

Charity number: 219318

The French Hospital

Trustees' Report and Financial Statements

for the year ended 30 June 2023

The French Hospital

Contents

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1 - 2
Trustees' report	3 - 12
Independent auditor's report on the financial statements	13 - 16
Statement of financial activities	17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20 - 39

The French Hospital

Reference and Administrative Details of the Charity, its Trustees and Advisers for the year ended 30 June 2023

Governor	The Rt Revd and Rt Hon Lord Chartres KCVO DD FSA
Directors (Trustees)	L J Du Cane, Deputy Governor G R Rubython, Treasurer E C A Martineau, Secretary C E M Martineau, Quarterly Committee Chairman J O Cash P J Duval Emma, Lady Monson Mrs P C Ouvry-Johns A J Gillett Dr G Fargher N B Ruth E C P Lefroy R How
Directors (non-Trustees)	J G Ouvry J P A Ouvry C K Cash J G Lefroy C Duval R W Place (deceased 30 April 2023) The 9th Earl of Radnor The Very Rev, H E C Stapleton Wing Commander D V Duval Mrs E S Leonard Mrs J S Darwin Mrs L McCarraher Ms C E South Dr T V Murdoch Mrs T A Letheren A E Duval Mrs P J Hoffmann-Becking R C Garnier C P D Grellier D I Beeby H L Mallalieu C A M Boileau I W Mackenzie (appointed 1 June 2023)
Honorary Director	Duke of Buccleuch and Queensberry, KT, KBE
Charity registered number	219318
Principal office	41 La Providence Rochester Kent ME1 1NB

**Reference and Administrative Details of the Charity, its Trustees and Advisers (continued)
for the year ended 30 June 2023**

Independent auditor	Kreston Reeves LLP Chartered Accountants Statutory Auditor Montague Place Quayside Chatham Maritime Chatham Kent ME4 4QU
Bankers	The CAF Bank 25 Kings Hill Avenue Kings Hill West Malling ME19 4TA Lloyds TSB Week Street Maidstone ME14 1RW
Solicitors	Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE
Chartered Building Surveyor	J A Warner Ltd The Joiners Shop The Historic Dockyard Chatham Kent ME4 4TZ
Clerk to the Trustees	C H Parker (resigned 7 October 2022) D Coward (appointed 9 January 2023)
Chaplain	Rev B Beckhelling (appointed 1 August 2022)
Steward	J Corrigan
Investment Manager	Cazenove Capital 1 London Wall Place London EC2Y 5AU
Investment Manager	Brewin Dolphin Ltd 12 Smithfield Street London EC1A 9BD
Head of Engagement and Deputy Clerk	Mrs N Tegg

The French Hospital

Trustees' Report for the year ended 30 June 2023

The Trustees present their annual report together with the audited financial statements of the Charity for the year from 1 July 2022 to 30 June 2023.

The Trustees would like to take the opportunity to thank the staff, volunteers, and supporters of The French Hospital for all their significant efforts over the last 12 months, particularly when dealing with the challenges after those of Covid-19 presented by the cost-of-living crisis.

Objectives and activities

a. Policies and objectives

The objects of the Charity are, for the public benefit:

- (i) the relief of poverty or any other charitable need by the provision of housing accommodation for Beneficiaries;
- (ii) charitable purposes to benefit of Beneficiaries decided on by Governor and Directors;
- (iii) to advance education by the preservation and display of items connected with the history of the French Protestant community (Huguenots) in England from the sixteenth century onwards, in particular through the establishment, support and maintenance of:
 - (i) a library and archive (including genealogical records related to the Hospital); and
 - (ii) a museum or gallery.

Beneficiaries means any person resident in Great Britain requiring assistance due to age, ill health or poverty, or other misfortune giving rise to a charitable need.

Primary Beneficiaries shall be: such persons being Our Subjects as the said Governor and Directors shall be reasonably satisfied are French Protestants (Huguenots) or their descendants or the spouse, relict or civil partner of any such person (irrespective of whether or not such spouse, relict or civil partner is themselves a French Protestant (Huguenot) (or a descendent thereof) and is in need of assistance due to age, ill health, financial need or other misfortune giving rise to a charitable need.

Relief of need is given by the provision of sheltered almshouse accommodation, for which residents' contributions and utilities contributions are charged.

The Charity's aim is to provide quality almshouse accommodation that enables and prolongs independent living, encourages involvement in the wider neighbourhood and actively reduces loneliness and isolation by facilitating and encouraging a wide range of community activities.

The Trustees have complied with their duty under Part 4, Chapter 1 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. They have considered this guidance in deciding what activities the Charity should undertake, and they are satisfied that the Charity confers a public benefit. They have followed this guidance both when reviewing the Charity's policies and objectives for the year, and when planning for both the immediate and long-term future.

Achievements and performance

a. Review of activities

Core activities

The Charity has continued to maintain 59 self-contained, sheltered flats, of which 57 (2022: 57) are available to residents, with ancillary services at La Providence, Rochester, Kent. An average of 66 residents were provided with accommodation during the year.

The French Hospital

Trustees' Report (continued) for the year ended 30 June 2023

Achievements and performance (continued)

Repairs and maintenance expenditure at La Providence amounted to £276,605 in the year (2022: £104,648), an increase mainly caused by boiler works, and increased Surveyor activity and fees during quinquennial refurbishment of The French Hospital. Income from listed investments increased to £123,372, from the previous year's figure of £96,288. There was an overall deficit, before transfers and investment losses in the year of £63,385 (2022: surplus of £106,200). Donations and legacies income received in the year amounted to £39,194 (2022: £55,183). Following the revaluation of investment assets, the Charity made a gain of £35,905 (2022: loss of £395,761). Total reserves, at 30 June 2023, were £5,395,089 (2022: £5,422,569).

Huguenot Museum

The Huguenot Museum leases from The French Hospital at a commercial rent those parts of No 95 High Street that it occupies. The Museum is paid by The French Hospital for its management of the Hospital's collections and archives.

b. Investment policy and performance

The Trustees have updated and approved the Charity's Investment Policy, in accordance with the Charity Commission's guidance (CC14). The performance and suitability of the Charity's investments are reviewed by the Trustees at all meetings of the Court. The principal objective for the Trustees is to invest in funds to maximise total return without placing at undue risk the capital value of the investments. Funds are invested with Cazenove Capital and Brewin Dolphin Ltd. Under its Royal Charter the Charity has the power to make any investment that the Trustees see fit.

