

***KEATS HOUSE***

***REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018***

***Charity Number: 1053381***

# **KEATS HOUSE**

## **Trustee's Annual Report and Financial Statements for the year ended 31 March 2018**

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# KEATS HOUSE

## Trustee's Annual Report for the year ended 31 March 2018

### 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.

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## Trustee's Annual Report (continued)

### 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.

The Charity Governance Code was published in July 2017. The Trustee is supportive of the Code and its aim to assist in the development of high standards of governance throughout the charity sector. At this early point after the release of the Code, the Trustee is currently considering application of the recommended practice to the work of the Keats House charity.

#### **Details of related parties and wider networks**

Note 12 to the accounts on page 24 provides details on any related parties and wider networks.

#### **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.

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.

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## **Trustee's Annual Report (continued)**

### **2. Structure, Governance and Management (continued)**

#### **Risk identification (continued)**

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.

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## Trustee's Annual Report (continued)

### 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 2017-18 and review of achievement were:**

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

Keats House continues to be open to the public Wednesday – Sunday, 11am – 5pm throughout the year and also on Bank Holidays. Sustaining these public opening hours is made possible by the continued support of our volunteer team.

Keats House participates in both the Art Fund and National Trust schemes, offering free and half price entry to the House respectively. We also offer reduced rate entry to seniors and concessions, with children aged 17 and under being admitted free. This pricing structure appears to be having a positive effect on visitor numbers.

To ensure the quality of our visitor offer, Keats House again participated in Visit England's Visitor Attraction Quality Assurance Scheme. Keats House received a quality assessment visit in December 2017, achieving an overall score of 86% / good.

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## Trustee's Annual Report (continued)

### 4. Achievements and Performance (continued)

#### Key targets for 2017-18 and review of achievement (continued)

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

The shop continues to offer a small but attractive range of merchandise, including Keats House branded souvenir products. Income has decreased by 3% to £21,931, however profit has increased by 36% to £9,186, owing to a decrease in Cost of Sales of £3,114.

The private hire offer continues to grow, with greater awareness through promotion on the City of London and local community web pages, as well as our What's On Guide and posters on site. However, despite this, income from private hire decreased by 6% to £16,925.

Publicity continues to be mainly through our seasonal events brochure, which is produced and distributed three times a year. This is supplemented by specific flyers and social media postings, with a continued presence on the City of London Corporation website. As at April 2018, @keatshouse had c. 4,400 followers on Twitter (a c.30% increase over a 12 month period). Facebook likes increased from 3,130 to 3,410 over a similar period and our Instagram channel was launched in October 2017, with c. 370 followers by year end.

3. *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.*

#### Exhibitions

A new special exhibition, 'Keats and Milton: Paradise Lost' opened in December 2017. The exhibition celebrates the 350th anniversary of the publication of this seminal work and uses Keats's personally annotated copy, to demonstrate how Milton influenced Keats. The exhibition is on display until October 2018 and included in Keats House admission.

#### Events

During 2017-18 Keats House programmed 92 public events, attracting 4,795 people. The majority were delivered in partnership with literary, academic or community organisations.

Highlights included:

- A programme of events curated by Poet in Residence Hannah Lowe, including a residency launch on Burns Night and a workshop on the theme of neighbourhoods.
- Our free, monthly Family Days continue to be popular, offering craft and literary activities for families, with themes inspired by Keats House and gardens.
- Our 'Late Night Keats' programme allowed visitors to experience the House and poetry in a uniquely atmospheric context, whilst also generating income to support the wider public programme.

# KEATS HOUSE

## Trustee's Annual Report (continued)

### 4. Achievements and Performance (continued)

#### Key targets for 2017-18 and review of achievement (continued)

- 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.
- We continued to benefit from the support of Keats Foundation through an annual conference hosted at the House, individual talks, notably by their Chair Professor Nicholas Roe, as well as a series of workshops and performances by the Keats House Poets.
- Keats House took part in Open House London 2017 and was visited by over 1,000 people on the weekend of 16 – 17 September.

