

HERTFORD BRITISH HOSPITAL CORPORATION, Paris

ANNUAL REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED  
31<sup>st</sup> DECEMBER 2021

## 1 REFERENCE AND ADMINISTRATIVE DETAILS

Name	Hertford British Hospital Corporation, Paris (hereafter, indifferently, “HBHC”, “the Corporation” or “the Charity”)
Charity number	248 198
Company number	00 878 934
Principal office	3 rue Barbès, 92300 Levallois Perret, France
Registered office UK	8th Floor, 20 Farringdon St, London EC4A 4AB, United Kingdom

### 1.1 Auditors

The Corporation’s auditors are:

- Grant Thornton, 27, rue James Watt, 37206 Tours

### 1.2 Bankers and fund managers

The Corporation’s bankers are:

- Crédit du Nord, 50 rue d’Anjou, 75008 Paris, France
- Dexia, 1 passerelle des Reflets, Tour Dexia, La Défense 2, 92919 La Défense, France
- Société Générale, Centre d’Affaires Hauts de Seine Nord, 3 place de Saverne, 92400 Courbevoie, France
- Barclays Bank, Leicester LE87 2BB, United Kingdom
- CCLA, Senator House, 85 Queen Victoria Street, London EC4V 4ET, United-Kingdom

### 1.3 Solicitors and other legal advisers

The Corporation’s legal advisers throughout 2021 and to date are:

- Maurice Turnor Gardner LLP, 15<sup>th</sup> Floor, Milton House, Milton Street, London EC2Y 9BH (until July 2021)
- Farrer & Co, 66 Lincoln’s Inn Fields London WC2A 3LH (from July 2021)
- TMF Corporate Secretarial Services Ltd., 8th Floor, 20 Farringdon St, London EC4A 4AB
- Simmons & Simmons LLP, 5 boulevard de la Madeleine, 75001 Paris, France
- Maître Séverine Lamey, 26 avenue de l’Opéra, 75001 Paris, France
- Maître Anne Garzon de Clavière, 140 rue de Courcelles, 75017 Paris, France

## 2 DIRECTORS, TRUSTEES AND COUNCIL OF MANAGEMENT

The Directors of the Corporation, the Trustees of the Charity and the members of the Council of Management serving during the year and since the year end (collectively hereafter “the Directors” or, indifferently, “the Trustees”) were as follows:

Christopher Wicker, Chairman

Dr Julia Bache

David Blanchard

Susan Cheyne, Deputy Chairman

Stephen Cowen

Thierry Drilhon representing the FBCCI (ex-officio Trustee)

Sandra Esquiva-Hesse

Michel de Fabiani, OBE, Representative Member

Christopher Gilmore

Ian Gosling

Paul Johnson-Ferguson, Honorary Treasurer



Theo Rycroft, representing the British Embassy (ex-officio Trustee), since December 2021

Ian McDonald

Richard Seguin

Alicia Suminski

Bridget Terrell, Honorary Secretary

Peter Terrell

Charles Wilson, OBE, Representative Member

## **2.1 Committees and working groups**

The Directors are allocated to the various working groups and committees as shown below. The Chairman and Vice-Chairman are considered ex-officio members of all the Committees and the Director General (see 3.4 below) is a guest at all meetings.

### **2.1.1 HOSPITAL LIAISON GROUP**

Michel de Fabiani, OBE, Chairman

Charles Wilson, OBE,

Dr Julia Bache

This group effectively ceased to operate in 2021 once the last outstanding issues with OPS had been resolved (see below) and day to day relations with the Hôpital Franco-Britannique are managed by the Director General.

### **2.1.2 PROPERTY COMMITTEE**

Stephen Cowen, Chairman

Christopher Gilmore

Ian Gosling

Paul Johnson-Ferguson

Peter Terrell

### **2.1.3 FINANCE, RISK & AUDIT COMMITTEE**

Paul Johnson Ferguson, Chairman

David Blanchard

Stephen Cowen

Ian Gosling

Ian McDonald

### **2.1.4 GOVERNANCE and NOMINATIONS COMMITTEE**

David Blanchard, Joint-Chairman

Susan Cheyne, Joint-Chairman

Dr Julia Bache

Peter Terrell

Richard Seguin

### **2.1.5 STRATEGY COMMITTEE**

Peter Terrell, Chairman

Sandra Esquiva-Hesse

Richard Seguin

Charles Wilson, OBE

Stephen Cowen

## **2.1.6 CHARITABLE GIVING COMMITTEE**

Ian McDonald, Chairman

Dr Julia Bache

Bridget Terrell

Alicia Suminski

## **2.1.7 INVESTMENT COMMITTEE (constituted in April 2022)**

Paul Johnson-Ferguson, Chairman

Alicia Suminski

Edward Archer (external SME)

Simon Pennington (external SME)

# **3 STRUCTURE, GOVERNANCE AND MANAGEMENT**

## **3.1 GOVERNING DOCUMENTS AND OVERVIEW OF THE HISTORY OF THE CHARITY**

The Hertford British Hospital (HBH) was founded in 1871 by the late Sir Richard Wallace (referred to as “the Original Charity”). The Corporation is a registered charity, incorporated in the United Kingdom in 1966 and registered in France in 1970 as a non-profit organisation which manages the assets of the Original Charity and those assets received subsequently as gifts and donations. The Original Charity’s hospital activity was transferred to the French charity l’Oeuvre du Perpetuel Secours (hereafter “OPS”) with effect from 1<sup>st</sup> January 2008 and combined with the latter’s own hospital activity to form a joint hospital under the name Institut Hospitalier Franco-Britannique (hereafter “IHFB”). HBHC appointed half the members on the Management Committee of the IHFB and had a minority representation on the Board of the OPS. The Chairman of HBHC was appointed Chairman of the Management Committee of the IHFB.

In 2015, the financial provisions of the agreements in place with the OPS were modified. As a consequence, the number of HBHC’s appointees on the Management Committee of the IHFB was reduced from three to two and its representation on the board of OPS was also modified so as to reduce its representation from 40% to 38.8% of the board.

During the year 2018, the hospital activity of the IHFB declined, with the single exception of the Oncology sector, and after taking account of the contributions from the French Health Authorities, the loss for the year amounted to some three million euros.

Given that the losses were predicted to continue to grow in 2019, the OPS entered into negotiations with the Fondation Cognacq-Jay (the “Fondation”), another French charity in the health sector, with a view to transferring the IHFB to a joint venture to be formed with that charity. On 21<sup>st</sup> December 2018 a final protocol was signed with the Fondation and, with effect on 1<sup>st</sup> March 2019, the activity of IHFB was transferred to a joint venture in the form of a Groupement de Coopération Sanitaire (the “Groupement”) created by the two charities after receiving the approval of the French Health Authorities. As part of the transaction, the OPS sold the properties situated in rue Kleber, on which the main hospital building stands, to the Fondation for €30 million and an amount of €4 million was injected into the Groupement by the Fondation. As a result, the Fondation held 70.6 % of the capital of the joint venture, with the OPS holding the balance. HBHC was kept informed by OPS throughout the negotiations and HBHC sought and obtained the approval of the Charity Commission to the transaction.

Following the finalisation of the IHFB’s accounts for 2019, it became necessary to inject a further eight million euros by way of capital into the joint venture. This was provided entirely by the Fondation whose percentage ownership in the capital of the Groupement was increased as a consequence to 99.67 % and reduced OPS’ share to 0.33 %. This ensured the long-term future of the hospital activity and the continued employment of the seven hundred staff.

As a result of the transfer of the hospital activity to the Groupement, the Management Committee of the IHFB was replaced by a six-member Strategy Committee comprised of three representatives of the Fondation, three representatives appointed by the OPS of which one was a nominee of HBHC, and which was presided over by one of the representatives of the Fondation.

HBHC's obligation to contribute to the funding of the continuing deficits of the IHFB came to an end on 31<sup>st</sup> December 2019, as provided for in the Amendment of 22<sup>nd</sup> July 2015 to the 2008 agreement between the Charity and OPS.

The hospital activity was exercised by the Groupement throughout most of 2020 and continued to benefit from the Occupancy Agreement which had been entered into by the Corporation and OPS in 2018 and which allowed the Maternity Department to use the Corporation's hospital building to house its Maternity Department until 2031 at the latest. In September 2020, the Fondation injected fresh funds into the Groupement and, as part of its restructuring, the OPS withdrew from participation in the hospital, whose activities are henceforth managed solely by the Fondation. As a consequence, the Corporation and OPS agreed on 28<sup>th</sup> September 2020 to end their own relationship.

Following this agreement, which made the Occupancy Agreement null and void, a new agreement was entered into between the Corporation and the Fondation making the hospital building available rent free until September 2025, with a potential extension until 2026.

As a result of the above developments, HBHC relinquished its seats on the Board of OPS in 2021.

Following the Corporation's 2020 Annual General Meeting on 16<sup>th</sup> September 2020, the Hospital Liaison Committee was repurposed to work alongside the Fondation to help the latter maintain the British aspect of the hospital activity.

