)

PUBLIC BENEFIT STATEMENT

The Board of Open House Festival Limited (‘parent charitable company’) confirm that they have had due regard for the guidance produced on public benefit by the Charity Commission for Northern Ireland and are pleased to report that during the year the charitable company has continued to provide public benefits through the programmes and services we offer. In particular, the directors consider how planned activities will contribute to the aims and objectives they have set out.

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OBJECTIVES AND ACTIVITIES

Principal activities

The principal activities of the group during the year were the advancement of arts, culture and heritage through the delivery of music and arts events, including annual festivals and one-off concerts and events; and the operation and management of a bar and ancillary activities.

Activities for achieving objectives

Open House Festival promotes regeneration through arts and cultural events. It currently runs three separate strands of activity.

- An annual arts festival in Bangor
- A year-round programme of events in Belfast and Bangor
- Restoration of the Bangor Court House which is now complete and venue is operating

The vision of Open House Festival is “Transforming people and places through arts and culture”. Its current mission is to spearhead the regeneration of Bangor, repositioning it as “The Brighton of Northern Ireland” – a centre for art, culture, leisure and tourism. This will build on the town’s history as a seaside holiday destination and exploit its built heritage, its proximity to Belfast, its natural assets and its burgeoning creative community. This also aligns with the new Integrated Strategy by Ards and North Down Borough Council, entitled “Blue: Green – Creatively Connected”.

The charitable company seeks to create an artistic programme that has depth, breadth and integrity: that unearths new, young and emerging talents; sheds light on the unsung heroes; celebrates world-renowned artists and uses them to spearhead marketing campaigns, draw new audiences and generate revenue. The charitable company strives to paint a positive picture of Bangor to the rest of the world, through the vehicle of artistic and cultural activity and ultimately to bring the rest of the world here to experience it for themselves.

At the Open House headquarters in the newly renovated Court House it is the belief that the annual Festival and the many activities that connect to it, can be a catalyst for cultural, social and economic transformation in Bangor and throughout Northern Ireland. Specifically, Open House Festival works to:

- promote and increase participation in arts and cultural activities
- provide an international platform for local emerging artists
- provide a focus for the creative sector in Bangor
- generate income to support our programme of artistic and cultural events
- promote the economic growth of Bangor
- work with other local partners to develop a world class arts and creative sector for Northern Ireland
- promote cultural and understanding and social cohesion, bringing communities together and eliminating prejudice and cultural stereotyping
- create a positive public perception for Northern Ireland, at home and abroad
- develop Northern Ireland as a global destination for cultural tourism.

Review of activities

Following two years of scaled back events due to the Covid-19 pandemic, Open House activities returned to near pre-Covid levels during 2022/23 with a busy and successful year of events.

In June 2022, Ards and North Down Borough Council delivered a free two-day seafront event to celebrate the Queen’s Platinum Jubilee. Open House was contracted to deliver some activities within that event including a marquee with a live music and dancing. As part of the Jubilee year celebrations, Bangor was awarded the following key elements:

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ACHIEVEMENTS AND PERFORMANCE

Review of activities (*continued*)

- A series of 21 concerts, films, literary events and comedy shows in the Walled Garden at Bangor Castle, seated under a stretch tent, ranging from international artists such as Beth Orton, Paul Brady and Hothouse Flowers, to local legends Ronnie Greer, Duke Special and Shane Todd.
- A series of 25 fringe events including Folk on a Boat, Island Picnic, art walking tours and food events with local hospitality partners.
- Free concerts in Ward Park every Sunday afternoon featuring local musicians across a range of musical genres from rock to punk to folk.
- The return of our Seaside Revival Vintage Festival, reduced in scale as the National Lottery Heritage Funded project funding had come to an end, but still very much in demand. Events included a vintage car and bike show, retro music and dance, stalls and sideshows, plus the return of the Pickie to Pier Swim.
- A 5,000 capacity concert on McKee Clock Arena featuring Snow Patrol acoustic, to celebrate the conferment of the Freedom of the Borough on Gary Lightbody.

Attendance at events was almost at full capacity and customer satisfaction ratings were at 95% - derived from 1,354 online survey responses. 92% of respondents said the festival made them feel better about Bangor and 82% said they would have stayed at home if they hadn't been at the event.