The value of the investment portfolio decreased in value by 1.43% during the financial year, which was mainly due to an IMF World Economic Outlook below the historical average of 3.8% in the period. By comparison FTSE estimates adjusted net income to drop 7% in 2023 and the S&P 500 Index is just 1.8% against a mean of 10%.

Financial review

a. Going concern

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

b. Reserves policy

It is the Charity's policy to hold financial reserves to ensure that it:

- has essential income from its investment and commercial property portfolios to support adequately the costs both of staffing at La Providence, and of maintenance of the Charity's almshouse and administration accommodation;
- has sufficient portfolio income adequately to conserve and maintain its archives and collections;
- can withstand unforeseen economic shocks;
- can upgrade its facilities at La Providence;
- can develop its services to current beneficiaries;
- has the financial capacity to make grants to beneficiaries for the relief of their need;
- can respond adequately in circumstances where there is increased demand for its services in the future; and
- can continue to operate in perpetuity.

The present minimum level of the Charity's total reserves required by the Trustees has been increased 12% from £440,000 in 2022 to £492,800 in 2023 in line with the median uplift of The Almshouse Association uplift benchmark of 14% (materials and maintenance) and 10% (all other expenditure).

The French Hospital

Trustees' Report (continued) for the year ended 30 June 2023

The present level of the Charity's reserves is essential to support its current almshouse operations, and for the maintenance of its archives and collections. To ensure the Charity has the capacity to fund development, make grants, and respond to increased demand, and to ensure that it has this capacity in all reasonably foreseeable circumstances, it is the Charity's policy to seek, over the medium term, donations and legacies for use as an expendable endowment.

At the Balance Sheet date the Charity holds free reserves amounting to £2,940,124 (2022: £2,871,852).

The Charity has recently undertaken all the decorative and repair works indicated by the Surveyor's quinquennial inspection, and has also installed four new boilers, and associated systems, servicing the whole of La Providence. Substantial funds had been set aside for the quinquennial contract, but the opportunity has also been taken to undertake certain additional works that were found, during the quinquennial contract, to be either necessary or highly desirable, and this has had an impact on the Charity's cash reserves. Whilst the expenditure on the boilers had long been anticipated as a capital expense, nonetheless the £192,000 cost has been funded, in the main, from the Charity's cash reserves. Thus, there has been an adverse impact on those reserves, and the Trustees are formulating a plan to increase the level of the Charity's liquid reserves in the medium term.

In order to achieve the Charity's policy it needs to seek additional funding from both individuals and grant-making bodies in support of specific projects related to:

- the upgrading of both sheltered accommodation and communal areas at La Providence; and
- the development of services and facilities for beneficiaries.

It is the Charity's policy to hold sufficient of its reserves in cash or other liquid assets in order to cover:

- normal fluctuations in almshouse operation cashflow; and
- in case of unforeseen circumstances, the cost of almshouse operations for a period of between 3 and 6 months.

Structure, governance and management

a. Constitution

The French Hospital is a Charity incorporated by Royal Charter, first granted by His Majesty King George I on 24 July 1718, and amended by Supplemental Royal Charter granted by Her Majesty Queen Elizabeth II on 9 September 1953. Her Majesty Queen Elizabeth II granted a further Supplemental Royal Charter to The Governor and Directors of the Hospital for Poor French Protestants and their Descendants residing in Great Britain on 26 August 2015. This Supplemental Royal Charter replaces and revokes earlier Charters in all respects, except that the Original Charter incorporates the body corporate of Governor and Directors as one Corporation - and confers upon this Corporation perpetual succession and a Common Seal.

The official title of the Charity is The Governor and Directors of The Hospital for Poor French Protestants and their Descendants Residing in Great Britain.

Directors who are members of the Quarterly Committee are Trustees of the Corporation; non- members are known as Non-Trustee Directors and are not Trustees of the Corporation.

Honorary Directors are neither Trustees (Trustee Directors) nor Non-Trustee Directors. The Duke of Buccleuch and Queensberry, KT, KBE, is currently the only Honorary Director

b. Methods of appointment or election of Trustees

Management of the Charity is the responsibility of the Trustees, who are elected under the terms of the Royal Charters.

The French Hospital

Trustees' Report (continued) for the year ended 30 June 2023

Structure, governance and management (continued)

The Trustees have assessed the necessary and desirable skills, attributes and experience that they consider should be available to the Charity to enable it most effectively to fulfil its objects. Where deficiencies in skills and experience have been identified among the existing Trustees, the Trustees actively seek to address them. Trustees seek to appoint new Trustees, both to increase numbers and diversity of the Trustee body and to increase representation within the Medway area. Consideration is also being given to succession planning, regarding the offices of Deputy Governor, Treasurer, Chairman and Secretary.

An individual proposed as a Trustee is subjected to a thorough selection and interview process to ensure that their appointment as a Trustee will strengthen the overall composition and balance of the Trustee Body.

Directors are only considered for nomination/re-nomination to the Quarterly Committee if they have attended more than 50% of the Quarterly Committee meetings in the twelve months prior to 30 June immediately preceding such consideration, or in the twelve months since their initial election as a Director, and if they have been considered by the Quarterly Committee to have been actively and positively engaged in the affairs of the Corporation.

c. Organisational structure and decision-making policies

The number of Trustees constituting the Charity in addition to the Governor and Deputy Governor shall be not less than 10 and not more than 50. On 30 June 2023, there were 13 Trustees (2022: 12). All meetings of the Charity are known as Courts. Four General Courts are held in every year, normally in the months of January, April, July and October. At every General Court eight Trustees or more shall be nominated as a Quarterly Committee, which meets to conduct the current business of the Charity. A Court may at any time appoint other Committees for special purposes.

Daily running of The French Hospital, maintenance of its premises, and management of the Charity's employees are delegated to the Clerk, who reports to the Trustees. The Trustees were pleased to appoint Mr D Coward as Clerk to the Corporation on 20 December 2022, and he took up his position on 9 January 2023.