As part of the reorganisation of the hospital activity, on 1<sup>st</sup> January 2021, the Corporation sold its remaining medical activity (the "Centre International de Dermatologie" or "CID") to the Fondation for a symbolic sum and entered into an agreement similar to that signed for the hospital building so that the CID could continue to use its existing premises at 12 rue Barbès rent free. All the employees attached to the CID were transferred to the Fondation.

The ninth Marquess of Hertford, a member of our founder's family, has been our Patron since 2006.

The present document and attached financial statements have been prepared in compliance with the Companies Act of 2006 and the Statement of Recommended Practice - Charities (FRS 102).

### 3.2 APPOINTMENT OF TRUSTEES

The Council of Management is composed of not less than thirteen and not more than twenty-four trustees, comprising two ex-officio members, two representative members and not more than twenty co-opted members. There are at present two ex-officio members, two representative and sixteen co-opted members.

The ex-officio members are:

- A senior representative of Her Britannic Majesty's Embassy in Paris and
- The President of the Franco-British Chamber of Commerce and Industry in Paris.

The representative members are appointed at the Annual General Meeting and retire from office at the close of the next Annual General Meeting following that of their appointment.

Co-opted members are appointed for a term not exceeding five years and are eligible for re-election.

Trustees are chosen with regard to their availability to spend time on the charity and their specialist skills and experience in management, finance, law, property, healthcare...

### 3.3 TRUSTEE INDUCTION AND TRAINING

New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the work of the committees, the decision-making processes, the objectives and the recent financial performance of the charity.

In addition, under the stewardship of the Nominations & Governance Committee, there is an annual conflict of interest confirmation process which, together the declarations made at the start of each Council meeting, ensures that the trustees comply with the Conflict of Interest Policy (which is maintained by the Committee and approved by Council).

### 3.4 ORGANISATION

The Council of Management administers the charity and meets quarterly. At the Council meeting held immediately after the Annual General Meeting, the trustees elect a Chairman, a Deputy Chairman, an Honorary Treasurer and a Secretary. The trustees also elect the Chairmen and members of the various committees listed above and, as appropriate, approve their terms of reference.

These committees make recommendations to Council on the long-term strategy, oversee the finances of the Charity (including its reserves policy), the charitable activities (including the grant giving policy), the succession planning for trustees and the operations of its commercial property portfolio. They meet as often as required.

The Chairman had requested that the relevant committees work in 2021 to review and update all relevant policies, including in particular the reserves and giving policies, in the light of the significant changes in the activities of the Corporation as explained in chapter 4 below. These policies were updated / drafted and approved in 2021: Reserves policy (approved at the Council meeting held on 16<sup>th</sup> June 2021) ; Charitable giving policy (approved at the Council meeting held on 20<sup>th</sup> October 2021) ; Investment policy (approved at the Council meeting held on 20<sup>th</sup> October 2021).

In 2020, knowing that the Chief Accountant of the Corporation would be retiring in March 2021, the Council decided to outsource the accounting function and appoint a Director General with sufficient authority to manage affairs on a daily basis, represent the Corporation vis à vis third parties and assist the Directors in preparing the Corporation for the changes required once the hospital building cease to be used by the Foundation in 2025 or 2026. The Director General, Iain Hutton, took office in January 2021, allowing for a three-month hand-over with the outgoing Chief Accountant, and served throughout the year.

### 3.5 RELATED PARTIES

The Charity has a long-standing relationship with the British Charitable Fund, Paris ("BCF"). The BCF, a UK registered charity with a related French entity, provides help to British residents in France who have fallen on hard times. The founder of the Original Charity, Sir Richard Wallace, was a most generous benefactor of the BCF in the past and, until early 2022 when the property was sold (with an obligation for the purchaser to maintain the BCF in its premises), the Corporation provided rent-free accommodation to the BCF at 12 rue Barbès. The Corporation also makes a financial contribution each year to the BCF.

### 3.6 PRINCIPAL RISKS AND UNCERTAINTIES FACING THE CHARITY

The trustees make every effort to identify and address all major risks to which the Corporation is exposed.

Members of the Property Committee ensure that the Charity's portfolio of commercial buildings is properly maintained and that its properties are rented out to suitable tenants at market levels of rent.

The tenants of the Château building (which is the original 1898 hospital building and is a listed historical monument, now used as offices) have been in dispute with the Charity over the payment of business tax for several years. In 2019, the tenants held back rent and charges in excess of the business tax in dispute. In 2020 and throughout most of 2021 (with the exception of the fourth quarter of 2021), the tenant made no payments at all and the amount owing at 31<sup>st</sup> December 2021 amounted to a €1.5 million (see note 3.4 to the financial statements). The Corporation pursued legal action on both the business tax issue and the non-payment of rent throughout 2021 and into 2022 when proceedings were filed before the Commercial Court requesting that the tenant be placed into receivership. After discussion, the parties reached an agreement that was signed on 8<sup>th</sup> March 2022. The impact of this settlement is more fully explained in note 4.2 to the financial statements but its essential non-financial impact is to secure the return of the asset on 30<sup>th</sup> September 2022. In this context, the Charity also had a technical due diligence of the Chateau building carried out so as to identify "red flags" that needed to be dealt with in short term and a schedule of works over the following years. This will be reflected in a three-year forecast to be prepared by the Treasurer and in a multi-year property redevelopment plan that will be prepared in 2022.

Members of the Finance, Risk & Audit Committee ensure that all financial risks are identified and that expenses are strictly limited. The Committee oversees all systems, controls and processes that may have an impact on the Charity's ability to meet its objectives and ensures that effective audit functions and adequate risk management processes are in place. In 2021, the Corporation has no significant financial investment income, endowments, grants or donations. Stock market upturns and downturns have no direct influence on the Charity's results. However, given the sale of the 12 rue Barbès property in early 2022, the Charity created an investment policy and the related Investment Committee that was convened in April 2022 and comprises two Trustees and two recognized subject matter experts. The Investment Committee's remit will be to supervise the application of the investment policy, advise on a choice of fund manager / custodian, etc.

The Covid-19 sanitary crisis which arose in 2020 continued throughout 2021 and into 2022. Whilst the disposal of the dermatology activity on 1<sup>st</sup> January 2021 (see chapter 4 below) meant that the operational impact on the Charity was minimal, the crisis did have a financial impact on the Charity through the decrease in rental income during the period of confinement and subsequent constraints over certain types of activity (eg restrictions on number of people allowed). This is more fully explained in note 3.1 to the financial statements.

## 4 OBJECTIVES AND ACTIVITIES

The objects for which the Original Charity was established were to operate a hospital in or near Paris for the treatment and relief of persons suffering from illness, injury, disease or other infirmity or otherwise requiring medical attention, being primarily British residents, as well as serving the local population.

The present-day objectives of the Corporation are, in all essential respects, identical to those initially laid down by the founder. These objectives, as expressed in its Memorandum of Association, are dedicated to the medical treatment of patients of British nationality resident in France or of any other nationality, but with a preference for the former. These objectives have been extended to the provision of other health services and retirement homes

In 2006, the objects of the Original Charity were expanded (with the Charity Commission's consent) to include the protection of health by such means as the trustees consider.



As already described above, the way in which these objectives were achieved has evolved through time, with the approval of the Charity Commission. As from the transfer of the Original Charity's hospital activity to the OPS on 1<sup>st</sup> June 2008 until September 2020, the Corporation participated in the Management (later Strategy) Committee which supervised the management of the new joint hospital. As part of the agreement with the OPS (which had retroactive effect to 1<sup>st</sup> January 2008) an occupancy agreement put at the disposal of the new joint hospital the building belonging to the Original Charity and which house the maternity department. Only the Dermatology Centre (known as the "CID") was maintained under the full ownership of HBHC but it reported an operating loss each year since 2008 despite management's efforts to improve this situation.

From 28<sup>th</sup> September 2020, the objectives continued to be met by making the hospital premises available to the Fondation Cognacq-Jay on a rent free basis until 2025/26 ; by managing the provision of dermatological care through the CID and by contributing in kind (rent free office space) and financially to the British Charitable Fund ("BCF") so that it can provide for British citizens in need of care. It is worth noting that, had the hospital been rented to the Fondation Cognacq-Jay at a market rent, as estimated by Savills in a report dated March 2021, that rent would have approximated €1.22 million.

Since 1<sup>st</sup> January 2021, following the sale of the CID, the objectives are met through the rent-free provision of the hospital and through the support afforded the BCF. The Corporation continues to assist the Fondation Cognacq-Jay with the "British" aspects of the hospital.

The Charity is the beneficial owner of certain commercial properties. In 2008, in order to renovate the main commercial buildings, the Charity borrowed €8.7 million from Dexia Crédit Local for a term of fifteen years, together with an additional loan of €1.5 million in 2009. A new charge effective from September 2020 was put in place to guarantee repayment of the loans. Both loans were fully reimbursed on 18<sup>th</sup> February 2022 as is more fully explained in note 25.2 to the financial statements.

Throughout 2021, the Trustees complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

## 5 ACHIEVEMENTS AND PERFORMANCE

As is more fully described in the various chapters above, the Corporation has seen its role in the provision and management of hospital care evolve over time, moving away from the direct provision of care in 2008 and then relinquishing its management role in 2020 before handing over the CID in early 2021.