Key indicators included:

- Local economic impact £2m
- Media value (AVE) £447k
- 58,000 people attended Open House Festival and Seaside Revival events throughout the summer
- 106 volunteers completed a total of 487 shifts

We also delivered a year-round programme of shows in Belfast and Bangor, which ranged from Lucinda Williams in the Limelight, and Cowboy Junkies in the Mandela Hall, to Courtney Marie Andrews in Queens Parade Methodist Church.

The Board of Open House met eight times throughout the financial year, with the Finance Sub Committee meeting twice. The Board concluded the strategic review that had been started the previous year, to address the organisation's impending transition to year-round provision of services in the Court House and to look at succession planning. This included:

- appointing an HR consultant to review the corporate structure, including staffing levels, job descriptions and salaries.
- appointing VAT and tax consultants to work with our Board and legal representative on the legal structure of the organisation, including the VAT and tax implications of the Court House, resulting in the setting up of a wholly owned trading subsidiary, Open House Trading Ltd.
- appointment of several new Board members with specialist skills
- appointment of officers to three new posts - Court House Director, Digital Marketing Manager, and Finance Manager

During this financial year, Open House Festival continued its mission to restore the former Court House on Bangor seafront (which it acquired in December 2020 from the Northern Ireland Courts and Tribunal Service via Northern Ireland's first Community Asset Transfer) and transform it into a permanent home for the organisation and a year-round venue for arts and cultural activity. This derelict Victorian listed building is a significant local landmark and a stark symbol of the town's recent social and economic decline. Its restoration will be a cornerstone of the future regeneration of the town.

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ACHIEVEMENTS AND PERFORMANCE (*continued*)

Review of activities (*continued*)

Following a major fundraising campaign, Open House raised £2m from a range of sources, including the National Lottery Heritage Fund, Department for Communities and Garfield Weston Foundation. Following a full tender process overseen by CPD, construction works were carried out by Leo Matheson Limited, completed in August 2022, with the project coming in on budget.

A significant amount of work was done to prepare for the opening of the new venue, including:

- Obtaining of licences for performances and for the sale of liquor
- Recruitment and training of a team of bar, security and event staff
- Development of a wide range of policies and procedures to ensure the safe and effective running of the venue

The Court House opened its doors on 20th October 2022, and began delivering a varied programme of arts events, including music, comedy, film, theatre, spoken word, and visual art. By the end of March 2022, in just six months, the venue had delivered more than 160 events, showcasing 450 artists, and welcoming audiences of more than 15,000. Highlights of the programme included:

- hosting the popular political panel show BBC Any Questions?
- a series of heritage events including talks and free tours of the building as part of Heritage week
- a tour of the building for a local visually impaired support group
- establishing regular events for specialist audiences, such as our Tonic Classic Film Club, Saturday afternoon Irish traditional music sessions, and Friday night jazz sessions.
- themed series such Cinematic North Film Festival for local female film makers, and a ten-day comedy festival
- A disco for adults with learning disabilities in partnership with Mencap and Bangor Gateway
- Staff training programme including Emergency First Aid, Fire Warden Training, learning disability awareness training, accessible nights out with Gig Buddies Belfast and sexual harassment awareness in licensed premises delivered by the Good Night Out Campaign.

FINANCIAL REVIEW

Financial review

The group's and parent charitable company's results for the year ended 31st March 2023 and their financial position at 31st March 2023 are set out in pages 16 to 18 in the financial statements.

The Consolidated Statement of Financial Activities on page 16 indicates that the group had incoming resources for the year of £1,987,318 which includes restricted income relating to the Court House Project of £861,868. Unrestricted income for the year totalled £738,691 against outgoings of £651,535 resulting in a surplus for the year of £87,156.

The Board and senior management will take action to ensure that the financial viability of the group and charitable company is maintained and that additional sources of income are secured from funders and sponsors.

The Consolidated Balance Sheet on page 17 shows that the group had a fund surplus of £2,108,026 as at 31 March 2023. This includes restricted funds of £1,794,537.

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FINANCIAL REVIEW (*continued*)

The Parent Charitable Company Balance Sheet on page 18 shows at 31 March 2023, the parent charitable company has unrestricted funds carried forward of £280,445 (2022: £158,548) which includes fixed assets of £29,252 (2022: £Nil) and restricted funds carried forward of £1,794,537 (2022: £913,888) which includes fixed assets of £1,674,029 (2022: £878,110).

Reserves policy

The group's and parent charitable company's results for the year ended 31st March 2023 and their financial position at 31st March 2023 were considered satisfactory by the directors who expect growth in the foreseeable future.