The Trustees would like to take the opportunity most warmly to thank the staff, who are involved in major decision-making and policy formulation where appropriate. The Trustees would also like to thank volunteers and supporters of the French Hospital for all their support over the last 12 months.

d. Policies adopted for the induction and training of Trustees

The Trustees are given an induction pack upon appointment; this pack includes, inter alia, a copy of both the Charity's by-laws, and the Charity Commission's guidance publication, *The Essential Trustee: what you need to know* (CC3). Training is given as and when it is deemed to be appropriate and required for the Charity's needs.

Quarterly Committee and Sub-group members are offered the opportunity to attend training on their legal responsibilities, on an annual basis. They are also invited to attend networking and training events organised by The Almshouse Association and other bodies.

e. Pay policy for key management personnel

Pay is benchmarked with similar organisations, prior to the engagement of senior staff. Senior staff may be paid for hours worked more than contracted hours, with agreement from the Quarterly Committee. Salaries are reviewed on an annual basis.

The French Hospital

Trustees' Report (continued) for the year ended 30 June 2023

Structure, governance and management (continued)

f. Risk management

The Trustees have a duty to identify, assess and regularly review the risks to which the Hospital is exposed, especially those related to its operations and finances. The Trustees need to ensure that appropriate controls are in place to provide reasonable assurance against fraud and error. During the year ended 30 June 2023, the Trustees have identified and assessed the major risks to which the Hospital is exposed. They are satisfied that the Hospital has systems and procedures in place, which should, under normal circumstances, mitigate exposure to major risks to an acceptable level. In respect of Health and Safety the Hospital seeks to ensure that the Charity's position and policies comply with BS OHSAS 18001.

The Hospital's collection of records and artefacts are of both historical interest and intrinsic value. To manage the risk of their loss or destruction, these records and artefacts are held and conserved by Huguenot Heritage Centre (known as the Huguenot Museum) where they are available for public view within certain limitations. A formal document, signed by both parties, governs the basis on which the Collections are stored, displayed and managed by the Museum. Trustees aim to verify the inventory of the Hospital's collection annually; a full check will be completed in 2023 following reduced curatorial activity during Covid-19.

g. Governance

The Charity seeks to follow the principles and recommended practice for good governance, contained in the Charity Governance Code for Smaller Charities. Following the issue of an updated Code in late 2020, the Trustees reviewed Governance procedures / practice, in March 2022. They considered the more heavily amended Principles within the Code; specifically, Principle 3 - Integrity (values, ethics and culture) and Principle 6 - Diversity (Equality, Diversity and Inclusion) and in doing so, reviewed the Charity's Policies on Safeguarding and Equality and Diversity. The Trustees are satisfied that the Charity's policies, practices and culture fully embraced guidance contained in the undated Charity Governance Code.

To ensure that the governance of the Charity is conducted by individuals with a good and current knowledge of the Charity's affairs, membership of the Quarterly Committee and Trustee status is, except in extenuating circumstances, only accorded to those Directors who have attended at least half of the Quarterly Committee meetings held during the preceding year and who have been actively and positively engaged in the affairs of the Corporation.

Trustees regularly engage in a self-appraisal process. Updated Job Descriptions are in place for Directors and Officers. Subgroups reporting to the Quarterly Committee are regularly reviewed and Terms of Reference are in place for them. The Selection process for recruiting new Directors has been reviewed. Recruiting is based on the skills need of the Directorate.

A comprehensive Risk Register is in place, covering all aspects of the Charity's business, and is reviewed regularly by the Governance Subgroup, most recently in February 2023 when new sections were also added, to deal with profile, security and risk of epidemics succeeding Covid-19. Issues are brought to the Quarterly Committee of Trustees, as necessary.

A detailed Forward Plan exists for the Hospital. It is reviewed and agreed by the Trustees periodically. It informs the Trustees' business decisions now and will continue to do so in the future. A Disaster Relief Plan was approved by the Quarterly Committee on 15 July 2015.

The Charity's Policies are regularly reviewed and updated. GDPR, Fundraising and Privacy Policies are in place and up to date. The Employee Handbook includes policies on Communications, Grievance and Discipline, Maternity and Adoption, Parental and Paternity Leave, Sickness and Absence, Redundancy and Retirement and will be reviewed in 2024.

The French Hospital

Trustees' Report (continued) for the year ended 30 June 2023

Structure, governance and management (continued)

Plans for future periods

Almshouses seem to wipe away the negative impacts on health and social wellbeing commonly experienced by older people in lower socioeconomic groups, particularly those living in isolation.

Professor Ben Rickayzen, co-author of the Almshouse Longevity Study.

...those fortunate enough to live in an almshouse receive a longevity boost of almost two and a half years – equating to an extra 15% of future life for someone aged in their early 70s.

The Guardian 22 May 2023

Improvement of almshouse facilities

The Charity continues to upgrade its almshouse facilities. This has included improving access for residents and a thorough renovation of the fabric of its mainly Grade II Listed premises. Residents' flats are upgraded and renovated at a rate of two per year. To support this work, extend its scope and further the Charity's objects, The French Hospital continues to identify and develop sources of funding that might support future projects.

The Charity has received support from The Charles Skey Trust for the replacement of boilers and refurbishment of the boiler room which was last updated 40 years ago. The new boilers will be hydrogen ready, are likely to halve the annual number of kilowatt hours consumed by The French Hospital and will ensure that the water system is up to BS8580 standards and as safe as possible to stop legionella growth. Due to the Grade II Listing of most of The Charity's premises, and its location within Historic Rochester Conservation Area it not possible to install sources of renewable energy. The work is scheduled to commence soon after the beginning of the next financial year.

The French Hospital also wish to thank the World Gold Council for another generous donation. The washrooms in the Common room are now accessible with grab rails, alarms and new toilets to ensure they can be used by all. The Common room is used by the 66 residents at The French Hospital as well as several local groups including the Rochester Women's Institute, so this grant has improved the facilities for the wider community of Medway.

Gifts in Kind from Axis Europe have taken the form of donations of time, services and materials to re-decorate the Hallways at The French Hospital, making the environment at La Providence is more comfortable for our community. More such gifts have been secured for the 2023/24. Engagement with the public and other organisations to encourage support, as well as to develop beneficial relationships, for both the Charity and its residents, remains a priority. The Charity continues to engage with its Friends of The French Hospital supporter base, and with other charities with which it is aligned, seeking opportunities to raise its profile.