4. *To care for and improve access to our Grade I listed building and collection* – An overall condition survey of Keats House and Ten Keats Grove was conducted by the City Surveyor's Department. No immediate high risk issues were identified, but this survey is now being used to prioritise a programme of works to these Grade I & Grade II listed buildings respectively, are maintained and improved to ensure they can be accessed and enjoyed by future generations.
5. *To become more actively engaged with our local community* – Keats House and Ten Keats Grove continue to enjoyed by local residents and have an active programme to engage with the local community. Keats Community Library, which operates under a licence from ten Keats Grove, has a particularly significant role in providing a local library service and enjoys a special relationship with Keats House, running joint events for local people and families. Keats House's one programme also encourages local people to play an active role in their community, particularly through our volunteer programme and events programmed and delivered by the Keats House Ambassadors and Keats House Poets.

#### Formal Education

A part time Education Officer continues to co-ordinate, deliver and support tours and group visits to Keats House and Gardens for a range of educational organisations. Between April 2017 and March 2018, 624 primary school students, 934 secondary school students and 438 higher education students visited in organised groups.



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## Trustee's Annual Report (continued)

### 4. Achievements and Performance (continued)

#### KPIs for 2017/18

1. To increase visitor numbers by 3%. House: 22,665; Total including garden: 34,716.

Actual visitor figures were, House: 23,540 (2016/17: 22,005); Total including garden: 33,705 (2016/17: 33,802).

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

The Net Promoter Score was 76 (2016/17: 71) against a target of 73 (2016/17: 73).

3. To increase revenue through retail and private hire by 5%. Retail £23,736; private hire £18,894.

Retail income decreased by 3% to £21,931 (2016/17: increased by 12% to £22,606). Private hire decreased by 6% to £16,925 (2016/17: increased by 46% to £17,994).

Following a change in management at the House and to the Open Spaces Business manager, the key priorities and KPI's for 2017/18 changed during the year from the original ones stated in the 2016/17 Financial Statements.

### 5. Financial Review

#### Review of financial position

Total resources expended for the year were £476,978 (2016/17: £425,102) and total income was £503,812 (2016/17: £462,133) of which the City of London Corporation contributed £360,407 (2016/17: £321,381). The reason for the increase in resources expended is largely due to increased employee costs of £226,546 (2016/17: £205,049), resulting from a new apprentice and a 3.5% increase in Superannuation rates from April 2017, increased support services of £77,982 (2016/17: £69,751) as a result of increased allocation of central support and IS charges (note 5) along with Open Spaces Directorate recharges of £6,515 (2016/17: nil) as Keats House had its first full year as part of the Open Spaces Department. In addition, there were costs associated with the CIL funded toilet refurbishment project of £9,018 (2016/17: nil). Along with the increased City of London Corporation deficit funding contributions, there was also a new incoming recharge for officer time spent on Committee activities of £17,000 (2016/17: nil). In addition, there was a new CIL grant receipts of £9,018 (2016/17: nil). The fund balance of £252,866 represents the unspent balance of an unconditional bequest (including accrued interest), profit on trading income and unspent admissions income and donations and a restricted fund relating to the Keats Love Letter of £100,000 (2016/17: £226,032 including Keats Love Letter of £100,000).

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## Trustee's Annual Report (continued)

### 5. Financial Review (continued)

#### 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. It is anticipated that there will be a drawdown from reserves to help fund the cost of the Keats200 programme. 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 2018/19 are:

1. To develop plans for our Keats200 programme, celebrating the 200<sup>th</sup> anniversary of John Keats's time at the House, 1818 - 1821;
2. To grow and diversify our audiences by working creatively with partners to deliver an engaging and relevant programme of exhibitions and events;
3. To deliver a learning programme which supports social mobility for children and young people, families and adult learners;
4. To care for and improve access to our Grade I listed building and historic collections;
5. To increase earned and charitable income; and
6. To become more actively engaged with our local community.

