

KEATS HOUSE

***REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017***

Charity Number: 1053381

KEATS HOUSE

Trustee's Annual Report and Financial Statements for the year ended 31 March 2017

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1. Reference and Administrative Details

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

2. Structure Governance and Management

The governing document

Scheme of the Charity Commissioners Sealed 6 November 1996.

Trustee Selection methods

All elected Members of the Court of Common Council (both Aldermen and Commoners) collectively exercise the City of London Corporation's duties as Trustee of the Charity. 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.

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.

2. Structure Governance and Management (continued)

Organisational structure and decision making process

The Charity is administered in accordance with the Charity's governing scheme and the City of London Corporation's own corporate governance and administration framework, including Committee Terms of Reference, Standing Orders, Financial Regulations and Officer Scheme of Delegations of the City of London Corporation. These governance documents are available from the Town Clerk at the principal address.

Each elected Member by virtue of their membership of the Court of Common Council, its relevant committee and sub-committees, has a duty to support the City Corporation in the exercise of its duties as Trustee of the Charity by faithfully acting in accordance with the Terms of Reference of the relevant committee or sub-committee, and the City Corporation's agreed corporate governance framework as noted above.

Details of related parties and wider networks

The following disclosures are made in recognition of the principles underlying Financial Reporting Standard 102 concerning related party transactions.

The City of London Corporation is also the trustee of a number of other charitable trusts. With the exception of Hampstead Heath, (803392), these charitable trusts do not undertake transactions with Keats House. A full list of these charities is available on application to the Chamberlain of London.

Departmental reorganisation

In December 2016 it was jointly agreed by Culture, Heritage and Libraries Committee, Establishment Committee and Policy and Resources Committee to dissolve the Culture, Heritage and Libraries Department and move the services into other City of London Corporation Departments from 1 February 2017. As a result, Keats House became part of the Open Spaces Department from 1 February 2017, under the management of the Superintendent of Hampstead Heath.

Risk identification

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 of employed officers has been established by the City of London Corporation 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 elected 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 Corporation to further embed risk management throughout the organisation in exercise of all of its functions, including when acting as charity trustee.

2. Structure, Governance and Management (continued)

Risk identification (continued)

Consequently a key risk register has been prepared for this charity and has been reviewed by the committee acting on behalf of the Trustee. It identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

There are 7 risks which have been identified. These are:

- Investment income from cash balances may significantly reduce, (although this risk is not just for this Charity, but part of a wider risk identified by the City of London Corporation;
- Funding from the City may be reduced following a change in budget policy;
- Poor repair and maintenance of buildings;
- Charity lacks direction, strategy and forward planning;
- Recruiting and retraining appropriately skilled staff, contractors and the Public;
- Ensuring the Health and Safety of staff, contractors and the Public; and
- Theft or damage relating to Keats House and its contents.

There is a system in place for monitoring each of these risks and mitigating actions are undertaken including training, strengthening controls and plans of action.

3. 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 worldwide 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.

3. Objectives and Activities for the Public Benefit (continued)

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

The Trustee has 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 Open Spaces Department within which it is managed.

The mission statement of the Department is to protect our treasured green spaces for people and wildlife and ensure our outstanding heritage assets are protected, accessible, and welcoming. Our departmental ambitions are that:

- Our habitats are ecologically thriving, and diverse
- Our places for play, learning, tranquillity, cultural experiences, enjoyment, wellbeing and exercise are high quality, inclusive and accessible to all
- Our heritage is preserved and we share history and stories through our spaces and buildings
- We provide thought leadership which is grounded in our innovative practices, knowledge and expertise

We will deliver our ambitions and mission through our service objectives and projects, and by fostering a collaborative culture within the department to support the utilisation of expertise and knowledge.

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

4. Achievements and Performance

Key targets for 2016-17 and review of achievement were:

1. *To develop an alternative business/partner model for Keats House requiring significantly less subsidy from the City; deliver the implementation of programme.*

Keats House engaged in discussions with a wide range of potential partner organisations and engaged an external consultant to assist with developing alternative models for running Keats House. Options were presented to the Culture Heritage and Libraries Committee in May 2016. After considering the options, the Committee decided to continue to subsidise Keats House, and that its management should remain with the City of London Corporation.