Throughout the years, the aim has always been to meet the founder's objectives whilst preserving the assets at a time when the economic pressures on the provision of care grew constantly.

Today, whilst the objectives continue to be met through the provision of premises, non-financial support to the Fondation Cognacq-Jay and support to the BCF, the Trustees are working on a strategic plan, for submission to the Charity Commission in due course, that would, if approved, see the Corporation focus on the wellbeing of beneficiaries in France with ties to Britain through various means, including the redevelopment of the hospital site once it is vacated by the Fondation Cognacq-Jay. The Fondation Cognacq-Jay have given indications that their redevelopment project is running to a timetable that would require them to remain in the hospital site beyond the current end date of the agreement (probably until 2027) and discussions will be held with The Fondation Cognacq-Jay in 2022 to ensure that the provision of care can continue as appropriate.



## 6 FINANCIAL REVIEW

The financial statements as at and for the year ended 31<sup>st</sup> December 2021 show that the Corporation was impacted by the Covid 19 sanitary crisis in 2020/21 in two ways: directly in 2020 by the closure of the CID for certain periods (resulting in a loss of revenue in that year estimated at £157 000 (€175,000)) and, in both 2020 and 2021, indirectly by the impact on commercial tenants. This impacted cash flows significantly and a government backed loan of £898 101 (€999,000) was taken out in August 2020. The repayment schedule for the loan was agreed with the bank in 2021, and it will be repaid over the full permitted term of 6 years from August 2020. The balance owing at 31<sup>st</sup> December 2021 amounted to £784 237 (€933,282).

The cash position of the Charity at 31 December 2021 was £447 782 (€532,884), and Loans outstanding represent £3 345 482 (€3,983,675)

Current cash flow forecasts anticipate the final repayment of all loans on time bearing in mind that the Dexia Crédit Local loan was repaid in full in February 2022 (see note 4.1 to the financial statements).

Let property income has suffered because of the situation on the Château whose tenant continued not to pay the rent due throughout 2021 (with the exception of the fourth quarter, which was paid) and this despite a significant concession by the Corporation which forgave 3 months' rent in 2020 in recognition of the issues created by the lockdown. This was in line with the practice recommended by the French Government and was agreed to despite that fact that, unlike commercial landlords, the Corporation could not benefit from the tax break created by government to incite landlords to forgo rent during lockdown.

In 2021, the Charity made an operating profit of £526 126 (€626,116) before deducting tax and before taking into account the gain on revaluation of its investment properties. There is a loss of €45,398 / £ 38 147 (in 2020, a profit of €110 646 / £99,470) in the French accounts due to a difference in the treatment of depreciation.

A professional valuation of the Wallace Gardens property resulted in an increase in the estimated market value of £2 941 050 (€3 500 000) bringing the total value of the property portfolio to £48.7 million (€57.9 million).

As is further explained in note 16.3 to the financial statements, the land on which are situated the current hospital and the Villiers investment properties is vested in the Secretary of State for the Environment and managed and administered by the Council of Management of the Corporation who are also Trustee of the Original Charity (Hertford British Hospital).

## 7 DATA PROTECTION

The Charity is compliant with the General Data Protection Regulation (GDPR) which came into force in May 2018. This law was of particular relevance to the operations of the Dermatology Centre (CID) and, whilst the Corporation continues to have a Data Protection Officer (outsourced) to manage its compliance, the volume of personally identifiable data is now considerably reduced.

## 8 PLAN FOR FUTURE PERIODS

The Finance, Risk & Audit Committee will continue to keep costs to a minimum. Interest payments to banks should steadily reduce from the current rate of £85 873 (€102,194) per annum since the Dexia Crédit Local loans are paid in full in 2022, leaving only the government backed loan and the loan from Société Générale.

Discussions are also in early stages with the Charity's advisors in the UK and France as to the potential reorganization of the way in which the Original Charity's assets are held.

## 9 TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

English company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the trustees are required to:

- Select suitable accounting policies and then apply them consistently,
- Make sound judgements and estimates that are reasonable and prudent, and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at all times the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 2006 and the Statement of Recommended Practice—Charities (FRS 102). The trustees 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.

In accordance with English company law, as the Corporation's directors, we certify that:

- So far as we are aware, there is no relevant audit information of which the Corporation's auditors are unaware; and
- As the directors of the Corporation, we have taken all the steps that should have been taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

## 10 AUDITORS

The firm of Grant Thornton was re-appointed for a six-year mandate under French law, commencing with the accounts for the year ending 31<sup>st</sup> December 2016, and ending with the accounts for the year ending 31<sup>st</sup> December 2021.

The reappointment of Grant Thornton for a five-year period commencing with the examination of the 2022 financial statements will be proposed to the Annual General Meeting.

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\* \*

By order of the Directors

Christopher Wicker, Chairman

13<sup>th</sup> May 2022



# Statutory auditor's Report on the financial statements

Year ended 31 December 2021

**Hertford British Hospital Corporation, Paris**

3, rue Barbès  
92300 Levallois Perret

**Grant Thornton**

SAS d'Expertise Comptable et  
de Commissariat aux Comptes  
au capital de 2 297 184 €  
inscrite au tableau de l'Ordre de la région  
Paris Ile France et membre  
de la Compagnie régionale de Versailles  
RCS Nanterre B 632 013 843  
27 rue James Watt  
37200 Tours

# Statutory auditor's Report on the financial statements

## Hertford British Hospital Corporation, Paris Year ended 31 December 2021

To the Trustees,

In our capacity as French statutory auditor and in accordance with your request for the purpose of the Charity Commission Requirements, we hereby report to you on the audit of the accompanying financial statements of **Hertford British Hospital Corporation, Paris** for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flow and the related notes 1 to 25.2. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

### **Respective responsibilities of Trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the Trustees (who are also the directors of the Charitable Company for the purposes of company law) 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 the 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 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 entity or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and French Standards on Auditing. Those standards require that we comply with local ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs 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.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Principles; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

This report is governed by French law. The courts of France shall have exclusive jurisdiction over any claim, dispute or difference resulting from the engagement letter or the present report or any related matters. Each party irrevocably waives its right to oppose any action brought before the French courts, to claim that the action is being brought before an illegitimate court or that the courts have no jurisdiction.

Paris, 2<sup>nd</sup> June 2022

The Statutory auditor

**Grant Thornton**

**French Member of Grant Thornton International**

Adam Nicol  
Partner



HERTFORD BRITISH HOSPITAL CORPORATION, Paris

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2021





**Statement of Financial activities**  
(including income and expenditure account)  
For the year ended 31<sup>st</sup> December 2021

		Unrestricted funds			
		2021	2020	2021	2020
		€	€	£ (0,8403)	£ (0.8990)
<b>Income and endowments</b>					
<i>Income from trading activities:</i>					
Income from property investments	5	2 647 843	2 633 143	2 224 982	2 367 195
<i>Income from charitable activities:</i>					
Health service income	6	63 566	1 077 073	53 415	968 289
<b>Total income and endowments</b>		<b>2 711 409</b>	<b>3 710 216</b>	<b>2 278 397</b>	<b>3 335 484</b>
<i>Expenditure on raising funds</i>					
Cost of generating funds		1 589 560	1 389 503	1 335 707	1 249 164
Total expenditure on raising funds	7	1 589 560	1 389 503	1 335 707	1 249 164
<i>Expenditure on charitable activities:</i>					
Health services expenditures	8 & 9	(44 384)	1 431 852	(37 296)	1 287 235
Governance costs	12	540 117	109 120	453 860	98 099
<b>Total expenditure</b>		<b>2 085 293</b>	<b>2 930 475</b>	<b>1 752 271</b>	<b>2 634 498</b>
<b>Net income before non-operating items</b>		<b>626 116</b>	<b>779 741</b>	<b>526 126</b>	<b>700 986</b>
Provision for retirement indemnities					
<b>Net income before unrealised gains on investment properties</b>		<b>626 116</b>	<b>779 741</b>	<b>526 126</b>	<b>700 986</b>
Gains / (losses) on revaluation of investment properties	16	3 252 263	500 000	2 732 877	449 500
<b>Net movement in funds before taxation</b>		<b>3 878 379</b>	<b>1 279 741</b>	<b>3 259 003</b>	<b>1 150 486</b>
Taxation	13				
<b>Net movement in funds after taxation</b>		<b>3 878 379</b>	<b>1 279 741</b>	<b>3 259 003</b>	<b>1 150 486</b>
Funds brought forward at 1 <sup>st</sup> January	23	54 811 405	53 531 664	49 275 453	45 544 740
Exchange difference		..	..	(3 217 431)	2 580 227
<b>Funds carried forward at 31<sup>st</sup> December</b>	<b>23</b>	<b>58 689 784</b>	<b>54 811 405</b>	<b>49 317 025</b>	<b>49 275 453</b>

The footnotes form an integral part of the financial reporting.