Income from fundraising

The French Hospital thrives by functioning as a distinct and self-supporting community of trustees, staff and residents. To supplement its charitable income, it actively seeks funds to facilitate these vital community activities, and resources that promote wellbeing and both spiritual and physical health:

- Community social activities such as Christmas and Anniversary parties, external visits, residents' lunches, Winter Sunday lunches, tea parties, Wellbeing Days that showcase possible activities and welfare resources.
- Community wellbeing activities that promote individual creative skills as part of a group activity, such as the Gardening Club, the Craft Club, the Art Group and La Providence 'Sheds'.
- Community health activities such as fitness, Tai Chi and dance.
- Community spiritual activities such as Holy Communion and meditation.
- Maintenance of, and improvements to, the French Hospital facilities.

The French Hospital

Trustees' Report (continued) for the year ended 30 June 2023

Plans for future periods (continued)

As such the French Hospital will be fundraising to help facilitate:

- The continuation of currently scheduled activities with the aim of securing funding up to December 2024;
- augmenting the range of facilities available to residents on-site;
- availability of transport for events and outings;
- offsetting the cost of new hydrogen-ready boilers which will both halve the French Hospital's current gas consumption and reduce the risk of legionella;
- upgrading and decorating communal areas; and
- improving residents' mobility, and addressing related issues with the Grade II listed flats within the constraints of Listed Building Consent.

Income from 95 High Street

The majority of 95 High Street, Rochester is occupied by commercial tenants of The French Hospital, namely Medway Council and the Huguenot Museum. An element of this property remains unoccupied but is used to generate funds from short-term lettings and hire. It is also used to support activities that benefit The French Hospital community. As a part of the forward planning process, Trustees continue to review options for the longer-term use of 95 High Street as a whole, and of elements of the space within it. Research is underway to investigate the feasibility and possibilities of demolishing and extending the footprint of the rear part to provide additional, state-of-the-art accommodation for more residents.

Income from contributions

Contributions are reviewed annually and increased in line with the CPIH index. An updated scale of charges applies to those who have taken up accommodation at La Providence from 31st May 2020. This updated scale allows the Charity to make best use of LHA monies available to those residents with greater financial needs. Around 25% of flats now attract the new contribution rates. Contribution rates are currently under review with the intention incrementally to increase them in July 2023, July 2024 and July 2025.

Information on fundraising practices

The French Hospital complies with Charity Commission guidance and UK fundraising law and seeks to deal with its supporters and members of the public with openness and honesty. The Charity is signed up to the Fundraising Regulator's Code of Fundraising Practice and the Head of Engagement / Deputy Clerk is a Member of the Institute of Fundraising.

The Charity's policy incorporates regulations set out in the Code of Fundraising Practice, which help to ensure that organisations raising money for charity from the public do so honestly and properly. All personal data is collected and held in compliance with current Data Protection legislation and in accordance with the Charity's Data Protection and Privacy Policies. The Charity's fundraising does not subject vulnerable people and others to unreasonable intrusion on a person's privacy, unreasonably persistent approaches or undue pressure to give.

The French Hospital employs a full-time, in-house Head of Engagement and Deputy Clerk who leads on fundraising matters, including compliance, for the Charity. The French Hospital monitors the fundraising activities carried out on its behalf in a variety of ways – through regular Fundraising Updates to Trustees, an Engagement Subgroup comprised of both staff and Trustees, and regular meetings between the Clerk and the Head of Engagement and Deputy Clerk. The Charity is not aware of any failure to comply with the standards cited during the 2022/23 Financial Year and received zero fundraising complaints during the 2022/23 Financial Year.

Fundraising impact

The correlation between loneliness and social isolation and poor health is well-evidenced; loneliness increases the likelihood of mortality by 26% and the effect on health of a lack of social connections is comparable to smoking 15 cigarettes a day.

Holt-Lunstad 2015

The French Hospital

Trustees' Report (continued) for the year ended 30 June 2023

Plans for future periods (continued)

Increasing evidence suggests that our social connections can play a vital role in maintaining our health – a good social network, as cited above, can have more health benefits than giving up smoking. The French Hospital community is provided with accommodation but is also supported to remain active, productive, independent, creative and socially connected.

Working through the challenges that the pandemic brought, there has been a spotlight on restoring and nurturing sustainable, Resident-led projects that develop social inclusion. The gardens at The French Hospital are beautifully tended by the Community Garden Club, with more strenuous maintenance such as grass-cutting and tree surgery carried out by contractors. Activities including Holy Communion, Anniversary, Summer and Christmas Parties, Darts, Bingo, Quiz Night, Tai Chi, Physical Fitness, Craft, and the French club have started up again and are always well attended. In addition, a new Singing Group, Art Group, Dance Group and the La Providence Sheds carpentry workshop have commenced. The focus is both on physical and mental wellbeing for all members of The French Hospital community. Those residents who prefer to keep themselves to themselves, or are largely housebound, receive regular health and welfare checks and visits from staff and residents as appropriate. Community activities are facilitated through donations; all are currently funded until the end of the next financial year.

Volunteering has also increased for residents being involved in projects including the local Community Café, Medway Hospital, Rochester Cathedral and primarily at the Huguenot Museum. Museum volunteers have taken on demanding roles at front of house and in Huguenot history and family history research. The Huguenot Museum has generously organised Volunteer's outings, which recently included a visit to Tate Britain; a reciprocal visit to The French Hospital by Tate Britain Volunteers took place shortly afterwards.

The Steward team continue to provide vital support and communication 24 hours a day to residents and The French Hospital is committed to continuing with future-proofing safe, independent-living accommodation with the Quinquennial upgrading works and Boiler replacement which will be completed in the financial year 2023/2024. The French Hospital would like to thank all its donors and supporters for their generous donations that have helped to fund projects and activities aimed at supporting its community.

Physical health, wellbeing and social inclusion

The Friends of The French Hospital have provided on-going support with donations and subscriptions to fund events and activities for the residents including the Christmas Lunch.

The exercise class has made a big impact on The French Hospital community. The class is attended by up to 20 people each week; others who are unable to attend in person can join in online in the comfort of their home. Funding from the Kent Community Foundation and Involving Medway has allowed this class to take place twice weekly.