2. *To increase income for the House by developing our retail and private hire offers.*

New lines have been added in the shop, including a selection of children's products and additional Keats House branded souvenir products. Income has increased by 12% to £22,606, however profit has decreased by 59% to £6,746, owing to an increase in Cost of Sales of £12,381.

4. Achievements and Performance (continued)

Key targets for 2016-17 and review of achievement (continued)

Awareness of the private hire offer has been increased through promotion in the What's On Guide and posters on site, as well as listing on community websites. As a result, income from private hire has increased by 46% to £17,994.

3. *To increase the number of paying visitors to the House as an attraction, focussing on our core offer.*

To ensure the quality of our visitor offer, Keats House participated in Visit England's Visitor Attraction Quality Assurance Scheme for the first time this year, receiving full accreditation and a very strong assessment summary.

To improve accessibility and consistency, we have also increased our opening hours this year. Whereas in previous years opening hours were restricted in winter, now Keats House is open Wednesday to Sunday, 11am – 5pm all year round. This has resulted in an increase in visitors in the winter months. The extension of opening hours has been made possible by the continued support of our volunteer team.

In January 2017 Keats House re-joined the National Trust partnership scheme and this appears to be having a positive effect on visitor numbers.

The pricing structure for general admissions has been adjusted to include a new Seniors rate.

Publicity continues to be mainly through flyers and social media, with a presence on the City of London Corporation website. Twitter followers have increased by 26% from 2,662 to 3,359 and Facebook likes by 24% from 2,519 to 3,130. Our e-newsletter is now being issued on a monthly basis, rather than every two months.

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.*

Events

During 2016-17 Keats House hosted 83 public events, attracting 4,372 people. The majority were delivered in partnership with literary, academic or community organisations.

Highlights included:

- Poet in Residence Michael Rosen collaborated with students from the Guildhall School of Music to create a new poetry and jazz performance, inspired by Keats's writings.
- Our free, monthly Family Days continue to be popular, offering craft and literary activities for families, with themes ranging from Outer Space to a Masquerade Ball.
- New candlelit tours enabled visitors to experience the House 'after hours' in a new and uniquely atmospheric context, whilst also generating income to support the wider public programme.
- A wide range of emerging and established poets performed their work at Keats House, in partnership with Templar Poetry, and through independently organised events – including a celebration of International Women's Day curated by Jo Shapcott.

- **Achievements and Performance (continued)**

Key targets for 2016-17 and review of achievement (continued)

- New guided tours on the architecture of Keats House were introduced for Open House, and continued through the year due to their popularity.

Education

Our schools programme engaged 2,095 participants, an increase of 4.2% on 2015-16.

Keats House has partnered with the Google Cultural Institute to develop online resources enabling schools which cannot visit Keats House to experience it virtually. The programme will go live later in 2017.

Keats House has also partnered with Jacksons Lane in Highgate to deliver a youth-led programme 'OMG Keats!' over the course of 2016-17. The project has involved young people in delivering three creative strands:

- In summer 2016 young people from diverse community groups created poetry, music, dance, drama, circus and art in response to Keats's story and his poetry, and performed this in the grounds of Keats House at the 'OMG Keats! Mashup'.
- In autumn 2016 a group of young people worked with Keats House staff and a professional film company to research, script and produce a film about Keats's life at Wentworth Place, now known as Keats House.
- In Winter 2016-17 students from St Thomas More school worked with Keats House staff and performance artist Kazuko Hohki to create an immersive, site-specific theatre performance within the House, responding to research about Keats's story and the objects on display.

KPIs for 2016/17

1. To increase visitor numbers by 3%. House: 21,281; Total including garden: 33,620.

Actual visitor figures were, House: 22,005; Total including garden: 33,802.

2. To maintain high or increase Net Promoter Score as an indication of customer satisfaction.

The Net Promoter Score was 71.

3. To increase revenue through retail and private hire by 5%. Retail £21,189; private hire £12,898.

Retail income increased by 12% to £22,606. Private hire increased by 46% to £17,994.

Following the restructure and Keats House's movement into the Open Spaces Department, the KPIs were amended from the original ones stated in the 2015/16 Financial Statements.