# Balance sheet

## As at 31<sup>st</sup> December 2021

		2021	2020	2021	2020
		€	€	£	£
<b>Fixed assets</b>					
Intangible fixed assets:	14	..	2 345	..	2 109
Tangible fixed assets	15	2 418 873	2 564 383	2 032 578	2 305 379
Investment properties	16	57 900 001	54 400 000	48 653 371	48 905 600
Financial assets		230	..	193	..
		<b>60 319 104</b>	<b>56 966 728</b>	<b>50 686 142</b>	<b>51 213 088</b>
<b>Current assets</b>					
Debtors	17	2 738 284	2 384 994	2 300 981	2 144 111
Short term investments		29 359	24 033	24 670	21 606
Cash at bank and in hand		1 828 391	2 710 176	1 536 397	2 436 448
Sinking fund	18	100 042	230 371	84 065	201 104
		<b>4 696 076</b>	<b>5 349 574</b>	<b>3 946 113</b>	<b>4 809 269</b>
<b>Current liabilities</b>					
Creditors	19	1 793 791	1 552 082	1 507 320	1 395 323
Loans (excluding accrued interest)	20	3 217 921	2 388 360	2 704 019	2 147 135
Taxation	13	..	..	..	..
		<b>5 011 712</b>	<b>3 940 442</b>	<b>4 211 339</b>	<b>3 542 458</b>
<b>Net current (liabilities) / assets</b>		<b>(315 636)</b>	<b>1 409 132</b>	<b>(265 226)</b>	<b>1 266 811</b>
<b>Total assets less current liabilities</b>		<b>60 003 468</b>	<b>58 375 860</b>	<b>50 420 916</b>	<b>52 749 899</b>
<b>Long-term liabilities</b>					
Loans	20	765 754	2 624 485	643 463	2 359 412
Provisions	21	..	133 490	..	120 008
Investment grant	22	547 930	606 480	460 426	545 226
Creditors	19	..	200 000	..	179 800
		<b>1 313 684</b>	<b>3 564 455</b>	<b>1 103 889</b>	<b>3 204 446</b>
<b>Total net assets</b>		<b>58 689 784</b>	<b>54 811 405</b>	<b>49 317 027</b>	<b>49 275 453</b>
<b>Unrestricted funds</b>					
Revaluation reserve	23	33 173 066	29 902 768	27 875 327	26 882 588
Special and other reserves	23	25 516 718	24 908 637	21 441 698	22 392 865
<b>Total unrestricted funds</b>		<b>58 689 784</b>	<b>54 811 405</b>	<b>49 317 025</b>	<b>49 275 453</b>

Signed on 13th May 2021

Christopher Wicker  
Chairman

Iain Hutton  
Director General

The footnotes form an integral part of the financial reporting.

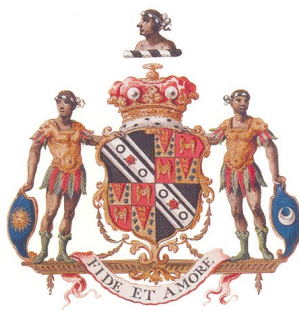


# Statement of cash flow

## For the year ended 31<sup>st</sup> December 2021

		2021	2020	2021	2020
		€	€	£	£
<b>Cash flow from operating activities</b>					
Net incoming resources for year		626 116	779 741	526 126	700 986
Depreciation		124 040	138 429	104 231	124 448
Decrease / (increase) in debtors		(353 290)	(329 777)	(296 869)	(296 469)
Increase / (decrease) in creditors		41 709	678 350	35 048	(609 837)
Increase / (decrease) in provisions	21	(133 490)	(192 056)	(112 172)	(172 658)
Increase / (decrease) in investment grant		(58 550)	(58 550)	(49 200)	(52 636)
Cash generated by operating activities		246 535	1 016 137	207 164	913 508
Taxation paid					
<b>Investing activities</b>					
Net acquisition of fixed assets	15	(7 148)	(6 392)	(6 006)	(5 746)
Net acquisition of financial asset		(230)	..	(193)	..
Renovation of investment properties		(247 737)	(599 985)	(208 173)	(539 387)
Proceeds from disposal of fixed assets		30 962	..	26 017	..
Cash applied to investing activities		(224 153)	(606 377)	(188 355)	(545 133)
<b>Net cash (outflow) / inflow before financing</b>		<b>22 382</b>	<b>409 760</b>	<b>18 809</b>	<b>368 375</b>
<b>Financing activities</b>					
New long-term loans		..	999 000	..	898 101
Repayment of long-term loans		(904 775)	(487 466)	(760 282)	(438 232)
Cash applied to financing activities		(904 775)	511 534	(760 282)	459 869
<b>Net cash applied</b>		<b>(882 393)</b>	<b>921 294</b>	<b>(741 473)</b>	<b>828 244</b>
Net opening cash		1 415 277	493 983	1 189 257	444 091
<b>Net closing cash</b>		<b>532 884</b>	<b>1 415 277</b>	<b>447 784</b>	<b>1 272 335</b>
<b>Net closing cash</b>					
Cash at bank and in hand		1 828 391	2 710 176	1 536 397	2 436 448
Sinking fund	18	100 042	230 371	84 065	207 104
Short term investments		29 359	24 033	24 670	21 606
Current liabilities – short term bank loans		(1 424 908)	(1 549 303)	(1 197 350)	(1 392 823)
<b>Net closing cash</b>		<b>532 884</b>	<b>1 415 277</b>	<b>447 782</b>	<b>1 272 335</b>

The footnotes form an integral part of the financial reporting.



# HERTFORD BRITISH HOSPITAL CORPORATION, Paris

Notes to the financial statements  
for the year ended 31<sup>st</sup> December 2021

## 1 Legal status, activities and financing

Hertford British Hospital Corporation, Paris (hereafter “the Corporation”), was incorporated in the United Kingdom on 10<sup>th</sup> May 1966 as a company limited by guarantee and not having a share capital. The Corporation was established for purposes which are exclusively charitable, and in this context, provides premises to the Fondation Cognacq-Jay for the operation of the Hôpital Franco-Britannique and Centre International de Dermatologie (hereafter the “CID”). It also provides office accommodation and limited financial support to the British Charitable Fund, a related but independent charity.

The Corporation also owns a portfolio of investment properties whose revenue is used to further the objects of the charity.

## 2 Accounting policies

### 2.1 Basis of preparation

The financial statements incorporate the CID activities for 2020 but not 2021 since the activity was sold on 1<sup>st</sup> January 2021) and the investment property management and commercial letting activities of the Corporation. They have been prepared under the historic cost convention, except for investments in property which are included at market value.

The financial statements have been prepared in accordance with the Statement of Recommended Practice—Charities (FRS 102) as per October 2019 and effective at 1<sup>st</sup> January 2019, applicable UK Accounting Standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

### 2.2 Functional and reporting currencies

The functional and reporting currency of the Corporation is the Euro. Financial information is also presented in these financial statements in pounds sterling, using year-end rates of exchange in translating all assets, liabilities, funds, income, expenditure and cash flows as follows:

- At 31<sup>st</sup> December 2021 and the year then ended: € 1 = £ 0.8403
- At 31<sup>st</sup> December 2020 and the year then ended: € 1 = £ 0.8990

### 2.3 Income and endowments

Investment income is recognised on an accruals basis.

Where leases on investment properties provide for a rent-free period and where sums are significant, the rental income is spread over the period of the lease to provide a constant return over that period.

For significant amounts, the rent-free period is spread over the term of the lease by accounting for “Income not yet invoiced” and a corresponding amount receivable. This amount is released progressively over the term of the lease and the amount to be spread is revised annually in accordance with the relevant index

Health services income is recognised as earned as and when the related medical services are provided. Financing from the French government included in this category is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

- Health services income includes investment and other grants received. Investment grants relating to specific items of capital expenditure are credited to income based on the depreciation plan of the related equipment. Other grants are credited to income on expectation of receipt.
- Expenditure is recognised when a liability is incurred.

## **2.4 Costs of generating funds**

These costs include let property expenses and interest on loans relating to the renovation of the Corporation's investment properties.

## **2.5 Charitable activities**

These activities include health services expenditure and comprise both the direct costs and support costs related to this activity. Governance costs include those incurred in the governance of the Corporation and its assets and are primarily associated with corporate and statutory requirements

## **2.6 Irrecoverable VAT**

As a charity, the Corporation does not fall under the VAT regime for all its healthcare related activities; VAT is only applicable to the management and real estate activities.

All amounts expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

## **2.7 Intangible fixed assets**

Intangible fixed assets comprised establishment costs, computer licences and software and are amortised over a five-year period

## **2.8 Tangible fixed assets**

Tangible fixed assets are stated at cost. Only those assets in use for medical purposes are classified as tangible fixed assets, investment properties being classified separately.

Individual fixed assets are capitalised at cost.

The cost of an asset is its purchase price, including customs duties and non-recoverable taxes, after deduction of rebates, trade rebates and cash discounts of all directly attributable costs incurred to bring the asset into use, in place and in working order for the intended use. Transfer rights, fees or commissions and legal costs related to the acquisition are attached to this acquisition cost.