#### KPIs for 2018/19

1. To increase visitor numbers by 3%. House: 24,246; Total including garden: 34,716.
2. To maintain high or increase Net Promoter Score as an indication of customer satisfaction.
3. To increase revenue through retail and private hire by 5%. Retail £23,028; private hire £17,771.

### 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.

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## Trustee's Annual Report (continued)

### 7. Statement of Trustee's Responsibilities (continued)

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 13 November 2018.

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  
13 November 2018

# **KEATS HOUSE**

## **Independent Auditor's Report to the Trustees of Keats House**

### **Opinion**

We have audited the financial statements of Keats House (the 'Charity') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

## **KEATS HOUSE**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and,

### **Independent Auditor's Report to the Trustees of Keats House (continued)**

#### **Other information (continued)**

except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **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.

#### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on pages 9-10, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a

## KEATS HOUSE

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Independent Auditor's Report to the Trustees of Keats House (continued)**

#### **Auditor's responsibilities for the audit of the financial statements (continued)**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

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.

Nick Bennett, *Senior Statutory Auditor*

For and on behalf of 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

Date:

# KEATS HOUSE

## Statement of Financial Activities for the year ended 31 March 2018

	Notes	2017/18 Unrestricted Funds £	2017/18 Restricted Funds £	2017/18 Total Funds £	2016/17 Total Funds £
<b>Income from:</b>	3				
Donations and Legacies		388,117	-	<b>388,117</b>	349,416
Income from Investments		27	-	<b>27</b>	92
Income from charitable activities		115,668	-	<b>115,668</b>	112,625
<b>Total income</b>		<b>503,812</b>	<b>-</b>	<b>503,812</b>	462,133
<b>Expenditure on:</b>	4				
Expenditure on Raising Funds		12,746	-	<b>12,746</b>	15,860
Expenditure on Charitable activities		464,232	-	<b>464,232</b>	409,242
<b>Total expenditure</b>		<b>476,978</b>	<b>-</b>	<b>476,978</b>	425,102
<b>Net income/(expenditure)</b>		<b>26,834</b>	<b>-</b>	<b>26,834</b>	37,031
<b>Net movement in funds</b>		<b>26,834</b>	<b>-</b>	<b>26,834</b>	37,031
<b>Reconciliation of funds</b>					
Total Funds brought forward	11	126,032	100,000	<b>226,032</b>	189,001
<b>Total Funds carried forward</b>	11	<b>152,866</b>	<b>100,000</b>	<b>252,866</b>	226,032

All operations are continuing.

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## Balance Sheet as at 31 March 2018

	Notes	2018 £	2017 £
<b>Heritage assets</b>	7	<b>100,000</b>	100,000
<b>Current assets</b>			
Stock	8	<b>12,026</b>	14,898
Debtors	9	<b>35,075</b>	17,848
Cash at Bank and in Hand		<b>131,801</b>	132,564
		<b>178,902</b>	165,310
<b>Current Liabilities:</b>			
<b>Creditors: Amounts falling due within one year</b>	10	<b>(26,036)</b>	(39,278)
<b>Net Current Assets</b>		<b>152,866</b>	126,032
<b>Total Assets less Current Liabilities</b>		<b>252,866</b>	226,032
<b>The funds of the charity:</b>			
Unrestricted funds	11	<b>152,866</b>	126,032
Restricted funds	11	<b>100,000</b>	100,000
<b>Total charity funds</b>		<b>252,866</b>	226,032

The notes at pages 16 to 24 form part of these accounts.

Approved and signed for and on behalf of the Trustee.

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Dr Peter Kane  
Chamberlain of London  
13 November 2018



**KEATS HOUSE**  
**Notes to the Financial Statements for the year ended 31 March 2018**

**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 to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

(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 Trust has taken advantage of the exemption in FRS102 (paragraph 1.12b) from the requirement to produce a statement of cash flows on the grounds that it is a qualifying entity. Statement of Cash Flows is included within the City's Cash Annual Report and Financial Statements 2018 which is publicly available and can be found at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

(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 2018

### 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 £1,861,075 (2016/17 £1,815,683), (for insurance purposes) and a 1930s building called the Heath Library valued at £1,163,563 (2016/17 £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 £592.6m as at 31 March 2018 (£597.9m as at 31 March 2017). 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 2016, completed by independent consulting actuaries, an employer's contribution rate of 21% has been applied for 2017/18, 2018/19 and 2019/20, (2016/17 17.5%). There are no outstanding or pre-paid contributions at the balance sheet date.