The importance of exercise in the over 65's is clearly evidenced:

Covid confined millions of older people to their homes for a long period of time. Many were already frail and at high risk of falls. Falls are the leading cause of accidental death in people and treatments for falls costs the NHS more than £2.30 billion a year. About half fear that spending so much time at home has resulted in a loss of strength and mobility and health professionals believe declining physical fitness could lead to an increase in falls in older people

Age UK 2021

In addition, a grant from the Kent Community Foundation has funded a weekly singing group. This is well attended and has shown to help in many ways:

Reduced stress and anxiety. Release of endorphins (the 'feel-good' chemical) Enhanced immune system. Improved circulation and lung health.

NHS 27 Oct 2022

The French Hospital

Trustees' Report (continued) for the year ended 30 June 2023

Plans for future periods (continued)

Regular choir members report that learning new songs is cognitively stimulating and helps their memory, and it has been shown that singing can help those suffering from dementia, too. The satisfaction of performing together, even without an audience, is likely to be associated with activation of the brain's reward system, including the dopamine pathway, which keeps people coming back for more.

University of Oxford Research 2022

The remainder of the generous grant from the World Gold Council Grant (see Improvement of Almshouse Facilities) has funded the La Providence Sheds project. Run in conjunction with the Octopus Foundation, to whom The French Hospital is most grateful for delivering this initiative, a weekly woodwork workshop provides a safe and supervised environment using state of the art carpentry equipment. From The French Hospital community 8 men and women attend every week and under guided supervision have made a variety of items not only for The French Hospital (planters and obelisks for the garden, and a dartboard cabinet for the Common Room) but for the local community.

Just wanted to say how much I enjoy the In Sheds woodworking group, as like other men here having moved from a house to a flat have not had a place to carry on the hobbies enjoyed in the past, such as Carpentry, Metal work, Model Building or just tinkering about in the shed making things. Many like me have ended up giving away a lifetimes collection of specialist tools because we had no use for them here or the room to store them away, so it is great to have somewhere to make things again with tools available and be with other like-minded people are able to carry on hobbies we thought were lost forever. Historically men often spent most of their lives making things with their hands, from plastic models as children, through woodwork and metal work classes as school, then throughout their working lives in industry. In retirement a job that you used to enjoy using the skills amassed over a lifetime, suddenly goes and if all that's available is sewing and art, this can come as quite a shock. Not being able to do what they enjoyed doing for most of the life can have a severe effect on their well-being and mental health, so this should be a good thing for all involved. Thank you for arranging this opportunity for us.

Paul, aged 65

In addition, Medway Community Healthcare, support greatly appreciated by The French Hospital community, fund a weekly Art Class at The French Hospital linking on Zoom with other local residents. Some of the work has been exhibited. The enthusiasm it has generated has led to the formation of a weekly Art Group that not only meets to work together but also goes on trips to art galleries, most recently to view the work of Brazilian Beatriz Milhazes at the The Turner Contemporary, whose collages, semi-figurative and abstract works have inspired members of The French Hospital community to have a go.

**Trustees' Report (continued)
for the year ended 30 June 2023**

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees 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 its income and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.


The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Royal Charter. They are 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.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the Charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

Approved by order of the members of the Board of Trustees on 9 December 2023 and signed on their behalf by:


L J Du Cane
Deputy Governor

The French Hospital

Independent Auditor's Report to the Members of The French Hospital

Opinion

We have audited the financial statements of The French Hospital (the 'Charity') for the year ended 30 June 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 30 June 2023 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other 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 opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

The French Hospital

Independent Auditor's Report to the Members of The French Hospital (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' 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, the Trustees are responsible for the preparation of the financial statements which 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.

Independent Auditor's Report to the Members of The French Hospital (continued)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principle risks related to: posting inappropriate journal entries to increase revenue or reduce expenditure; and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Review of cash expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Physical inspection of tangible assets susceptible to fraud or irregularity; and
- Review of significant and unusual transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The French Hospital

Independent Auditor's Report to the Members of The French Hospital (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the Charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.



Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Chatham Maritime

Date: 27 February 2024

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

The French Hospital

Statement of financial activities for the year ended 30 June 2023

	Note	Endowment funds 2023 £	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:						
Donations and legacies	4	-	-	39,194	39,194	55,183
Charitable activities	5	-	-	395,832	395,832	373,857
Investments	6	19,814	4,718	238,627	263,159	229,551
Total income and endowments		19,814	4,718	673,653	698,185	658,591
Expenditure on:						
Raising funds	7,8	-	-	56,973	56,973	38,705
Charitable activities	9	-	744	703,853	704,597	513,686
Total expenditure		-	744	760,826	761,570	552,391
Net income/(expenditure) before net gains/(losses) on investments						
		19,814	3,974	(87,173)	(63,385)	106,200
Net gains/(losses) on investments		15,080	3,591	17,234	35,905	(395,761)
Net movement in funds		34,894	7,565	(69,939)	(27,480)	(289,561)
Reconciliation of funds:						
Total funds brought forward		507,634	197,125	4,717,810	5,422,569	5,712,130
Net movement in funds		34,894	7,565	(69,939)	(27,480)	(289,561)
Total funds carried forward		542,528	204,690	4,647,871	5,395,089	5,422,569

The Statement of Financial Activities includes all gains and losses recognised in the year.

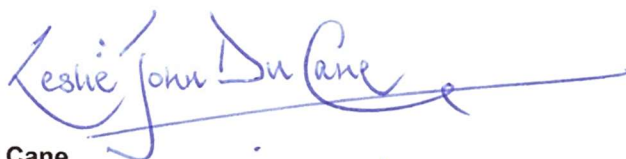
The notes on pages 20 to 39 form part of these financial statements.

The French Hospital

Balance Sheet as at 30 June 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	417,796	461,723
Investments	14	3,633,300	3,686,066
Investment property	13	1,096,235	1,096,235
		<u>5,147,331</u>	<u>5,244,024</u>
Current assets			
Stocks	15	4,889	4,969
Debtors	16	153,112	21,551
Cash at bank and in hand		162,794	238,379
		<u>320,795</u>	<u>264,899</u>
Creditors: amounts falling due within one year	17	(73,037)	(86,354)
Net current assets		<u>247,758</u>	<u>178,545</u>
Total net assets		<u><u>5,395,089</u></u>	<u><u>5,422,569</u></u>
Charity funds			
Endowment funds	18	542,528	507,634
Restricted funds	18	204,690	197,125
Unrestricted funds	18	4,647,871	4,717,810
Total funds		<u><u>5,395,089</u></u>	<u><u>5,422,569</u></u>

The financial statements were approved and authorised for issue by the Trustees on 9 December 2023 and signed on their behalf by:



L J Du Cane
Deputy Governor



G R Rubython
Treasurer

The notes on pages 20 to 39 form part of these financial statements.

