

KEATS HOUSE

***REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016***

Charity Number: 1053381

KEATS HOUSE
Trustee's Annual Report and Financial Statements
For the period from 1st April 2015 to 31st March 2016

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KEATS HOUSE
Trustee's Annual Report and Financial Statements
For the period from 1st April 2015 to 31st March 2016

1. Reference and Administrative Details

Charity Name:	Keats House
Charity Registration Number:	1053381
Principal Address:	Guildhall, London EC2P 2EJ.
Trustee:	The Mayor, Commonalty and Citizens of London
Chief Executive:	The Town Clerk of the City of London
Treasurer:	Chamberlain of London
Solicitor:	Comptroller and City Solicitor Guildhall, London EC2P 2EJ
Bank:	Lloyds TSB Bank plc PO Box 72 Bailey Drive Gillingham Business Park Gillingham, Kent ME8 0LS
Auditors:	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB

2. Structure Governance and Management

Governing Document

Scheme of the Charity Commissioners Sealed 6 November 1996

Trustee Selection methods

The Mayor, Commonalty and Citizens of London are interpreted by various statutes to mean the Court of Common Council of the City of London Corporation. The Court annually appoints the Culture, Heritage and Libraries Committee from among its elected Aldermen and Members to govern the Charity on its behalf, taking into consideration particular expertise and knowledge.

The policies and procedures for the induction and training of trustees

The City of London Corporation provides Members (from within and outside the Corporation) with briefings and visits on various aspects of the City of London's activities, including those concerning Keats House, as it considers are necessary to enable the Members to carry out their duties effectively and efficiently.

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Trustee's Annual Report (continued)

Organisational structure and decision making process

The Culture, Heritage and Libraries Committee governs the Charity on behalf of the City of London Corporation. The Committee is responsible to the Court of Common Council of the City of London. The terms of reference of the Culture, Heritage and Libraries Committee in relation to the Keats House charity are as follows: 'the development and implementation of a strategy for the management of Keats House (registered charity no. 1053381) and all of the books and artefacts comprising the Keats collection, in accordance with the relevant documents governing this charitable activity'.

The Culture, Heritage and Libraries Committee conducts its business in accordance with the Standing Orders and Financial Regulations of the Court of Common Council of the City of London Corporation and with current charity law. The Standing Orders and Financial Regulations are available from the Town Clerk at the principal address.

Under the Committee's direction, Keats House is administered as part of the City of London Corporation's Culture, Heritage and Libraries Department. Legal, accounting and other administrative and technical support is provided by the relevant City of London departments.

Details of related parties and wider networks

The City of London Corporation, acting as trustee of the charity, is responsible for appointments of representatives to the Committee as noted above. The City of London employs all staff and allocates the time of its staff to the various activities it controls in accordance with the activities worked on by its staff. Please see note 13 to the Financial Statements.

Risk Management Statement

The Trustee is committed to a programme of risk management as an element of its strategy to preserve the Charity's assets, enhance productivity for service users and members of the public and protect its employees.

In order to embed sound practice a Risk Management Group is in place to ensure that risk management policies are applied, that there is an ongoing review of risk management activity and that appropriate advice and support is provided to members and officers.

The City of London Corporation has approved a strategic risk register for all of its activities. This register helps to formalise existing processes and procedures and enables the City of London to further embed risk management throughout the organisation.

A key risk register has been prepared for this Charity, which has been reviewed by the Trustee. It identifies the potential impact of key risks and the measures which are in place to mitigate such risks

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Trustee's Annual Report (continued)

2. Objectives and Activities for the Public Benefit

The Charity's origin

In 1921, a body called the Keats Memorial House Committee appealed to the public for funds to purchase the property and archive from the then private owners to save it from being destroyed or dissipated, and in order to preserve John Keats' former home in which most of the poet's finest work was written. The public appeal was successful, and the property was acquired and vested in the then Corporation of Hampstead "as a permanent trust to be restored and equipped with relics of the poet and to be maintained in perpetuity as a Keats Museum and a live memorial to his genius, a shrine of pilgrimage for his world wide admirers and a literary meeting place and centre". Camden Borough Council became the successors of the former Corporation of Hampstead on 1 April 1965, pursuant to the London Government Act 1963.