5. Financial Review

Review of financial position

Total resources expended for the year were £425,102 (2015/16: £488,720) and total income was £462,133 (2015/16: £476,743) of which the City of London Corporation contributed £321,381 (2015/16: £361,453). The reason for the decrease in resources expended is largely due to decreased Surveyors Repairs and Maintenance charges for additional works of £18,590 (2015/16: £40,493), breakdown costs £17,910 (2015/16: £22,289) and contract servicing £13,382 (2015/16: £21,074). There were also decreases in exhibition costs relating to professional and design fees of £14,260 and a decrease of £4,450 for Support Services costs (note 5). The fund balance of £226,032 represents the unspent balance of an unconditional bequest (including accrued interest), profit on trading income and unspent admissions income and donations (2015/16: £189,001).

Reserves Policy

The Charity 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.

Going Concern

The Trustee considers the Charity to be a going concern for the foreseeable future as detailed in the Accounting Policies note 1(b).

6. Plans for Future Periods

The key priorities for 2017/18 are:

1. To increase footfall by providing and promoting a distinctive and memorable museum experience;
2. To broaden our audience by working creatively with partners to deliver a diverse programme of exhibitions and events;
3. To deliver an education programme which provides excellent learning opportunities for schools, families and adult learners;
4. To care for and improve access to our Grade I listed building and collection;
5. To increase earned and charitable income; and
6. To become more actively engaged with our local community.

KPIs for 2017/18

1. To increase visitor numbers by 3%. House: 21,919; Total including garden: 34,629.

7. Statement of Trustee's 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 and 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 discloses 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 Charity's scheme. 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.

8. Adopted and signed for on behalf of the Trustee on 21 November 2017.

Adopted and signed for and on behalf of the Trustee.

Jeremy Paul Mayhew MA MBA
Chairman of Finance Committee

Jamie Ingham Clark
Deputy Chairman of Finance Committee

Guildhall
London
21 November 2017

KEATS HOUSE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF KEATS HOUSE

We have audited the financial statements of Keats House for the year ended 31 March 2017 which are set out on pages 12 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charity's trustee, 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 trustee 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 trustee 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 Trustee's Responsibilities Statement set out on page 9, the trustee is 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 of 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 31 March 2017 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.

KEATS HOUSE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF KEATS HOUSE (CONTINUED)

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 Trustee's 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.

Moore Stephens LLP
Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

December 2017

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

KEATS HOUSE

Statement of Financial Activities for the year ended 31 March 2017

	Notes	2016/17 Unrestricted Funds £	2016/17 Restricted Funds £	2016/17 Total Funds £	2015/16 Total Funds £
Income from:	3				
Donations and Legacies		349,416		349,416	377,938
Income from Investments		92		92	30
Income from charitable activities		112,625		112,625	98,775
Total income		462,133		462,133	476,743
Expenditure on:	4				
Expenditure on Raising Funds		15,860		15,860	3,479
Expenditure on Charitable activities		409,242		409,242	485,241
Total expenditure		425,102		425,102	488,720
Net income/(expenditure)		37,031		37,031	(11,977)
Net movement in funds		37,031		37,031	(11,977)
Reconciliation of funds					
Total Funds brought forward	11	89,001	100,000	189,001	200,978
Total Funds carried forward		126,032	100,000	226,032	189,001

All operations are continuing.

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Balance Sheet as at 31 March 2017

	Notes	2017 £	2016 £
Heritage assets	7	100,000	100,000
Current assets			
Stock	8	14,898	22,926
Debtors	9	17,848	11,290
Cash at Bank and in Hand		132,564	92,351
		165,310	126,567
Current Liabilities:			
Creditors: Amounts falling due within one year	10	(39,278)	(37,566)
Net Current Assets		126,032	89,001
Total Assets less Current Liabilities		226,032	189,001
The funds of the charity:			
Unrestricted funds	11	126,032	89,001
Restricted funds	11	100,000	100,000
Total charity funds		226,032	189,001

The notes at pages 14 to 22 form part of these accounts.

Approved and signed for and on behalf of the Trustee.