The French Hospital

Statement of Cash Flows for the year ended 30 June 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities (note 22)	(427,415)	(29,883)
Cash flows from investing activities		
Dividends, interests and rents from investments	263,159	229,551
Proceeds from sale of investments	889,685	643,456
Purchase of investments	(801,014)	(911,139)
Net cash provided by/(used in) investing activities	351,830	(38,132)
Change in cash and cash equivalents in the year	(75,585)	(68,015)
Cash and cash equivalents at the beginning of the year	238,379	306,394
Cash and cash equivalents at the end of the year (note 23)	162,794	238,379

The notes on pages 20 to 39 form part of these financial statements

The French Hospital

Notes to the Financial Statements for the year ended 30 June 2023

1. General information

The French Hospital is a Royal Charter charity with charity registration number 219318. The address of the registered office is 41 La Providence, Rochester, Kent, ME1 1NB. The main objectives of the Charity are:

- (i) the relief of poverty or any other charitable need by the provision of housing accommodation for Beneficiaries;
- (ii) such charitable purposes for the benefit of Beneficiaries as the Governor and Directors decide; and
- (iii) to advance education by the preservation and display of items connected with the history of the French Protestant community (Huguenots) in England from the sixteenth century onwards, in particular through the establishment, support and maintenance of:
 - (i) a library and archive (including genealogical records related to the Hospital); and
 - (ii) a museum or gallery.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The French Hospital meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in UK sterling, which is the Charity's functional currency, and rounded to the nearest pound.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**Notes to the Financial Statements
for the year ended 30 June 2023**

2. Accounting policies (continued)

2.3 Income

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.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Notes to the Financial Statements
for the year ended 30 June 2023

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Tangible fixed assets are initially recognised at cost, and capitalised over the value of £2,000. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost. Depreciation is not charged on freehold land.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on the following bases:

Buildings	- 2% straight line
Capital repairs	- 2% straight line
Lifts	- 4% straight line
Fixtures and fittings	- 6-15% straight line
Computer equipment	- 33% straight line

2.8 Social Housing Grant

The Social Housing Grant paid by the Housing Corporation to partly finance the cost of development is disclosed in the tangible fixed assets note as a deduction from the cost or valuation of La Providence.

The Social Housing Grant and other grants received in respect of revenue expenditure are credited to the Statement of Financial Activities in the same period as the expenditure to which they relate.

2.9 Housing properties

Housing properties are stated at cost, which includes the cost of improvements, less the Social Housing Grant received and depreciation.

2.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investment properties are long-term assets which generate rental income. They are included at market value in accordance with the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice.

**Notes to the Financial Statements
for the year ended 30 June 2023**

2. Accounting policies (continued)

2.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.12 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

2.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.15 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.16 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

**Notes to the Financial Statements
for the year ended 30 June 2023**

2. Accounting policies (continued)

2.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Tangible fixed assets

The Charity has recognised tangible fixed assets with a carrying value of £417,796 at the reporting date (see note 12). These assets are stated at their cost less provision for depreciation and impairment. The Charity's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the Charity determines at acquisition reliable estimates for the useful economic life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the Trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible fixed assets may be impaired the Charity undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Charity's forecasts for the foreseeable future which do not include any restructuring activities that the Charity is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as expected future cash flows and the growth rate used for extrapolation purposes.

Notes to the Financial Statements
for the year ended 30 June 2023

4. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	29,614	29,614	52,373
Legacies	8,200	8,200	-
Friends' income	1,380	1,380	2,810
	<u>39,194</u>	<u>39,194</u>	<u>55,183</u>
Total 2022	<u>55,183</u>	<u>55,183</u>	

5. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Almshouse contributions receivable	<u>395,832</u>	<u>395,832</u>	<u>373,857</u>
Total 2022	<u>373,857</u>	<u>373,857</u>	

Notes to the Financial Statements
for the year ended 30 June 2023

6. Investment income

	Endowment funds 2023 £	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Rent	-	-	133,871	133,871	133,199
Income from listed investments	19,814	4,718	98,840	123,372	96,288
Interest receivable	-	-	5,916	5,916	64
	<u>19,814</u>	<u>4,718</u>	<u>238,627</u>	<u>263,159</u>	<u>229,551</u>
Total 2022	<u>4,266</u>	<u>12,560</u>	<u>212,725</u>	<u>229,551</u>	

7. Expenditure on raising funds

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Fundraising expenses	<u>37,357</u>	<u>37,357</u>	<u>18,228</u>
Total 2022	<u>18,228</u>	<u>18,228</u>	

8. Investment management costs

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Investment management fees	<u>19,616</u>	<u>19,616</u>	<u>20,477</u>
Total 2022	<u>20,477</u>	<u>20,477</u>	

Notes to the Financial Statements
for the year ended 30 June 2023

9. Analysis of expenditure by activities

	Direct costs 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Charitable activities	674,533	30,064	704,597	503,686
Ukraine DEC appeal donation	-	-	-	10,000
	<u>674,533</u>	<u>30,064</u>	<u>704,597</u>	<u>513,686</u>
Total 2022	<u>488,235</u>	<u>25,451</u>	<u>513,686</u>	

Analysis of direct costs

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Repairs and maintenance	-	276,605	276,605	104,648
Accountancy	-	500	500	720
95 High Street - direct costs	-	37,172	37,172	31,048
Administration	744	26,890	27,634	23,937
Utilities and rates	-	53,565	53,565	52,881
Insurance	-	13,156	13,156	12,577
Wages and salaries	-	201,101	201,101	182,152
National insurance	-	14,133	14,133	11,847
Pension costs	-	6,740	6,740	6,338
Depreciation	-	43,927	43,927	52,087
	<u>744</u>	<u>673,789</u>	<u>674,533</u>	<u>478,235</u>
Total 2022	<u>808</u>	<u>477,427</u>	<u>478,235</u>	

Notes to the Financial Statements
for the year ended 30 June 2023

Analysis of support costs

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Auditors' remuneration	7,765	7,765	6,660
Professional fees	22,299	22,299	18,791
	<u>30,064</u>	<u>30,064</u>	<u>25,451</u>
Total 2022	<u>25,451</u>	<u>25,451</u>	

10. Staff costs

	2023 £	2022 £
Wages and salaries	201,101	182,152
Social security costs	14,133	11,847
Pension costs	6,740	6,338
	<u>221,974</u>	<u>200,337</u>

The average number of persons employed by the Charity during the year was as follows:

	2023 No.	2022 No.
Almshouse staff	<u>8</u>	<u>8</u>

No employee received remuneration amounting to more than £60,000 in either year.