Keats House was registered as a charity in March 1996. The City of London Corporation acquired ownership of the land and buildings and responsibility for the administration and management of Keats House with effect from 1 January 1997. The object of the Charity is 'to preserve and maintain and restore for the education and benefit of the public the land with the buildings known as Keats House as a museum and live memorial to John Keats and as a literary meeting place and centre'.

The Charity shall first defray out of the income of the Charity the cost of maintaining the property (including the repair and insurance of any buildings thereon) and all other charges and outgoings payable in respect thereof and all the proper costs, charges and expenses of and incidental to the administration and management of the Charity.

Explanation of Aims and objectives for the year including the changes or differences it seeks to make through its activities

The Trustees have due regard to the Charity Commission's public benefit guidance when setting objectives and planning activities.

The vision for Keats House is as laid down in its Object above and the philosophy that underpins that vision is rooted in the mission statement and strategic aims of the City's Culture, Heritage and Libraries Department within which it is managed.

The mission statement of the Department is 'to educate, entertain and inform, through discovery of our amazing range of resources':

The strategic aims are:

- to refocus our services with more community engagement and partnership with others
- to transform the sense of the City as a destination
- to continue to use technology to improve customer service and increase efficiency
- to develop the City's contribution to the life of London as a whole.

The specific objectives for the year are detailed below under Plans for Future Periods.

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Trustee's Annual Report (continued)

3. Achievements and Performance

2015-16 has been a busy year for Keats House in which we have been building on the success of our reinterpretation project completed the previous year. The project was officially launched in May 2015 with a high profile ribbon cutting by celebrity Nancy Dell'Olio.

The reinterpretation of the House is proving popular with visitor and museum professionals alike, and we are delighted to have 'won' highly commended in the category of Best Hidden Gem at this year's Hudson's Heritage Awards. Other accolades include winning a Time Out Love London award for best cultural attraction in Hampstead, and a Sandford Award for outstanding contribution to heritage education within the historic environment

Key targets for 2015-16 and review of achievement

1. *To develop the audience for Keats House by promoting our improved public offer through PR, marketing and outreach.*

Throughout the year we have been working on building our profile and PR reach.:

- The House worked closely with Chloe Nelkin PR on a high profile press campaign for the launch of the reinterpretation project and the start of the Keats festival 2015. The campaign was highly successful and culminated in 29 articles and an interview with Principle Curator Vicky Carroll on London Live. Highlights from the campaign include listings in the *Metro* and *Evening Standard*, and articles in *The Independent on Sunday* and *The Guardian Books* online.
- Keats House have been working closely with the Art fund and have been featured in their popular Exhibitions Guide as an 'inspiring writers' house' to visit. The House also features in their high profile underground poster campaign. Keats House posters were placed in 21 locations around the network and can be seen at popular stations including King's Cross St Pancras and Euston, as well as local stops including Hampstead and Highgate.
- Our email newsletter has proved very popular with a subscription of over 4000 people and an open rate average of 36.6%, 10% above the industry average. Our social media feeds have undergone strong organic growth over the year with increases in our Twitter followers and Facebook likes by 23% and 35% respectively.

2. *To continue to develop usage of Keats House and Ten Keats Grove by delivering events and education programmes in partnership with others.*

During 2015/16 Keats House held 103 public events in partnership with a wide range of organisations, such as Poet in the City and University College London. These engaged over 4,700 people. The year's highlights include:

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Trustee's Annual Report (continued)

3. Achievements and Performance (cont.)

- Working in partnership with Museums at Night our Late Night Keats events have been a sell-out success. Held in May 2015 and October 2015, these evening openings have generated both income through ticket sales, and press coverage. This event attracts a younger and more diverse audience, and includes music and crafts activities for people to engage with Keats's story outside our usual poetry remit.
- Our events programme has continued to develop high quality and high profile events. The team were delighted to welcome Professor Germaine Greer for our 'Shakespeare's sonnets' event on the 10th of February 2016.
- The Keats House Poets Present... project continues to be successful. Funded by the Keats Foundation this programme has engaged over 369 people of a wide range of ages, including a high proportion of younger people.

4. *To increase income through developing our retail and private hire offers and through fundraising.*

Increased revenue has been a key focus for the team throughout the year. Strands of development have included:

- The use of both the House and the nightingale room as venues for private events has shown strong growth over the year. Promoted on the website and through printed material, hire of the premises has generated £12,284 in income over the year through 52 events.
- Profit from the sale of books and souvenirs have increased during 2015/16 from £8,221 (2014/15) to £16,701. Our range of colourful new souvenirs launched in May, and has proved popular with visitors.
- Fundraising with local neighbours has raised £1,354 through our patrons and members scheme.