All costs which are not part of the acquisition price of the asset and which cannot be directly attached to the costs made necessary to put the asset in place and in a state of operation in accordance with its intended use, are recognized as expenditure.

## **2.9 Valuation of investment properties**

The Trustees determine the market value of investment properties on the basis of valuations undertaken by professional surveyors and estate agents on a rotational basis over three years.

## **2.10 Depreciation**

No depreciation is provided on assets under construction. Depreciation of other tangible fixed assets is calculated on the straight-line method at annual rates designed to write off the cost or

valuation over their estimated useful lives.

Depreciation rates are as follows:

• Land	not depreciated
• Structure	60 to 80 years
• Facades, roofing, external fixtures	30 to 40 years
• Fixtures & fittings	5 to 12,5 years
• Furniture and other equipment	5 to 10 years
• Medical and computer equipment	5 years

The Directors determine at the year-end, considering both internal and external information available to them, whether there are any indications that would suggest that the value of the assets may have been significantly impaired.

### 2.11 Investment grants received

Investment grants received to finance the acquisition of fixed assets are recorded on the balance sheet and taken to income based on the depreciation plan of the related equipment. Other grants received are credited to income on receipt.

### 2.12 Short-term investments

Short-term investments are stated at their market value at the balance sheet date.

### 2.13 Donations received

Any donations received during the year are recorded in unrestricted funds.

### 2.14 Current assets

Current assets are valued at their nominal value. A provision for depreciation is recorded when the realizable value is estimated to be lower than the book value.

### 2.15 Provisions

Any present obligation resulting from a past event with regard to a third party, which can be estimated with sufficient reliability, and covering identified risks, is recognized as a provision.

### 2.16 Retirement indemnities

Upon retirement, the Corporation's employees receive a lump sum retirement indemnity in accordance with the law and the collective agreement applicable to the Corporation. There is no specific agreement and no on-going pension liability for retired employees once this one-off indemnity has been paid.

In accordance with FRS 102, a provision for rights acquired by staff is established based on an actuarial calculation, reduced if applicable by the realizable value of the insurance contract taken out to meet the future cost of the retirement indemnities.

### 2.17 Impact of the Covid-19 pandemic

The Covid-19 pandemic is likely to have significant impacts on the assets, financial situation and results of companies. Relevant accounting information on these impacts constitutes a key element of the financial reporting for the period in question.

To achieve this, the Corporation has adopted a targeted approach to express the main relevant impacts on the performance of the year and on its financial situation.

Methodology followed:

The information provided relates to the main impacts, deemed relevant, of the event which are recorded in the Corporation's financial statements. A distinction was made between one-off effects and structural impacts. These effects are detailed taking into account the interactions and effects of the event on the usual aggregates, appreciating the gross and net impacts. The support measures from which the Corporation has been able to benefit are also assessed.

As the Covid-19 pandemic was still ongoing on the date the financial statements were approved by the Directors, the Corporation is unable to assess the precise consequences for the years to come.

### 3 Significant events

#### 3.1 COVID 19 sanitary crisis

In 2021, the corporation did not use the aid mechanisms implemented by the government.

Although the health crisis did not have a direct impact on the Corporation's activity during the 2021 financial year, the fact remains that it suffered the consequences indirectly due to repeated breaches by its tenant, Zalthabar, of its payment obligation. As a consequence of the measures taken by the government to fight against the spread of the COVID 19 virus, the activity of Zalthabar, tenant of the "Château", was seriously disrupted, and this company has refrained from paying their rent due under the conditions of the lease. The situation with Zalthabar is presented in detail in notes 3.4 and 4.2.

#### 3.2 Disposal of the CID and transfer of staff

As of 1<sup>st</sup> January 2021, the Corporation, under an appropriate contract, ceded to the Fondation Cognacq-Jay the trading activity of the CID comprising:

- The trade name, the patient base attached to it;
- Equipment and other assets used for its operations;
- Stocks of consumables and medication.

The sale was made at net book value for fixed assets (€30 964 / £35 929) and inventories (€12 410 / £11 157); for an amount of € 1 for the trade name and patient base.

Except for protected employees who were transferred on 19<sup>th</sup> February 2021, all CID staff were transferred to the Fondation Cognacq-Jay on 1<sup>st</sup> January 2021.

#### 3.3 Agreements to end the direct provision of healthcare

In September 2020, the Fondation Cognacq-Jay injected fresh funds into the Groupement de Coopération Sanitaire ("Groupement") the joint venture vehicle which had been set up by it and l'Oeuvre du Perpetuel Secours ("OPS") to own and manage the Institut Hospitalier Franco-Britannique hospital. As part of the restructuring, OPS withdrew from participation in the Groupement and from the management of the hospital which was renamed "Hopital Franco-Britannique Fondation Cognacq-Jay".

As a consequence, the Corporation and OPS agreed on 28th September 2020 to end their own relationship, including the agreement under which the Corporation had agreed to the Maternity Department of the hospital occupying its hospital building until 2031.

In this context, the Corporation has recognized that it does not have a right to recover the hospital activities transferred in 2008 and that in any event, it waives any such right should it exist.

The old occupancy agreement with OPS which allowed the hospital to occupy the building was replaced by a new agreement signed with the Fondation on 9<sup>th</sup> December 2020. As such, the Corporation consents, free of charge, and temporarily, in application of articles 1875 to 1891 of the French Civil Code, to the Fondation Cognacq-Jay, beneficiary-borrower, who accepts it, a rent-free lease relating to the hospital site at 3 rue Barbès, 92300 Levallois-Perret for a period of five full and consecutive years from 28<sup>th</sup> September 2020 at 00 hour, expiring on 28<sup>th</sup> September 2025 at midnight.



The lender accepts that the borrower may, 6 months before the end of the term, request a postponement of the initially planned term to 28<sup>th</sup> March 2026 or 28<sup>th</sup> September 2026. This request must be made no later than 28<sup>th</sup> March 2025.

At the end of the said agreement, the borrower undertakes to return the premises loaned, as well as the equipment present and mentioned in the inventory, in normal and usual condition.

All of the agreements between the Corporation, OPS and the Fondation Cognacq-Jay do not call into question the reimbursement by the Hôpital Franco Britannique of the subsidies described in note 22.

### **3.4 Litigation with Zalthabar**

The Zalthabar company, tenant of the Château, disputes owing the tax on offices which is re-invoiced to it by Corporation in the amount of € 192 063 including VAT, (£ 161 390) as of 31<sup>st</sup> December 2021.

In addition, Zalthabar, whose activity is considered non-essential, was forced to close its establishment from 10<sup>th</sup> March 2020 until 27<sup>th</sup> May 2020 and again from 30<sup>th</sup> October 2020, until 9<sup>th</sup> June 2021.

Except for the rent and charges for the 4<sup>th</sup> quarter of 2021, amounting to €220 998 including VAT (£ 185 704), Zalthabar refrained from paying the rent and charges due in 2020 and 2021 without making the slightest difference between the periods when it was closed or open.

This resulted in a backlog at 31<sup>st</sup> December 2021 of unpaid rents and charges including VAT amounting to € 1 506 858 (£ 1 266 213) and this despite the reduction in rent granted by Corporation and amounting to € 199,192 including VAT as described in note 4.2. This backlog, net of VAT, has been duly provided against at 31 December 2021.

## **4 Post balance sheet events**

### **4.1 Sale of 12 rue Barbès property**

Effective 18<sup>th</sup> February 2022, the Corporation sold the asset located at 12 rue Barbès for € 12.1 million. This sale led to the full repayment of the loan due to Dexia Credit Local that was secured on this asset.

### **4.2 On-going litigation with Zalthabar**

The dispute described in note 3.4 has not been resolved as at 31<sup>st</sup> December 2021 and, with the exception of the payment of the rent and charges for the 4<sup>th</sup> quarter of 2021, the amounts due in 2020 and 2021 have not been settled despite the granting of payment facilities (monthly term expired rather than quarterly to expire) that the Corporation agreed to during the first quarter of 2021.

On 1<sup>st</sup> October 2021, the Corporation petitioned the Commercial Court of Nanterre asking that Zalthabar be placed into receivership. After discussion, the parties reached an agreement that was documented in a protocol signed on 8<sup>th</sup> March 2022. In accordance with this protocol, the lease will be terminated early, on 30<sup>th</sup> September 2022 and Zalthabar is committed to reimbursing the outstanding debt net of an exceptional discount of € 337 122 inclusive of VAT (£ 283 283) granted by the Corporation. In addition, the Corporation has agreed to a 15% reduction in the rent due for the period from 1<sup>st</sup> January 2022 to 30<sup>th</sup> September 2022; this rent is payable monthly. At the date on which the Directors approved the financial statements, Zalthabar was meeting in full its obligations under the protocol.