Dr Peter Kane
Chamberlain of London
21 November 2017

KEATS HOUSE
Notes to the Financial Statements for the year ended 31 March 2017

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***

Keats House is a public benefit entity and the 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 in accordance with the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities, published in 2015, Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

(b) ***Going Concern***

The Charity is considered a going concern for the foreseeable future as net expenditure is met by the City of London Corporation through its City's Cash fund. The City of London Corporation is committed to the ongoing support of the services and activities provided by the Charity. There are no material uncertainties about the entity's ability to continue as a going concern.

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

The Charity 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.

KEATS HOUSE
Notes to the Financial Statements for the year ended 31 March 2017

1. Accounting Policies (continued)

(f) ***Heritage Assets (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 Charity's scheme 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 £1,815,683 (for insurance purposes) and a 1930s building called the Heath Library valued at £1,135,184 (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 charities it supports. The Fund's estimated net liability has been determined by independent actuaries in accordance with FRS102 as £597.9m as at 31 March 2017 (£482.6m as at 31 March 2016). 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 was undertaken as of 31 March 2016 and as a result the employer's contribution rate to be adopted for the financial years 2017/18, 2018/19 and 2019/20 has been set at 21%. 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 2017

1. Accounting Policies (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

Keats House is a registered charity and, as such, its income and gains are exempt from income tax to the extent that they are applied to its charitable purposes.

3. Income

Income comprised as follows:

	2016/17 £	2015/16 £
Income from:		
Donations and Legacies		
City of London Corporation funding	321,381	361,453
Other Contributions/grants	25,194	6,824
Donations	2,841	9,661
Total Donations and Legacies	349,416	377,938
Income from Investments	92	30
Income from charitable activities		
Sales of souvenirs and books	22,606	20,180
Admission charges	36,010	31,209
Charges for services	54,009	47,386
Total income from charitable activities	112,625	98,775
Total Income	462,133	476,743

Other Contributions/grants

Grants for 2016/17 related to Heritage Lottery Fund £24,732 towards the Young Roots Exhibition and Museum of London £462. The large increase from 2015/16 is due to the Heritage Lottery funding gained in respect of the Young Roots Exhibition at Keats House.

Grant from City of London Corporation

The City of London Corporation's City's Cash meets the deficit on running expenses of the charity.

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Notes to the Financial Statements for the year ended 31 March 2017

3. Income (continued)

Donations

The total amount received of £2,841 comprises sums deposited in the two collections boxes and other unsolicited sums received. (2015/16: £9,661). The decrease is largely due to two donations to Keats House for events from 2015/16.

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:

	2016/17 £	2015/16 £
Keats Community Library	23,560	23,516
Private Hire of Keats House	17,994	12,284
Public Events	11,408	10,348
Filming	133	98
Photography Charges	113	1,103
Membership Fees	633	-
Other income	168	37
Total	54,009	47,386

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

4. Expenditure

Expenditure is analysed between activities undertaken directly and support costs as follows:

	Activities undertaken directly £	Support costs £	Total 2016/17 £	Total 2015/16 £
Expenditure on:				
Raising funds	15,860	-	15,860	3,479
Charitable activities	339,491	69,751	409,242	485,241
Total	355,351	69,751	425,102	488,720

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 2017

4. Expenditure (continued)

Auditor's remuneration and fees for external financial services

Moore Stephens are the auditors of the City of London City's Cash. The City of London Corporation does not attempt to apportion the audit fee between all the different charities but prefers to treat it as part of the cost to its private funds. No other external financial services were provided for the Trust during the year or in the previous year.

Trustee's expenses

Members of the City of London Corporation are unpaid and do not receive allowances in respect of City of London Corporation activities in the City. However, Members may claim travelling expenses in respect of activities outside the City and receive allowances in accordance with a scale when attending a conference or activity on behalf of the City of London Corporation. No expenses have been claimed in the year (2015/16 £nil).

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 who work on a number of City of London Corporation's activities.

Support costs allocated by the City of London Corporation to the charitable activity are derived as follows:

	2016/17 Total £	2015/16 Total £
Department		
Chamberlain	29,888	22,562
Comptroller & City Solicitor	-	849
Town Clerk	10,305	7,701
City Surveyor	3,500	20,096
Information Systems	21,816	18,831
Other governance and support costs	4,242	4,162
Total support costs	69,751	74,201

The main support services provided by the City of London Corporation are:

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 City of London Corporation records.