# KEATS HOUSE

## Notes to the Financial Statements for the year ended 31 March 2018

### 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:

	2017/18 £	2016/17 £
<b>Income from:</b>		
<b>Donations and Legacies</b>		
City of London Corporation funding	360,407	321,381
Other Contributions/grants	25,586	25,194
Donations	2,124	2,841
<b>Total Donations and Legacies</b>	<b>388,117</b>	<b>349,416</b>
<b>Income from Investments</b>	<b>27</b>	<b>92</b>
<b>Income from charitable activities</b>		
Sales of souvenirs and books	21,931	22,606
Admission charges	40,905	36,010
Charges for services	52,832	54,009
<b>Total income from charitable activities</b>	<b>115,668</b>	<b>112,625</b>
<b>Total Income</b>	<b>503,812</b>	<b>462,133</b>

#### Grant from City of London Corporation

The City of London Corporation's City's Cash meets the deficit on running expenses of the charity and also provides a reimbursement of officer time spent on Committee activities.

#### Other Contributions/grants

Grants received in respect of the Young Roots Project and a CIL grant for the new Toilet refurbishment project.

## KEATS HOUSE

### Notes to the Financial Statements for the year ended 31 March 2018

#### 3. Income (continued)

##### Donations

The total amount received of £2,124 comprises sums deposited in the two collections boxes and other unsolicited sums received. (2016/17: £2,841).

##### 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:

	<b>2017/18</b> £	2016/17 £
Keats Community Library	<b>25,000</b>	23,560
Private Hire of Keats House	<b>16,925</b>	17,994
Public Events	<b>9,703</b>	11,408
Filming	<b>756</b>	133
Photography Charges	-	113
Membership Fees	<b>420</b>	633
Other income	<b>28</b>	168
<b>Total</b>	<b>52,832</b>	54,009

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 £	<b>Total</b> <b>2017/18</b> £	Total 2016/17 £
<b>Expenditure on:</b>				
Raising funds	12,746	-	12,746	15,860
<b>Charitable activities</b>	379,735	84,497	464,232	409,242
<b>Total</b>	<b>392,481</b>	<b>84,497</b>	<b>476,978</b>	<b>425,102</b>

**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.

# KEATS HOUSE

## Notes to the Financial Statements for the year ended 31 March 2018

### 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 (2016/17 £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:

	<b>2017/18 Total £</b>	2016/17 Total £
<b>Department</b>		
Chamberlain	<b>32,252</b>	29,888
Town Clerk	<b>10,370</b>	10,305
City Surveyor	<b>7,252</b>	3,500
Information Systems	<b>23,674</b>	21,816
Other governance and support costs	<b>4,434</b>	4,242
Recharges from Open Spaces Directorate	<b>6,515</b>	-
<b>Total support costs</b>	<b>84,497</b>	69,751

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

<b>Chamberlain</b>	Accounting services, insurance, cashiers, revenue collection, payments, financial systems and internal audit.
<b>Comptroller and City Solicitor</b>	Property, litigation, contracts, public law and administration of commercial rents and City of London Corporation records.

## KEATS HOUSE

### Notes to the Financial Statements for the year ended 31 March 2018

#### 5. Support Costs (continued)

<b>Town Clerk</b>	Committee administration, management services, personnel services, public relations, printing and stationery, emergency planning.
<b>City Surveyor</b>	Work undertaken on the management of the Estate properties, surveying services and advice, supervising and administering repairs and maintenance.
<b>Information Systems</b>	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.
<b>Other governance costs</b>	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.
<b>Open Spaces Directorate Recharge</b>	Expenditure incurred by the Directorate, which is recharged to all Open Spaces Committees under the control of the Director of Open Spaces. The apportionments are calculated on the basis of budget resources available to each open space Charity.