## 5 Income from investments

	2021	2020	2021	2020
	€	€	£	£
<b>Let property income</b>				
Rental income and indemnities	1 856 283	1 997 505	1 559 835	1 795 757
Other charges invoiced to tenants	727 664	635 473	611 456	571 290
	<b>2 583 947</b>	<b>2 632 978</b>	<b>2 171 291</b>	<b>2 367 047</b>
<b>Interest income</b>				
Exchange gain / (loss) - net	5 346	165	4 492	148
<b>Grant</b>	<b>58 550</b>	<b>..</b>	<b>49 200</b>	<b>..</b>
<b>Total income from investments</b>	<b>2 647 843</b>	<b>2 633 143</b>	<b>2 224 983</b>	<b>2 367 195</b>

## 6 Income from health services

	2021	2020	2021	2020
	€	€	£	£
<b>Health services income</b>				
Patients' fees CID	..	804 599	..	723 335
Grant	..	55 131	..	49 563
Right of lease on hospital building	..	..	..	..
Other	63 566	217 343	53 415	195 391
<b>Total income from health services</b>	<b>63 566</b>	<b>1 077 073</b>	<b>53 415</b>	<b>968 289</b>

## 7 Expenditure on raising funds

	2021	2020	2021	2020
	€	€	£	£
<b>Let property expense</b>				
Expenses recoverable from tenants	263 582	253 735	221 488	228 108
Taxes recoverable from tenants	464 082	380 238	389 968	341 834
Property taxes	70 772	82 399	59 470	74 077
Other costs and expenses	422 021	149 696	354 624	134 577
Risk provisions (see below)	266 901	387 881	224 277	348 705
	<b>1 487 358</b>	<b>1 253 949</b>	<b>1 249 827</b>	<b>1 127 301</b>
<b>Interest on borrowings</b>				
<i>Investment properties:</i>				
Interest on loans	101 577	134 847	85 355	121 227
Bank interest	617	707	518	636
<b>Total expenditure on raising funds</b>	<b>1 589 552</b>	<b>1 389 503</b>	<b>1 335 700</b>	<b>1 249 164</b>

The risk provision in 2020 includes the total amount due by Zalthabar (€861 972), which is provided in 2021 as a bad debt. See note 21.

## 8 Health services and other expenditure

	2021	2020	2021	2020
	€	€	£	£
<b>Provision of health services</b>				
Staff costs	(1 231)	850 498	(1 034)	764 598
Materials and consumables	12 410	35 353	10 428	31 782
Laundry	..	19 559	..	17 584
Other external costs	..	350 513	..	315 111
Taxes, other than income	..	55 773	..	50 140
Provisions	(178 848)	(4 556)	(150 286)	(4 096)
Other costs and expenses	..	65	..	58
	<b>(167 669)</b>	<b>1 307 205</b>	<b>(140 892)</b>	<b>1 175 177</b>
<b>Depreciation</b>				
<i>Hospital:</i>				
Buildings	123 285	121 020	103 596	108 797
Intangible assets	..	3 627	..	3 261
<b>Total health services and other expenditure</b>	<b>(44 384)</b>	<b>1 431 852</b>	<b>(37 296)</b>	<b>1 287 235</b>

## 9 Charitable activities

In addition to the direct provision of health services (in 2020 only), the Corporation makes premises available freely to:

- The British Charitable Fund: a 50m2 office whose market rent would be in excess of €15 000 per annum
- The hospital building whose market rent has been independently evaluated by Savills in a report issued in March 2022 to fall in a range of €1 million to €1.2 million per annum
- The CID premises whose market rent has been evaluated by the Corporation at €100,000 per annum

The Corporation also makes an annual grant to the BCF. In 2021, this amounted to €75 000 (£63 023).

## 10 Staff costs

	2021	2020	2021	2020
	€	€	£	£
Salary costs	124 525	632 379	104 638	568 509
Social security costs	89 441	294 753	75 157	264 983
	<b>213 966</b>	<b>927 132</b>	<b>179 795</b>	<b>833 492</b>
Health services	(1 231)	850 498	(1 034)	764 598
Administration	215 197	76 634	180 830	68 894
	<b>213 966</b>	<b>927 132</b>	<b>179 796</b>	<b>833 492</b>

The trustees are not remunerated for their services, but some direct expenses incurred in the performance of their duties are reimbursed.

The average number of employees for the year was as follows:

	2021			2020		
	Total	Health	Admin.	Total	Health	Admin.
Doctors and midwives	..	..	..	9	9	..
Nurses and auxiliaries	..	..	..	2	2	..
Administrative staff	1	..	1	5	4	1
<b>Total</b>	<b>1</b>	<b>..</b>	<b>1</b>	<b>16</b>	<b>15</b>	<b>1</b>

Emoluments of employees:

	2021	2020
Above £70 000 (€80 000)	1	..
Between £62 000 and £72 000 (€70 000 and €80 000)	..	3
Below £62 000 (€70 000)	..	13
<b>Total</b>	<b>1</b>	<b>16</b>

The total gross remuneration of the three highest paid employees was €186 490 (£156 707) for the year ended 31<sup>st</sup> December 2021 (€235 447 / £211 667 in 2020).

Employee salaries are set in accordance with the collective bargaining agreement for the sector: the “Convention Collective National” dated 31 October 1951.

## 11 Indemnity insurance

Included in the costs for the provision of health services are the following premiums paid on an insurance policy which provides cover for losses arising from the neglect or default of the Directors, employees or agents and indemnification of the Directors against the consequences of any neglect or default on their part.

	2021	2020	2021	2020
	€	€	£	£
<b>Premiums</b>	<b>3 122</b>	<b>2 975</b>	<b>2 623</b>	<b>2 675</b>

## 12 Governance costs

These costs can be analysed as follows:

	2021	2020	2021	2020
	€	€	£	£
Staff costs	215 197	76 634	180 830	68 894
Provision for retirement indemnities	..	..	..	..
Audit fee	16 932	17 492	14 228	15 725
Legal fees	4 753	1 212	3 994	1 090
Other fees and expenditures	302 480	..	254 174	..
Depreciation	755	13 782	634	12 390
	<b>540 117</b>	<b>109 120</b>	<b>453 860</b>	<b>98 099</b>

## 13 Taxation

The Corporation is registered as a non-profit association in France under the law of 1<sup>st</sup> July 1901 and, as such, is only subject to income tax on the net profit arising from investment properties at a rate of 24% and on certain financial income at a rate of 10%.

The tax computation is as follows for the years to 31<sup>st</sup> December:

	2021	2020
	€	€
Taxable income from investment properties	369 537	316 117
Management costs	(30 952)	(69 323)
Insurance	..	(605)
Real estate and related taxes	(60 961)	(35 774)
Depreciation	(18 674)	(18 638)
Adjustment to amounts recovered from tenants		72 514
Improvements	(7 841)	(7 288)
Interest income	..	371
Loss carried forward at 1st January 2020	(512 348)	(769 722)
<b>Loss carried forward at 31st December 2020</b>	<b>(261 239)</b>	<b>(512 348)</b>
<b>Tax charge for the year</b>	<b>..</b>	<b>..</b>

## 14 Intangible assets

Intangible assets comprise establishment costs and computer software licenses as and are as follows:

	2021	2020	2021	2020
	€	€	£	£
Cost	9 290	88 301	7 806	79 383
Aggregate depreciation	(9 290)	(85 956)	(7 806)	(77 274)
	<b>..</b>	<b>2 345</b>	<b>..</b>	<b>2 109</b>

## 15 Tangible assets

Tangible assets are as follows:

Summary (in € and £)	Total	Buildings health services (see B below)	Other tangible fixed assets - Admin. (see C below)	Total	Buildings health services (see B below)	Other tangible fixed assets – Admin. (see C below)
	€	€	€	£	£	£
<b>Cost or valuation</b>						
At 1 <sup>st</sup> January 2021	11 044 037	10 825 659	218 378	9 928 588	9 732 266	196 322
Additions	7 148	..	7 148	6 006	..	6 006
Retirements	(198 184)	..	(198 184)	(166 534)	..	(166 534)
Exchange difference	..	..	..	(648 287)	(635 467)	(12 820)
At 31 <sup>st</sup> December 2021	10 853 001	10 825 659	27 342	9 119 773	9 096 799	22 974
<b>Aggregate depreciation</b>						
At 1 <sup>st</sup> January 2021	8 479 654	8 290 675	188 979	7 623 209	7 453 317	169 892
Charge for the year	124 040	123 285	755	104 231	103 597	634
Retirements	(169 566)	..	(169 566)	(142 486)	..	(142 486)
Exchange difference	..	..	..	(497 759)	(486 664)	(11 095)
At 31 <sup>st</sup> December 2021	8 434 128	8 413 960	20 168	7 087 195	7 070 250	16 945
<b>Net book value</b>						
At 1 <sup>st</sup> January 2021	2 564 383	2 534 984	29 399	2 305 379	2 278 949	26 430
At 31 <sup>st</sup> December 2021	2 418 873	2 411 699	7 174	2 032 578	2 026 549	6 029

The detailed analysis of the tangible fixed assets is as follows:

Health service (in €)	Total	Buildings Hospital 1990	Buildings Hospital 1982	Buildings Hospital 1974	Part of Buildings Barbès	Part of land Barbès
	€	€	€	€	€	€
<b>Cost</b>						
At 1 <sup>st</sup> January 2021	10 825 659	3 046 184	5 265 953	1 593 324	846 435	73 763
At 31 <sup>st</sup> December 2021						
<b>Aggregate depreciation</b>						
At 1 <sup>st</sup> January 2021	8 290 675	2 134 237	3 846 954	1 593 324	716 160	..
Charge for the year	123 285	26 163	89 670	..	7 452	..
At 31 <sup>st</sup> December 2021	8 413 960	2 160 400	3 936 624	1 593 324	723 612	..
<b>Net book value</b>						
At 1 <sup>st</sup> January 2021	2 534 984	911 947	1 418 999	..	130 275	73 763
At 31 <sup>st</sup> December 2021	2 411 699	885 784	1 329 329	..	122 823	73 763

<b>Health service (in £)</b>	Total	Buildings Hospital 1990	Buildings Hospital 1982	Buildings Hospital 1974	Part of Buildings Barbès	Part of land Barbès
	£	£	£	£	£	£
<b>Cost</b>						
At 1 <sup>st</sup> January 2021	9 732 266	2 738 519	4 734 092	1 432 398	760 945	66 313
Exchange difference	(635 467)	(178 811)	(309 112)	(93 528)	(49 686)	(4 330)
At 31 <sup>st</sup> December 2021	9 096 799	2 559 708	4 424 980	1 338 870	711 259	61 983
<b>Aggregate depreciation</b>						
At 1 <sup>st</sup> January 2021	7 453 317	1 918 679	3 458 412	1 432 398	643 828	..
Charge for the year	103 597	21 985	75 350	..	6 262	..
Exchange difference	(486 664)	(125 280)	(225 817)	(93 528)	(42 039)	..
At 31 <sup>st</sup> December 2021	7 070 250	1 815 384	3 307 945	1 338 870	(608 051)	..
<b>Net book value</b>						
At 1 <sup>st</sup> January 2021	2 278 949	819 840	1 275 680	..	117 117	66 313
At 31 <sup>st</sup> December 2021	2 026 549	744 324	1 117 035	..	103 208	61 983

<b>Other fixed assets - Admin (in € and £)</b>	Total	Furniture	Computer equipment	Total	Furniture	Computer equipment
	€	€	€	£	£	£
<b>Cost</b>						
At 1 <sup>st</sup> January 2021	218 378	188 453	29 924	196 322	169 419	26 903
Additions	7 148	2 196	4 952	6 006	1 845	4 161
Retirements	(198 184)	(170 242)	(27 942)	(166 534)	(143 054)	(23 480)
Exchange differences	..	..	..	(12 820)	(11 062)	(1 758)
At 31 <sup>st</sup> December 2021	27 342	20 407	6 935	22 974	17 147	5 826
<b>Aggregate depreciation</b>						
At 1 <sup>st</sup> January 2021	188 979	162 865	26 114	169 892	146 416	23 476
Charge for the year	755	575	180	634	483	151
Retirements	(169 566)	(144 678)	(24 888)	(142 486)	(121 573)	(20 913)
Exchange differences	..	..	..	(11 095)	(9 560)	(1 535)
At 31 <sup>st</sup> December 2021	20 168	18 762	1 406	16 945	15 766	1 179
<b>Net book value</b>						
At 1 <sup>st</sup> January 2021	29 399	25 588	3 811	26 430	23 003	3 427
At 31 <sup>st</sup> December 2021	7 175	1 645	5 530	6 029	1 382	4 647



## 16 Investment properties

	Total €	Total £
<b>Historical cost</b>		
At 31 <sup>st</sup> December 2021	25 397 314	21 341 363
<b>Market value</b>		
At 1 <sup>st</sup> January 2021	54 400 000	48 905 600
Fixed assets – increase	247 738	209 624
Revaluation of properties	3 252 262	2 732 877
Exchange difference	..	(3 194 730)
At 31 <sup>st</sup> December 2021	57 900 000	48 653 371

Investment properties are all located in Levallois-Perret in France and include:

- Land and buildings of the Villiers site which comprise 3 buildings, the original hospital building (now offices) at 48 rue de Villiers and two more recent office buildings at 1 rue Barbès and 2 rue Voltaire;
- Part of the land and building located at 12 rue Barbès.

### 16.1 Valuation of investment properties

The independent valuation of the Wallace Gardens offices at 31<sup>st</sup> December 2021 was carried early 2022 by Savills. Other properties were last valued in 2019 and 2020.

### 16.2 Land and buildings at 12 rue Barbès

Although the Barbès building is principally held for investment purposes, approximately one third of the floor area of the building is occupied by the British Charitable Fund, apartments and the CID and these parts are recorded as tangible fixed assets. The remaining two-thirds of the building are held for open-market letting purposes and are recorded as an investment property. Land is also considered to be held in similar proportions.

### 16.3 Secretary of State for the Environment

The land on which are situated the current hospital buildings and the Villiers investment properties (which include the original hospital building now converted to offices) was, together with the buildings then existing, the subject of a gift on 30 July 1898 in favour of the predecessor of the United Kingdom Secretary of State for the Environment. He was deemed, under English law, to have accepted the gift of the land in his capacity of trustee for the original hospital charity. Following a scheme of arrangement dated 2<sup>nd</sup> November 1977, the Charity Commissioners for England and Wales confirmed that the land and buildings continue to be vested in the Secretary of State for the Environment and that their management and administration is undertaken by the members of the Council of Management of the Corporation who are also Trustees of the charity.

## 17 Debtors

Debtors comprise the following at 31<sup>st</sup> December:

	2021	2020	2021	2020
	€	€	£	£
Receivables from health services and patients		1 532		1 377
Income not yet invoiced (rental on Batigère lease)	1 372 461	1 768 098	1 153 279	1 589 520
Accounts receivable	717 074		602 557	
Stock of consumables	..	12 410	..	11 157
Other debtors and prepayments (net of a provision of €595 071 for Zalthabar in 2020)	100 953	187 435	84 832	168 505
Dexia, payment In advance on loan		..		..
VAT	125 581	46 114	105 526	41 456
Receivable from IHFB (now HFB-FCJ)	234 315	61 242	196 895	55 057
Investment grant from ARS to be received from IHFB (now HFB-FCJ)	123 700	211 863	103 945	190 465
Investment grant on cost overrun of the smoke extraction system to be received from IHFB (now HFB-FCJ)	64 200	96 300	53 947	86 574
	<b>2 738 284</b>	<b>2 348 994</b>	<b>2 300 981</b>	<b>2 144 111</b>

## 18 Sinking fund

A sinking fund has been set up to meet unforeseen expenses. As of 31<sup>st</sup> December 2021, this fund has a balance of € 100 042 / £ 84 065 (2020 € 230,000/ £207 000). The amount is invested in a passbook savings account and earned interest of € 42 / £ 35 for the year ended 31<sup>st</sup> December 2021 (2020 € 371/ £334). This fund is included in current assets and in rental income and indemnities as non-material income.

This "sinking fund" was planned to face future cost of refurbishment but there is in fact no constraint on its use and, in 2020, given the difficulties described in note 3, part of it was used to finance current operations.

## 19 Current liabilities

Current liabilities comprise the following at 31<sup>st</sup> December:

	2021	2020	2021	2020
	€	€	£	£
Social debt	38 904	107 378	32 691	96 533
Suppliers	306 021	60 072	257 149	54 005
Due to tenant Batigère	441 326	600 000	370 846	539 400
Deposits received from tenants	650 697	657 705	546 781	591 277
VAT	278 150	188 280	233 729	169 264
Other taxes	1 751	14 756	1 471	13 266
IHFB contribution (see below)	..	..	..	..
Rent paid in advance – Orange	9 154	9 154	7 692	8 229
Due to IHFB (now HFB-FCJ)	16 015	..	13 457	..
Accrued interest on loans	21 876	65 248	18 382	58 658
Other creditors and accruals	29 897	49 489	25 122	44 491
	<b>1 793 791</b>	<b>1 752 082</b>	<b>1 507 320</b>	<b>1 575 123</b>

## 20 Loans

### 20.1 Summary

Details of outstanding loans as follows at 31<sup>st</sup> December:

	2021	2020	2021	2020
	€	€	£	£
Short-term bank loans	1 424 908	1 549 303	1 197 350	1 392 823
Short-term portion of property loans	1 793 013	839 057	1 506 669	754 312
Total short-term loans	3 217 921	2 388 360	2 704 019	2 147 135
Long-term portion of property loans	765 754	2 624 485	643 463	2 359 412
<b>Total loans</b>	<b>3 983 675</b>	<b>5 012 845</b>	<b>3 347 482</b>	<b>4 506 547</b>

## 20.2 Property loans in detail

		Total	Long-term	Short-term	Total	Long-term	Short-term
	Note	€	€	€	£	£	£
At 1 <sup>st</sup> January 2021							
Dexia Credit Local		2 252 679	1 501 786	750 893	2 025 159	1 350 106	675 053
Société Générale		211 863	123 699	88 164	190 464	111 205	79 259
Crédit du Nord		999 000	999 000	..	898 101	898 101	..
Total		3 463 542	2 624 485	839 057	3 113 724	2 359 412	754 312
At 31 <sup>st</sup> December 2021							
Dexia Credit Local	(a)	1 501 786	..	1 501 786	1 261 951	..	1 261 951
Société Générale	(b)	123 699	30 377	93 322	103 944	25 526	78 418
Crédit du Nord	(c)	933 282	735 377	197 905	784 237	617 937	166 300
Total		2 558 767	765 754	1 793 013	2 150 132	643 463	1 506 669

The details of the loans subscribed and the balances due at

		Amount subscribed	Amount drawn down at 31 <sup>st</sup> Dec. 21	Amount due at 31 <sup>st</sup> Dec. 21	Duration	Interest rate
		€	€	€		
Dexia Credit Local	(a)	8 700 000	8 700 000	1 501 786	15 years from December 2008	5.70% fixed rate
Société Générale	(b)	850 000	850 000	123 700	12 years from September 2009	5.70% fixed rate
Crédit du Nord	(c)	999 000	999 000	933 282	6 years from August 2020	0.25% initial rate

- (a) Following the sale of 12 rue Barbès property, the loan taken out with Dexia Credit Local, which was secured on that asset, was fully repaid on 18<sup>th</sup> February 2022.