5. *To research alternative models for running Keats House with significantly less subsidy from the City of London Corporation.*

Keats House has held informal discussions with a range of partners. The House has also appointed an income consultant to advise on increasing revenue from the premises. The options assessed will be presented to the Culture, Heritage and Libraries Committee in May 2016.

6. *To increase access to the Keats House collection through changing displays and online.*

2015/2016 saw the successful completion of our new temporary exhibition space on the first floor. The gallery is furnished with a secure hanging system and museum grade lighting. Our first exhibition, 'clambering through the clouds', launched in January 2016.

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Trustee's Annual Report (continued)

3. Achievements and Performance (cont.)

The team has been developing cost effective digital ways to foster engagement and knowledge of our collection. Our Facebook 'object of the month' posts have proved very popular, highlighting wonders from the collection, both on display and in storage. We have also taken part in a digital heritage project on the History of Emotions, funded by the Australian Research Council. The project aims to create 3D digital reproductions of museum artefacts related to the history of emotions, and will create a photogrammetric 'resource pack' for teaching, public engagement, and emotions-related historical research. 3D scans of objects from our collection are free to view and can be enjoyed and explored through the website sketchfab.

KPIs for 2015/16

1. To increase the number of visitors to the house and garden by 10%. House: 20,662 (target: 20,350); Total including garden: 32,641 (target: 28,600).
2. The House achieved a very high overall visitor satisfaction rate, with 100% good or very good based on responses to the annual visitor survey (target >95%).

4. Financial Review

Review of financial position

Total resources expended for the year were £488,720 (2014/15: £455,583) and total income was £476,743 (2014/15: £455,627) of which the City of London Corporation contributed £361,453 (2014/15: £262,442). The reason for the large increase is largely due to increased Surveyors Repairs and Maintenance charges for additional works of £40,493 (2014/15: £0), breakdown costs £22,289 (2014/15: £7,443) and contract servicing £21,074 (2014/15: £3,896). There was also a decrease of £2,847 for Support Services costs (note 5). The fund balance of £189,001 represents the unspent balance of an unconditional bequest (including accrued interest), profit on trading income and unspent admissions income and donations (2014/15: £200,978).

Going Concern

The Trustee considers the Trust Fund to be a going concern. Please see note 1(b) to the Financial Statements.

Reserves Policy

The Trust owns the land and premises and the Charity has no underlying fixed assets. The annual deficit of the Charity is funded by the City of London Corporation's City's Cash. The only reserve held by the Charity is the net current assets carried forward from one year to the next as unrestricted funds. A reserves policy is therefore inappropriate.

Investment Policy

The Charity has no underlying supporting funds (other than as noted above) or investments. Consequently an investment policy is inappropriate.

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Trustee's Annual Report (continued)

5. Plans for Future Periods

The key targets for 2016/17, which focus on increasing income and growing our audience, are:

1. To develop an alternative business/partner model for Keats House requiring significantly less subsidy from the City; deliver the implementation of programme.
2. To increase income for the House by developing our retail and private hire offers.
3. To increase the number of paying visitors to the House as an attraction, focussing on our core offer.
4. To ensure the widest demographic can enjoy and learn about poetry and Keats's story using creative interpretation and collaborative programming as a mechanism to do this.

KPIs for 2016/17

1. To increase the number of visitors to the House and garden by 3%. House: 21,282; Total including garden: 33,620.
2. To maintain our overall visitor satisfaction rate of good or very good based on responses to the annual visitor survey. Target >100%.
3. To increase income for the House by developing our retail and private hire offers. Income to increase in both areas by 10%. Shop £22,198; private hire £13,512.

6. The Financial Statements

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 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 (FRS 102) effective from 1 January 2015. The financial statements consist of the following and include comparative figures for the previous year.

- **Statement of Financial Activities** showing all resources available and all expenditure incurred and reconciling all changes in the funds of the Trust.
- **Balance Sheet** setting out the assets, liabilities and funds of the Trust.

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Trustee's Annual Report (continued)

- **Notes to the Financial Statements** explaining the accounting policies adopted and explanations of information contained in the financial statements.

7. Statement of Trustees' Responsibilities

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with the Charities Act 2011 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 (FRS 102) effective from 1 January 2015.