The remuneration and benefits, including employer's national insurance contributions, received by the Charity's key management personnel amounted to £135,825 (2022: £123,804).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 30 June 2023, expenses totalling £1,767 were reimbursed or paid directly to 4 Trustees (2022 - £104 to 2 trustees). These were paid in relation to travel costs incurred.

Notes to the Financial Statements
for the year ended 30 June 2023

12. Tangible fixed assets

	La Providence £	Lifts £	Total £
Cost or valuation			
At 1 July 2022	1,494,160	70,367	1,564,527
At 30 June 2023	1,494,160	70,367	1,564,527
Depreciation			
At 1 July 2022	1,044,048	58,756	1,102,804
Charge for the year	41,112	2,815	43,927
At 30 June 2023	1,085,160	61,571	1,146,731
Net book value			
At 30 June 2023	409,000	8,796	417,796
At 30 June 2022	450,112	11,611	461,723

Notes to the Financial Statements
for the year ended 30 June 2023

13. Investment property

	Freehold investment property £
Valuation	
At 1 July 2022	1,096,235
At 30 June 2023	<u>1,096,235</u>

The Charity has income from four commercial tenancies of which two form part of the almshouse complex. 95 High Street at present does not include any almshouse accommodation.

The other two tenanted properties are included within La Providence in note 12. The properties involved are used partly for charitable purposes and partly as investment properties. The investment parts of the properties comprise ground floor shops or offices that are let at a commercial rent.

The Trustees are of the opinion that, as these properties form an integral part of the almshouse accommodation, they have no readily available market value. Therefore these three properties have been included in the accounts at cost.

Notes to the Financial Statements
for the year ended 30 June 2023

14. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 July 2022	3,686,066
Additions	801,014
Disposals	(903,263)
Revaluations	49,483
At 30 June 2023	<u>3,633,300</u>
Net book value	
At 30 June 2023	<u>3,633,300</u>
At 30 June 2022	<u>3,686,066</u>

Investments at market value comprise listed fixed asset investments that are all held in the UK.

Material investments

Material investments comprise all holdings that represent more than 5% of the Charity's total portfolio:

	2023 £
Cazenove Multi-Asset Fund	1,192,580
	<u>1,192,580</u>

15. Stocks

	2023 £	2022 £
Anniversary books stock	<u>4,889</u>	<u>4,969</u>

Notes to the Financial Statements
for the year ended 30 June 2023

16. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	26,642	4,126
Other debtors	5,064	-
Prepayments and accrued income	121,406	17,425
	<u>153,112</u>	<u>21,551</u>

17. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	10,836	16,889
Other taxation and social security	4,078	3,194
Other creditors	58,123	66,271
	<u>73,037</u>	<u>86,354</u>

Deferred income

	2023 £	2022 £
Deferred income at 1 July 2022	32,348	31,567
Resources deferred during the year	31,683	32,348
Amounts released from previous periods	(32,348)	(31,567)
Deferred income at 30 June 2023	<u>31,683</u>	<u>32,348</u>

Notes to the Financial Statements
for the year ended 30 June 2023

18. Statement of funds

Statement of funds - current year

	Balance at 1 July 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 June 2023 £
Unrestricted funds						
Designated funds						
Cyclical Maintenance Fund	288,000	-	(154,284)	60,000	-	193,716
General funds						
General Fund	4,388,494	671,738	(606,542)	(60,000)	17,234	4,410,924
Friends of La Providence	41,316	1,915	-	-	-	43,231
	4,429,810	673,653	(606,542)	(60,000)	17,234	4,454,155
Total Unrestricted funds	4,717,810	673,653	(760,826)	-	17,234	4,647,871
Endowment funds						
Endowment Fund	507,634	19,814	-	-	15,080	542,528
Restricted funds						
Trust Fund Capital	95,023	-	-	-	3,591	98,614
Trust Fund Income	85,220	4,718	(744)	-	-	89,194
Betard Bequest	16,882	-	-	-	-	16,882
	197,125	4,718	(744)	-	3,591	204,690
Total of funds	5,422,569	698,185	(761,570)	-	35,905	5,395,089

Notes to the Financial Statements
for the year ended 30 June 2023

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 July 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 June 2022 £
Unrestricted funds						
Designated funds						
Cyclical Maintenance Fund	240,000	-	-	48,000	-	288,000
General funds						
General Fund	4,536,277	641,765	(551,583)	(48,000)	(189,965)	4,388,494
Friends of La Providence	41,316	-	-	-	-	41,316
	<u>4,577,593</u>	<u>641,765</u>	<u>(551,583)</u>	<u>(48,000)</u>	<u>(189,965)</u>	<u>4,429,810</u>
Total Unrestricted funds	<u>4,817,593</u>	<u>641,765</u>	<u>(551,583)</u>	<u>-</u>	<u>(189,965)</u>	<u>4,717,810</u>
Endowment funds						
Endowment Fund	669,588	4,266	-	-	(166,220)	507,634
Restricted funds						
Trust Fund Capital	134,599	-	-	-	(39,576)	95,023
Trust Fund Income	73,468	12,560	(808)	-	-	85,220
Betard Bequest	16,882	-	-	-	-	16,882
	<u>224,949</u>	<u>12,560</u>	<u>(808)</u>	<u>-</u>	<u>(39,576)</u>	<u>197,125</u>
Total of funds	<u>5,712,130</u>	<u>658,591</u>	<u>(552,391)</u>	<u>-</u>	<u>(395,761)</u>	<u>5,422,569</u>

The French Hospital

Notes to the Financial Statements for the year ended 30 June 2023

The designated funds comprise a Cyclical Maintenance Fund, which exists to hold a reserve at each year end that is commensurate with the liability, accrued as at that point in the five-year cycle, for the estimated costs associated with the Charity's next quinquennial maintenance and redecoration programme. At the completion of a quinquennial maintenance and redecoration programme, the funds held in this reserve are applied against the costs of the quinquennial programme. Thus, the expenditure for which these funds have been set aside is expected to be incurred within five years of the date of their designation. Each year a transfer is made to the designated Cyclical Maintenance Fund, to build up the balance of this fund, ahead of the next time such works are required.