## 21 Provisions

The provisions at the year end and the movements in the year can be analysed as follows:

	2021	2020	2021	2020
	€	€	£	£
<b>At 1<sup>st</sup> January</b>				
Retirement indemnities – see (a) below	133 490	138 046	120 008	117 450
Zalthabar tenant litigation – see (b) below	..	187 500	..	159 525
	133 490	325 546	120 008	276 975
<b>Additions in the year</b>				
Retirement indemnities	..	..	..	..
Zalthabar tenant litigation	..	..	..	..
<b>Reversed in the year</b>				
Retirement indemnities	(133 490)	(4 556)	(112 172)	(4 096)
Zalthabar tenant litigation	..	(187 500)		(168 562)
Exchange difference	..	..	(7 836)	15 691
<b>At 31<sup>st</sup> December</b>				
Retirement indemnities	..	133 490	..	120 008
Zalthabar tenant litigation	..	..	..	..
<b>Total</b>	<b>..</b>	<b>133 490</b>	<b>..</b>	<b>120 008</b>

Notes:

- (b) Subsequent to the transfer of the CID staff and the retirement of the chief accountant, the provision for retirement indemnities became irrelevant at 31<sup>st</sup> December 2021.
- (c) The provision for risk against that Zalthabar tenant arose in 2019 because of a dispute on recoverable taxes. In 2020, neither rents nor recoverable expenses nor taxes were paid by Zalthabar and, accordingly, a provision for bad debt was recorded against all sums due and the provision for risk was reversed (see other debtors and prepayments).

## 22 Investment grants

The investment grants received for the fitting of a smoke extraction system in the hospital building and movements thereon are as follows:

	31 Dec. 2020	Increases	Reductions	31 Dec. 2021
	€	€	€	€
Initial investment grant	440 229	..	42 500	397 729
Additional grant	166 251	..	16 050	150 201
<b>Total in €</b>	<b>606 480</b>	<b>..</b>	<b>58 550</b>	<b>547 930</b>
<b>Total in £</b>	<b>513 172</b>	<b>..</b>	<b>49 192</b>	<b>463 980</b>
Exchange difference	32 054	..	..	19 134
<b>Total in £</b>	<b>545 226</b>	<b>..</b>	<b>49 192</b>	<b>483 114</b>

In 2011, the Corporation recorded the commitment received from the Oeuvre du Perpétuel Secours ("OPS") to retrocede to it the payments received from the Regional Health Agency of Ile de France for its investment support aimed at financing the upgrading of hospital buildings, such as those appearing in the treaty for the partial contribution of assets from the Corporation to OPS dated 2008. This support amounted at the time to €850 000 and this sum was expected to cover all of the work.

In this context, the Corporation recognized in its accounts the hospital smoke extraction work which was completed in 2011 for a total cost of € 1,171,000 and accounted for two investment grants: one for the financial debt that it contracted to finance the works (i.e. € 850,000) and a second for the investment which exceeded the initial budget covered by the financing described above, i.e. € 321,000 that OPS has committed to repay in full over 10 years (see note 3.2)

Investment grants are amortized over the depreciation period for the work, ie 20 years.

## 23 Unrestricted funds

	2021	2020	2021	2020
	€	€	£	£
<b>Revaluation reserve</b>				
1967 revaluation of land at rue Barbès	198 184	198 184	166 534	178 167
1974 revaluation of other fixed assets	472 195	472 195	396 785	424 503
	<b>670 379</b>	<b>670 379</b>	<b>563 319</b>	<b>602 670</b>
<b>Unrealised gain on investment properties</b>				
Revaluation reserve	32 502 687	29 232 389	27 312 008	26 279 918
<b>Total revaluation reserve</b>	<b>33 173 066</b>	<b>29 902 768</b>	<b>27 875 327</b>	<b>26 882 588</b>
<b>Special reserves</b>				
Investment reserve	173 130	173 130	145 481	155 644
Treasury reserve	549 156	549 156	461 456	493 691
<b>Total special reserves</b>	<b>722 286</b>	<b>722 286</b>	<b>606 937</b>	<b>649 335</b>
<b>Other reserves</b>				
Reserve for refurbishment of assets	1 000 000	1 000 000	840 300	899 000
1982 grant received from the "Service de la coordination de l'Action Economique du département des Hauts de Seine »	1 102 352	1 102 352	926 306	991 014
Various other funds	1 310 983	1 310 983	1 101 619	1 178 574
<b>Total other reserves</b>	<b>3 413 335</b>	<b>3 413 335</b>	<b>2 868 225</b>	<b>3 068 588</b>
<b>General funds</b>	<b>21 381 097</b>	<b>20 773 016</b>	<b>17 966 536</b>	<b>18 674 942</b>
<b>Total other reserves</b>	<b>24 794 432</b>	<b>24 186 351</b>	<b>20 834 761</b>	<b>21 743 530</b>
<b>Total unrestricted funds</b>	<b>58 689 784</b>	<b>54 811 405</b>	<b>49 317 025</b>	<b>49 275 453</b>

As described in note 25.2, the Wallace Gardens property was independently valued at 31<sup>st</sup> December 2021 and this gave rise to a €3 270 298 (£ 2 748 031) increase in the revaluation reserve.

The other funds shown above include various donations received over the years. The Directors have qualified these funds as non-designated or general funds on the basis of available data and because, to the best of the knowledge of those involved in preparing the financial information, there is no contradictory information that would lead to this qualification being questioned. This is consistent with the way in which such funds were previously reported.



## 24 Reconciliation to French financial reporting

Given its status in France and French law, the books and records of the Corporation are maintained under French accounting standards using the French chart of accounts and restated for the purposes of this financial reporting.

The net result reported for the year ended 31<sup>st</sup> December and its reconciliation to the net movement in funds after taxation as reported herein can be reconciled as follows:

	2021	2020
	€	€
<b>Net profit for the year per French accounts</b>	<b>(45 398)</b>	<b>110 646</b>
<b>Reconciling items</b>		
Revaluation of investment assets	3 252 263	500 000
Difference in depreciation charge	671 525	669 095
<b>Net movement in funds after taxation</b>	<b>3 878 389</b>	<b>1 279 741</b>

The reconciliation of net equity per the French accounts and the total unrestricted funds is as follows:

	2021	2020
	€	€
<b>Net equity per French accounts</b>	<b>9 110 472</b>	<b>9 155 865</b>
<b>Reconciling items</b>		
Revaluation of assets	17 212 128	17 212 128
Unrealised gain on investment properties	15 290 559	13 902 008
Cumulative difference in depreciation charge	17 076 634	14 541 394
Other	(9)	10
<b>Total unrestricted funds</b>	<b>58 689 784</b>	<b>54 811 405</b>

## 25 Off balance sheet commitments

### 25.1 Other reserves

The grant of €1 102 352 received in 1982 from the Service for the Coordination of Economic Action of the Department of Hauts-de-Seine is definitively acquired over a period of 40 years. In the event that the Corporation should leave the French social security system, a pro-rata temporis reimbursement will apply. As of 31<sup>st</sup> December 2021, this potential reimbursement, based on 1 remaining year, would be €27 559.

### 25.2 Other commitments

The Corporation has granted Dexia Crédit Local a first rank mortgage on the building located at 12 rue Barbès in Levallois-Perret as a guarantee for the repayment of any amount due in principal for the loan granted by Dexia Crédit Local on 23rd August 2007 for the financing of the renovations and rehabilitation of buildings located in Levallois-Perret at 48 rue de Villiers (the Château), at 2 rue Voltaire and 1 rue Barbès (together, Wallace Gardens). The initial loan amount was €8 700 000. As of 31<sup>st</sup> December 2021, the outstanding capital amounts to €1 501 786.

The Corporation has also granted to Dexia Crédit Local a charge over the rental stream rents received for the Wallace Gardens buildings as security for this same loan.

Both these commitments ceased to apply on 18<sup>th</sup> February 2022 when the loan was repaid in full.