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable the Trustee to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the trust deed. The Trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Trustee's Annual Report (continued)

8. Adopted and signed for on behalf of the Trustee on 15 November 2016.

Adopted and signed for and on behalf of the Trustee.

Jeremy Paul Mayhew MA MBA
Chairman of Finance Committee

Roger A.H. Chadwick
Deputy Chairman of Finance Committee

Guildhall
London
15 November 2015

KEATS HOUSE

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Independent Auditor's Report to the Trustees of Keats House

We have audited the financial statements of Keats House for the year ended 31 March 2016 which are set out on pages 13 to 24. The financial reporting framework that has been applied in their preparation is applicable law and Section 1A "Small Entities" of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 145 the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at Year End and of its incoming resources and application of resources, 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 Charities Act 2011.

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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Date 15 November 2016
Moore Stephens LLP
Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

Moore Stephens LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

KEATS HOUSE
Trustee's Annual Report and Financial Statements

Statement of Financial Activities
For the year ended 31 March 2016

	Notes	2015/16	2015/16	2015/16	2014/15
		Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Income and endowments from:	3				
Donations and Legacies		377,938		377,938	362,633
Income from Investments		30		30	44
Income from charitable activities		98,775		98,775	92,950
Total income and endowments		476,743		476,743	455,627
Expenditure on:	4				
Expenditure on Raising Funds		3,479		3,479	9,909
Expenditure on Charitable activities		485,241		485,241	445,674
Total expenditure		488,720		488,720	455,583
Net income/(expenditure)		(11,977)		(11,977)	44
Net movement in funds		(11,977)		(11,977)	44
Reconciliation of funds					
Funds brought forward	11	100,978	100,000	200,978	200,934
Funds carried forward		89,001	100,000	189,001	200,978

There are no recognised gains or losses other than as shown in the statement of financial activities above.

All incoming resources and resources expended derive from continuing activities.

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Balance Sheet
as at 31 March 2016

	Notes	2016 £	2015 £
Heritage assets	7	100,000	100,000
Current assets			
Stock	8	22,926	11,081
Debtors	9	11,290	24,645
Cash at Bank and in Hand		92,351	119,286
		226,567	255,012
Liabilities:			
Creditors:			
Amounts falling due within one year	10	(37,566)	(54,034)
Net Assets		189,001	200,978
The funds of the charity:	11		
Unrestricted funds		89,001	100,978
Restricted funds		100,000	100,000
Total charity funds		189,001	200,978

The notes on pages 15 to 24 form part of these financial statements.

Approved and signed for and on behalf of the Trustees.

Dr Peter Kane
Chamberlain of London
15 November 2016

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Trustee's Annual Report and Financial Statements

Notes to the Financial Statements

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

(a) ***Basis of Preparation***

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared for the first time in accordance with the new *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)* effective from 1 January 2015 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. Section 1A of FRS 102 is applicable for accounting periods beginning on or after 1 January 2016, but may be applied early to periods beginning on or after 1 January 2015, if such entities qualify as 'small entities'. Keats House has taken the option to apply the standard early in the preparation of these financial statements.

(b) ***Going Concern***

The Trust is considered a going concern for the foreseeable future as net expenditure is met by the City of London Corporation through its City Fund. The City of London Corporation is committed to the ongoing support of the services and activities provided by the Trust.

(c) ***Cash Flow Statement***

The Trust has taken advantage of the exemption in FRS102 from the requirement to produce a statement of cash flows on the grounds that it is a small entity.

(d) ***Income Recognition***

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

(e) ***Expenditure Recognition***

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

(f) ***Heritage Assets***

A heritage asset is an item that has value because of its contribution to a nation's society, knowledge and/or culture. The Keats Love Letter is considered to be a heritage asset and is included in these accounts at its cost amount. This letter is on the City of London Corporations Fine Arts Insurance Policy which covers a number of the Corporations Fine Art Work. The letter was purchased at auction in March 2011 and is valued at cost on the Balance Sheet. The letter is kept at London Metropolitan Archives.

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Notes to the Financial Statements for the year ended 31 March 2016
(continued)

Land and the original associated buildings are considered to be heritage assets. In respect of the original land and buildings, cost or valuation amounts are not included in these accounts as reliable cost information is not available and a significant cost would be involved in the reconstruction of past accounting records, or in the valuation, which would be onerous compared to the benefit to the users of these accounts.