All general funds under the control of the group and parent charitable company were treated as unrestricted income funds. Restricted funds are used for specific purposes as laid down by the donor and are accounted for separately. The trustees confirm that the group and parent charitable company's assets are available and adequate to fulfil the obligations of the group and parent charitable company and that funds are not excessive given the assets, commitments and size of the group and parent charitable company.

It is the policy of the charity that unrestricted funds which have not been designated for specific use should be kept as reserves for the following reasons:

1. To allow for adequate cashflow for the organisation and ease any pinch points, particularly as most funding is claimed retrospectively.
2. To address the risk of reduced income in the event of adverse trading circumstances, such as Covid-19, in order that it can continue to operate, deliver services and seek alternative income sources, uninterrupted for a period of at least twelve months.
3. To address the risk of unplanned closure, and liabilities in terms of salaries, running costs and other legal obligations.
4. To create a fund for ongoing repairs and maintenance of the Court House as well as to cover the increased core costs for the charity.

The Board reviewed the Reserves Policy in December 2022 and agreed that the organisation should aim to build reserves equivalent to twelve months core operating costs.

- Free reserves – equivalent of one year's core operating costs for Open House Festival and one year's core operating costs for the Court House.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the group and parent charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Open House Festival Limited is a charitable company limited by guarantee and does not have a share capital. It is constituted under a Memorandum of Association dated 24th September 2019 and is a registered charity (number NIC103648 with the Charity Commission Northern Ireland and number XT32992 with HMRC).

The principal object of the company is the advancement of public education for the benefit of the public by fostering and promoting, the improvement and development of artistic knowledge, taste, understanding and appreciation of the arts and in particular but not exclusively to promote and run an annual arts festival.

Method of appointment or election of Trustees

The management of the parent charitable company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Policies adopted for the induction and training of Trustees

New directors are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making process, the business plan and recent financial performance of the charity. They are free to discuss any issue with other directors or key employees. Directors are encouraged to attend any appropriate external training events where these will facilitate the undertaking of their role. A committee meeting is held approximately 8 times per year and attended by the management committee and key employees.

Organisational structure and decision-making

The parent charitable company was established under a Memorandum of Association which established the objects and powers of the charity and is governed under its Articles of Association. Kieran Gilmore is responsible for the day-to-day management of the charity, assisted by a core team of staff including Alison Gordon, Rachael Campbell-Palmer, Sarah Kiely and Tony Parker.

Subsidiary company

The charitable company acquired 100% of the issued ordinary share capital of Open House Trading Ltd ('trading company') on its incorporation on 15th August 2022. The private trading company is registered in Northern Ireland (Company registration number: NI690376), and its registered office address is The Court House, 16 Quay Street, Bangor, Co. Down, BT20 5ED. The principal activity of the trading company during the period was the operation and management of a bar and ancillary activities.

The directors who served the trading company during the period was as follows:

Mr Kieran Gilmore	(appointed 15 August 2022)
Ms Alison Gordon	(appointed 15 August 2022)
Mr Tim Herron	(appointed 15 August 2022)
Ms Sarah Jones	(appointed 15 August 2022)

Risk management

The Trustees have assessed the major risks to which the group and parent charitable company is exposed, in particular those related to the operations and finances of the group and parent charitable company and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (Continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Future developments

The group and parent charitable company plans to continue the activities outlined above in the forthcoming years, subject to satisfactory funding arrangements. In addition, we will look for opportunities to continue to grow the size of the arts and cultural activity space at the Court House by, for example, looking at the provision of an outdoor stage area.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The trustees (who are also the directors of Open House Festival Limited for the purposes of company law) are responsible for preparing the Directors' 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 directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and accounting 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 to operate.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006, Charities Act (Northern Ireland) 2008 and Charities Act (Northern Ireland) 2013 and The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015. 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.

Disclosure of Information to Auditors

So far as each of the directors in office at the date of approval of these financial statements is aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the group and charitable company's auditors are aware of that information.

Small companies' exemption

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

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STATEMENT OF DIRECTORS' RESPONSIBILITIES (*continued*)

Independent Auditors

GMcG Belfast have indicated their willingness to remain in office and a resolution for their re-election will be proposed at the forthcoming Annual General Meeting.

Registered office:
The Court House
19 Quay Street
Bangor
BT20 5ED

Signed by Order of the Board



Mr Stephen Dunlop
Trustee

Date: 6 Dec 23