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Notes to the Financial Statements for the year ended 31 March 2017

5. Support Costs (continued)

Town Clerk	Committee administration, management services, personnel services, public relations, printing and stationery, emergency planning.
City Surveyor	Work undertaken on the management of the Estate properties, surveying services and advice, supervising and administering repairs and maintenance.
Information Systems	The support and operation of the City of London Corporation's central and corporate systems on the basis of usage of the systems; the provision of "desktop" and network support services and small IS development projects that might be required by the charity.
Other governance costs	Contribution towards various costs including publishing the annual report and financial statements, central training, the dental service, occupational health, union costs and the environmental and sustainability section.

6. Staff numbers and costs

The full time equivalent number of staff employed by the City of London Corporation charged to Keats House in 2016/17 is 4.8 (2015/16 5.0) at a cost of £204,161 (2015/16 £210,992). The table below sets out the employment costs and the number of full time equivalent staff charged directly to the charity.

	No. of employees	Gross Pay £	Employer's National Insurance £	Employer's Pension Contribution £	Total £
2016/17 Charitable activities	4.8	163,101	14,414	26,646	204,161
2015/16 Charitable activities	5.0	168,811	11,982	30,199	210,992

There were no employees charged wholly to the Charity whose remuneration exceeded £60,000 (2015/16: Nil). There was one member of staff charged partly to the Charity whose total remuneration exceeded £60,000 (2015/16: One). Trustees are unpaid and do not receive allowances.

Support is also provided by other chief officers and their departments from across the City of London Corporation, including the Town Clerk and Chief Executive, Chamberlain, Comptroller and City Solicitor and City Surveyor.

KEATS HOUSE

Notes to the Financial Statements for the year ended 31 March 2017

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 Trustee believes 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 2017 the net book value of heritage assets relating to direct charitable purposes amounts to £100,000 (31 March 2016 £100,000) as set out below.

	2013	2014	2015	2016	2017
	£	£	£	£	£
<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>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 2017 was £14,898 (2016: £22,926) and is constructed of: Souvenirs (£13,306) and Books (£1,592). The Cost of Sales for the year was £15,860 (2016: £3,479).

9. Debtors

Debtors consist of :-

	2017	2016
	£	£
Other Debtors	7,990	2,367
Payments in Advance	2,716	2,532
Value Added Tax	-	996
Sundry Debtors	7,142	5,395
Total	17,848	11,290

The main reason for the increase in Other Debtors is due to the final rental demand for Keats Community Library remaining unpaid as at 31 March 2017.

KEATS HOUSE
Notes to the Financial Statements for the year ended 31 March 2017

10. Creditors

Creditors consist of :-

	2017 £	2016 £
Sundry Creditors	(2,899)	(8,963)
Other Creditors	(36,379)	(28,603)
Total	(39,278)	(37,566)

The main reason for the decrease in Sundry Creditors was due to a larger number of accruals that were put through in 2015/16 including consultants fees of £4,000. Sundry creditors in 2016/17 were largely due to various utility and cleaning bills (£2,000). The increase in other creditors is due to a larger number of receipted goods which were awaiting payment.

11. Movement of Funds during the year to 31 March 2017

	Fund Balances Brought Forward £	Income £	Expenditure £	Fund Balances Carried Forward £
Unrestricted Funds				
<i>General Funds</i>	84,002	462,103	(425,102)	121,003
<i>Designated funds</i>				
- Acquisition and Collection Care Reserve	3,666	22	-	3,688
- Development of Service Reserve	1,333	8	-	1,341
Total Unrestricted Funds	89,001	462,133	(425,102)	126,032
Restricted Funds				
Keats Love Letter	100,000	-	-	100,000
Total Restricted Funds	100,000	-	-	100,000
Total Funds	189,001	462,133	(425,102)	226,032

KEATS HOUSE
Notes to the Financial Statements for the year ended 31 March 2017

11. Movement of Funds during the year to 31 March 2017 (continued)

Notes to the funds

- 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.
- 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. Details of Related Party and Wider Networks

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. With the exception of Ground Maintenance works undertaken for the Charity by Hampstead Heath, these Charity's do not undertake transactions with Keats House. These charges totalled £8,000 for 2016/17 (£10,037 2015/16).

A full list of these charities is available on application to the Chamberlain 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 Charity on a normal commercial basis.