In accordance with the Trust Deed two buildings and the land were transferred at no cost to the ownership of the Trust on 1st January 1997. The buildings comprise the Grade 1 listed Keats House itself valued at £1,737,496 (for insurance purposes) and a 1930s building called the Heath Library valued at £1,086,300 (for insurance purposes). This latter building is now used by cultural and community groups, primarily the Keats Community Library Phoenix Group, with one room set aside to be used in compliance with the objectives of the Keats House Charity.

(g) ***Other Tangible Fixed Assets***

The acquisition of minor capital items such as furniture and office equipment below a cost of £50,000 are charged to revenue in the year purchased.

(h) ***Stocks***

Stocks are valued at the lower of cost or net realisable value.

(i) ***Pension Costs***

Staff are employed by the City of London Corporation and are eligible to contribute to the City of London Local Government Pension Fund, which is a funded defined benefits scheme. The estimated net deficit on the Fund is the responsibility of the City of London Corporation as a whole, as one employer, rather than the specific responsibility of any of its three main funds (City Fund, City's Cash and Bridge House Estates) or the trusts it supports. The Fund's estimated net liability has been determined by independent actuaries in accordance with FRS102 as £482.6m as at 31 March 2016 (£498.2m as at 31 March 2015). Since this net deficit is apportioned between the accounts of the City of London's three main funds, the charity's trustees do not anticipate that any of the liability will fall on the charity. The charity is unable to identify its share of the pension scheme assets and liabilities and therefore the Pension Fund is accounted for as a defined contribution scheme in the accounts.

The costs of the pension scheme charged to the charity are the employer's contributions disclosed in note 6 and any employer's pension contributions within support services costs as disclosed at note 5. Following the statutory triennial valuation of the pension fund as at 31st March 2013, completed by independent consulting actuaries, an employer's contribution rate of 17.5% has been applied for 2014/15, 2015/16 and 2016/17. An updated triennial valuation is being undertaken as of 31 March 2016 which will inform consideration of the employer's contribution rate to be adopted from 2017/18. There are no outstanding or pre-paid contributions at the balance sheet date.

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**Notes to the Financial Statements for the year ended 31 March 2016
(continued)**

(j) ***Fund Accounting***

The charity has two funds – the unrestricted and restricted funds. The unrestricted fund comprises an unconditional bequest and a number of unrestricted donations that have been carried forward to assist towards future development costs. The restricted fund comprises of the value of the Keats Love Letter. The City of London Corporation is committed to fund the ongoing operational costs of the charity.

2. Tax Status of the Charity

As a registered charity Keats House is exempt from direct taxation on its charitable activities.

3. Income

Income is derived from the following activities:

	2015/16 Unrestricted Funds £	2014/15 Total Funds £
Income and endowments from: Donations and Legacies		
City of London Corporation funding	361,453	262,442
Contributions/grants	6,824	99,640
Donations	9,661	551
Total Donations and Legacies	377,938	362,633
Income from Investments	30	44
Income from charitable activities		
Sales of souvenirs and books	20,180	18,130
Admission charges	31,209	30,344
Charges for services	47,386	44,476
Total income from charitable activities	98,775	92,950
Total income and endowments	476,743	455,627

Contributions/grants

Grants for 2015/16 related to Keats Foundation £4,900, Arts Council England £1,000 and Museum of London £924. The lower income in 2015/16 was largely due to the receipt of a large one-off grant during 2014/15 from Arts Council England of £86,000.

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**Notes to the Financial Statements for the year ended 31 March 2016
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Donations

The total amount received of £9,661 comprises sums deposited in the two collections boxes and other unsolicited sums received. (2014/15: £551). The increase is largely due to two donations to Keats House for events from Richard Horley Lighting of £6,786 for picture lighting and Deelishus Catering of £1,521 for catering.

Sale of Souvenirs and Books

The income represents sales of relatively inexpensive souvenirs such as pens, postcards and specialist books.

Charges for Services

Charges for services are comprised as follows:

	2015/16 £	2014/15 £
Keats Community Library	23,516	23,516
Private Hire of Keats House	12,284	11,896
Public Events	10,348	8,395
Filming	98	13
Photography Charges	1,103	656
Other income	37	-
Total	47,386	44,476

Keats Community Library provide a community library service from the building and reimburse the running costs.