#### 6. Staff numbers and costs

The full time equivalent number of staff employed by the City of London Corporation charged to Keats House in 2017/18 is 4.8 (2016/17 4.8) at a cost of £224,328 (2016/17 £204,161). 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 £
2017/18 Charitable activities	4.8	174,434	15,101	34,793	<b>224,328</b>
2016/17 Charitable activities	4.8	163,101	14,414	26,646	<b>204,161</b>

There were no employees charged wholly to the Charity whose remuneration exceeded £60,000 (2016/17: Nil). There were no employees charged partly to the Charity whose total remuneration exceeded £60,000 (2016/17: 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 2018

### 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 2018 the net book value of heritage assets relating to direct charitable purposes amounts to £100,000 (31 March 2017 £100,000) as set out below.

	2014	2015	2016	2017	2018
	£	£	£	£	£
<b><u>Cost</u></b>					
At 1 April	100,000	100,000	100,000	100,000	100,000
Additions	-	-	-	-	-
<b>At 31 March</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
<b><u>Net book value</u></b>					
<b>At 31 March</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
<b>At 31 March</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>

### 8. Stock

The value of stock at 31 March 2018 was £12,026 (2017: £14,898) and is constructed of: Souvenirs (£11,062) (2017: £13,306) and Books (£964) (2017: £1,592). The Cost of Sales for the year was £12,746 (2017: £15,860).

### 9. Debtors

Debtors consist of :-

	2018	2017
	£	£
Other Debtors	738	7,990
Payments in Advance	2,939	2,716
Value Added Tax	1,804	-
Sundry Debtors	29,594	7,142
<b>Total</b>	<b>35,075</b>	<b>17,848</b>

**KEATS HOUSE**  
**Notes to the Financial Statements for the year ended 31 March 2018**

**9. Debtors (continued)**

The main reason for the increase in Sundry Debtors is due to the invoice for the full years rental demand for Keats Community Library not being raised during 2017/18 owing to delays in the new licencing agreement. The main reason for the decrease in Other Debtors was due to the remaining unpaid final quarter from 2016/17 for Keats Community Library being paid in May 2017.

**10. Creditors**

Creditors consist of :-

	<b>2018</b> £	2017 £
Sundry Creditors	5,405	2,899
Other Creditors	15,819	36,379
Receipts in Advance	4,812	-
<b>Total</b>	<b>26,036</b>	<b>39,278</b>

The main reason for the decrease in Other Creditors was due to a larger number of of receipted goods which were awaiting payment at the end of 2016/17.

**11. Movement of Funds during the year to 31 March 2018**

	<b>Fund Balances Brought Forward</b>  £	<b>Income</b>  £	<b>Expenditure</b>  £	<b>Fund Balances Carried Forward</b>  £
<b>Unrestricted Funds</b>				
<i>General Funds</i>	121,003	503,785	(476,978)	<b>147,810</b>
<i>Designated funds</i>				
- Acquisition and Collection Care Reserve	3,688	20	-	<b>3,708</b>
- Development of Service Reserve	1,341	7	-	<b>1,348</b>
<b>Total Unrestricted Funds</b>	126,032	503,812	(476,978)	<b>152,866</b>
<b>Restricted Funds</b>				
- Keats Love Letter	100,000	-	-	<b>100,000</b>
<b>Total Restricted Funds</b>	100,000	-	-	<b>100,000</b>
<b>Total Funds</b>	226,032	503,812	(476,978)	<b>252,866</b>



**KEATS HOUSE**  
**Notes to the Financial Statements for the year ended 31 March 2018**

**11. Movement of Funds during the year to 31 March 2018 (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. Details of Related Party 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 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, (803392), these Charity's do not undertake transactions with Keats House. These charges totalled £8,000 for 2017/18 (£8,000 2016/17).

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.

**KEATS HOUSE**  
**Notes to the Financial Statements for the year ended 31 March 2018**