The restricted funds comprise three restricted funds which were all given for particular purposes and projects. These restricted funds being: Trust fund capital; Trust fund income; and Betard bequest.

The Betard bequest monies were donated and are applied to The French Hospital projects that will "improve residents' mobility".

The Trust fund capital and Trust fund income are now solely comprised of the Outgift fund. This fund exists to assist persons of French Protestant descent who are in need.

19. Trust fund capital

All investments that are held for the Trust funds are quoted on the UK stock exchange and are shown at market value in the analysis below. The increase / (decrease) in value of the investments is applicable to each Trust in proportion to the original cost thereof.

	Market value at 30 June 2022	Gains / (losses)	Transfers out	Market value at 30 June 2023
	£	£	£	£
Outgift	<u>95,023</u>	<u>3,591</u>	<u>-</u>	<u>98,614</u>

Trust fund income

	Balance at 30 June 2022	Reinvested income	Distributed in year	Transfers out	Balance at 30 June 2023
	£	£	£	£	£
Outgift	<u>85,220</u>	<u>4,718</u>	<u>(744)</u>	<u>-</u>	<u>89,194</u>

Notes to the Financial Statements
for the year ended 30 June 2023

20. Summary of funds

Summary of funds - current year

	Balance at 1 July 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 June 2023 £
Designated funds	288,000	-	(154,284)	60,000	-	193,716
General funds	4,429,810	673,653	(606,542)	(60,000)	17,234	4,454,155
Endowment funds	507,634	19,814	-	-	15,080	542,528
Restricted funds	197,125	4,718	(744)	-	3,591	204,690
	5,422,569	698,185	(761,570)	-	35,905	5,395,089

Summary of funds - prior year

	Balance at 1 July 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 June 2022 £
Designated funds	240,000	-	-	48,000	-	288,000
General funds	4,577,593	641,765	(551,583)	(48,000)	(189,965)	4,429,810
Endowment funds	669,588	4,266	-	-	(166,220)	507,634
Restricted funds	224,949	12,560	(808)	-	(39,576)	197,125
	5,712,130	658,591	(552,391)	-	(395,761)	5,422,569

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2023 £	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	417,796	417,796
Fixed asset investments	542,528	204,690	2,886,082	3,633,300
Investment property	-	-	1,096,235	1,096,235
Current assets	-	-	320,795	320,795
Creditors due within one year	-	-	(73,037)	(73,037)
Total	542,528	204,690	4,647,871	5,395,089

Notes to the Financial Statements
for the year ended 30 June 2023

21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Endowment funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	461,723	461,723
Fixed asset investments	507,634	76,752	3,101,680	3,686,066
Investment property	-	-	1,096,235	1,096,235
Current assets	-	120,373	144,526	264,899
Creditors due within one year	-	-	(86,354)	(86,354)
Total	507,634	197,125	4,717,810	5,422,569

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(27,480)	(289,561)
Adjustments for:		
Depreciation charges	43,927	52,087
(Gains)/losses on investments	(35,905)	395,761
Dividends, interests and rents from investments	(263,159)	(229,551)
Decrease in stocks	80	115
Decrease/(increase) in debtors	(131,561)	18,766
Increase/(decrease) in creditors	(13,317)	22,500
Net cash used in operating activities	(427,415)	(29,883)

23. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	162,794	238,379

The French Hospital

Notes to the Financial Statements for the year ended 30 June 2023

24. Analysis of changes in net debt

	At 1 July 2022	Cash flows	At 30 June 2023
	£	£	£
Cash at bank and in hand	<u>238,379</u>	<u>(75,585)</u>	<u>162,794</u>

25. Capital commitments

	2023 £	2022 £
Contracted for but not provided in these financial statements	<u>76,872</u>	<u>-</u>

26. Pension commitments

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £6,740 (2022: £6,338). As at 30 June 2023, there were no contributions outstanding (2022: £Nil).

27. Related party transactions

Two of the Trustees of The French Hospital, namely P J Duval and L J Du Cane, also served as Trustees of Huguenot Heritage Centre for at least part of the financial year under review. During the financial year, The French Hospital received £22,000 (2022: £22,000) from Huguenot Heritage Centre for the rental of the premises, plus a total of £6,881 (2022: £10,488) in respect of recharges of water, electricity and insurance costs. As at 30 June 2023 there was a balance outstanding of £732 (2022: £644).

Two of the Trustees of the French Hospital, namely C E M Martineau and P J Duval, are also Trustees of Norwich French Church. During the financial year, The French Hospital received £5,250 (2022: £9,814) from Norwich French Church in donations.

Four Trustees were reimbursed expenses totalling £1,767 in the year in relation to travel expenses incurred.

**Notes to the Financial Statements
for the year ended 30 June 2023**

28. Contingent liabilities

On 19 March 2014, the French Hospital was named as a grantee of the Heritage Lottery Fund's grant for the Huguenot Heritage Centre project. Under the Heritage Lottery Fund's then Standard Terms of Grant there exists a possibility of a financial obligation by the French Hospital to the National Lottery Heritage Fund ("NLHF") in circumstances in which either the Huguenot Museum chooses to relocate without NLHF permission, or in which it ceases to operate.

With the approval of the NLHF, the Museum has adopted a new operating model, dependent upon fewer salaried staff and with a greater contribution from volunteers. The Museum, with an Operations Manager in charge of a team of volunteers, re-opened to the public on 9th August 2022. Whilst its income is not expected immediately to match its expenditure, with judicious application of its brought forward reserves (£91,633 as at 1st April 2022) and with prudent financial management, the Museum is now striving to achieve a financially sustainable mode of operation.

The Directors of the French Hospital continue to be supportive of the Huguenot Museum charity and its aims, and their representatives are active in assisting the Museum charity both in its day-to-day operations and in formulating strategies for its future. Between the two charities, opportunities for partnerships and for sharing in activities continue to be explored.

While it is impracticable to quantify the extent of this possible financial obligation, and thus no liability pertaining to this matter is recognized in these financial statements, the Trustees do not consider that this issue prejudices the Charity's ability to continue as a going concern.