4. Expenditure

Expenditure is analysed as follows:

	Activities undertaken directly £	Support costs £	Total 2015/16 £	Total 2014/15 £
Expenditure on:				
Raising funds	3,479	-	3,479	9,909
Charitable activities	457,830	27,411	485,241	445,674
Total	461,309	27,411	488,720	455,583

Expenditure on raising funds relates mainly to the purchase of stock for sale.

Charitable activities includes the direct employee costs, premises, travel, equipment purchases and other supplies and services involved in running Keats House.

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**Notes to the Financial Statements for the year ended 31 March 2016
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5. Support costs

The cost of administration which includes the salaries and associated cost of officers, together with premises and office expenses is allocated by the City of London Corporation to the activities under its control, including Keats House, on the basis of employee time spent on the respective services. These expenses include the cost of administrative and technical staff including surveyors and external consultants.

Support costs are analysed by activity as follows:

Support costs	Charitable activities £	2015/16 Total £	2014/15 Total £
Chamberlain	18,861	18,861	21,259
Comptroller and City Solicitor	849	849	1,513
Town Clerks	7,701	7,701	7,486
Total	27,411	27,411	30,258

Chamberlain Accounting services, insurance, cashiers, revenue collection, payments, financial systems and internal audit.

Comptroller and City Solicitor Property, litigation, contracts, public law and administration of commercial rents and corporation records.

Town Clerks Committee administration, management services, personnel services, public relations, printing and stationery, emergency planning.

6. Staff numbers and costs

Trustees are unpaid and do not receive any out of pocket expenses. Officers employed by the City of London Corporation work on a number of the City of London's activities. The cost of these staff is charged to Keats House and other City of London activities on the basis described in note 5 above. The whole time equivalent number of staff charged directly to Keats House is 5.0 (2014/15: 5.4). There were no members of staff charged wholly to the Trust whose remuneration exceeded £60,000 (2014/15: Nil). There was one member of staff charged partly to the Trust whose total remuneration exceeded £60,000 (2014/15: Nil). Staff were charged wholly to the charity whose remuneration fell in the following bands:

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**Notes to the Financial Statements for the year ended 31 March 2016
(continued)**

Employees who earn less than £60,000 per annum						
	No. of employees	Band	Gross Pay	Employer's National Insurance	Employer's Pension Contribution	Total
		£	£	£	£	£
Charitable activities	5.0	< 60,000	168,811	11,982	30,199	210,992

7. Heritage Assets

Keats House holds a collection of Keats related materials the majority of which is not recognised in the Balance Sheet as cost information is not readily available and the Trustees believe the benefits of obtaining valuations for these items would not justify the costs. The exception to this is the Keats Love letter which is valued at £100,000. The asset was purchased at auction in March 2011 and has not been revalued since. The City of London Corporation instructed their Insurers to note this letter on 7 June 2011. A schedule of individual items is not kept, but the letter is stored at London Metropolitan Archives as part of the overall Keats Collection. The total value for the whole Collection is £1,400,000.

At 31 March 2016 the net book value of heritage assets relating to direct charitable purposes amounts to £100,000 (31 March 2015 £100,000) as set out below.

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**Notes to the Financial Statements for the year ended 31 March 2016
(continued)**

	2012	2013	2014	2015	2016
	£	£	£	£	£
<u>Cost</u>					
At 1 April	100,000	100,000	100,000	100,000	100,000
Additions	-	-	-	-	-
At 31 March	100,000	100,000	100,000	100,000	100,000
<u>Depreciation</u>					
At 1 April	-	-	-	-	-
Charge for year	-	-	-	-	-
At 31 March	-	-	-	-	-
<u>Net book value</u>					
At 31 March	100,000	100,000	100,000	100,000	100,000
At 31 March	100,000	100,000	100,000	100,000	100,000

8. Stock

The value of stock at 31 March 2016 was £22,926 (2014: £11,081) and is constructed of: Souvenirs (£15,417) and Books (£7,509).

9. Debtors

Debtors consist of :-

	2016	2015
	£	£
Other Debtors	2,367	3,317
Payments in Advance	2,532	2,250
Value Added Tax	996	7,122
Sundry Debtors	5,395	11,956
Total	11,290	24,645

The main reason for the decrease in Sundry Debtors is due to a one-off listed debtor put through in 2014/15 for the Arts Council England of £9,048. The reason for the decrease in VAT debtors is due to a transfer of VAT balances at the end of 2014/15.

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(continued)**

10. Creditors

Creditors consist of :-

	2016	2015
	£	£
Sundry Creditors	(8,963)	(42,290)
Other Creditors	(28,603)	(11,744)
Total	(37,566)	(54,034)

The main reason for the decrease in Sundry Creditors was due to a large number of accruals that were put through in 2014/15 including utility accruals of £23,000 and a listed creditor for audio visual equipment to Kingdom London of £19,300. Sundry creditors in 2015/16 were largely due to consultants fees owing to Tourism and Enterprise Management (£4,000) and various utility and cleaning bills (£3,959). The increase in other creditors is due to a larger number of receipted goods which were awaiting payment.

11. Summary of funds and movements during the year to 31 March 2016

	Fund Balance brought forward 1 April 2015	Income	Expenditure	Fund Balances carried forward 31 March 2016
	£	£	£	£
Unrestricted Funds				
General	96,009	476,713	(488,720)	84,002
Designated funds				
- Acquisition and Collection Care Reserve	3,644	22	-	3,666
- Development of Service Reserve	1,325	8	-	1,333
Restricted Funds				
Keats Love Letter	100,000	-	-	100,000
Total Funds	200,978	476,743	(488,720)	189,001

- i. *Unrestricted general fund* - The purpose of this fund is to further the objectives of the charity. The City of London Corporation continues to deficit fund the charity.

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**Notes to the Financial Statements for the year ended 31 March 2016
(continued)**

- ii. *Unrestricted designated funds* – The two designated funds were established in July 2002 following a bequest of £25,000 from the executors of Dr Benno Pollak's estate. The gift was unconditional and applied to further the objects of the charity. Two interest earning reserves were established with the only transactions on these unrestricted, but designated, reserves being interest on cash balances.
- iii. *Restricted Fund* - The purpose of this fund is to safeguard the Keats Love Letter, allowing the public access to this cultural asset.

12. Contingent Liabilities

No contingent liabilities have been identified.

13. Related Parties

The City of London Corporation provides management, surveying and administrative services for the Trust. The costs incurred by the City of London Corporation in providing these services are charged to the Trust. The cost of these services is set out in the Statement of Financial Activities under 'Resources expended' and an explanation of these services is set out in notes 4 and 5 to the financial statements.

The City of London Corporation is also the Trustee of a number of other charitable Trusts. These Trusts do not undertake transactions with Keats House.

A full list of these Trusts is available on application to the Chamberlain of the City of London.

Members of the City of London Corporation responsible for managing the Trust are required to comply with provisions of the Local Government and Housing Act 1989 and the City of London Corporation's guidelines which require that:

- Members sign a declaration agreeing to abide by the City of London Corporation's code of conduct
- a register of interests is maintained
- pecuniary and non-pecuniary interests are declared during meetings
- members do not participate in decisions where they have an interest

There are corresponding arrangements for staff to recognise interests and avoid possible conflicts of those interests.

In this way, as a matter of policy and procedure, the City of London Corporation ensures that Members and officers do not exercise control over decisions in which they have an interest. There are no material transactions with organisations related by virtue of Members' and officers' interests, which require separate reporting. Transactions are undertaken by the Trust on a normal commercial basis.

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**Notes to the Financial Statements for the year ended 31 March 2016
(continued)**

14. Transition to FRS 102

These financial statements for the year ended 31 March 2016 are the Charity's first financial statements that comply with Financial Reporting Standard 102 (FRS 102) 'the Financial Reporting Standard in the UK and Republic of Ireland'. The Charity's date of transition to FRS 102 is 1 April 2014. The Charity's last financial statements prepared in accordance with previous UK GAAP were for the year ended 31 March 2015.

The following table shows that there was no difference between income and expenditure presented under the previous UK GAAP and the newly presented amounts under FRS 102 for the reporting period ended 31 March 2015 (ie comparative information). The table also shows funds determined in accordance with previous UK GAAP at both 1 April 2014 (the date of transition to FRS 102 – nil change) and 31 March 2015 (nil change).

There have been no changes in accounting policies made on first-time adoption of FRS 102.

Group	Note	Fund as at 1 April 2014	Net income for the year ended 31 March 2015	Funds as at 31 March 2015
		£	£	£
As previously stated under UK former GAAP		200,934	44	200,978
No changes		-	-	-
As stated in accordance with FRS 102		200,934	44	200,978