



HERTFORD BRITISH CHARITABLE FUND

(previously the Hertford British Hospital Corporation, Paris)

ANNUAL REPORT OF THE DIRECTORS

FOR THE YEAR ENDED

31st DECEMBER 2024

1 REFERENCE AND ADMINISTRATIVE DETAILS

Name	Hertford British Charitable Fund, previously called the Hertford British Hospital Corporation, Paris and, hereafter, indifferently, "HBCF", "the Charity" or "the Company")
Charity number	248 198
Company number	00 878 934
Principal office	3 rue Barbès, 92300 Levallois Perret, France
Registered office UK	13th Floor, One Angel Court, London EC2R 7HJ, United Kingdom

1.1 AUDITORS

The Charity's auditors are:

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

1.2 BANKERS AND FUND MANAGERS

The Charity's bankers in 2024 were:

- Société Générale, 50 rue d'Anjou, 75008 Paris, France
- Rothschild Martin Maurel, 29 avenue de Messine, 75008 Paris, France

1.3 SOLICITORS AND OTHER LEGAL ADVISERS

The Charity's legal advisers throughout 2024 and to date are:

- Farrer & Co, 66 Lincoln's Inn Fields London WC2A 3LH
- TMF Corporate Secretarial Services Ltd., 13th Floor, One Angel Court, London EC2R 7HJ, United Kingdom
- Maître Séverine Lamey, 26 avenue de l'Opéra, 75001 Paris, France
- Maître Jean-Philippe Dom, 13 rue de Marivaux, 75002 Paris, France
- Maître Dominique Villemot, 13 rue de Marivaux, 75002 Paris, France
- Latournerie Wolfrom, 164 rue du Faubourg Saint-Honoré, 75008 Paris, France

1.4 INDEPENDENT PROPERTY VALUERS

The Charity's independent property valuers throughout 2024 and to date are:

- Savills Valuation SAS, 59 rue de Tocqueville, Paris, 75017 France

2 DIRECTORS, TRUSTEES AND BOARD

The Directors of the Company, the Trustees of the Charity and the members of the Board serving during the year and since the year end (collectively hereafter "the Directors" or, indifferently, "the Trustees") were as follows:

Christopher Wicker, Chair (*renewed for three years as Trustee and 2 years as Chair at the 21st June 2023 Trustees' meeting, the mandate as Chair was extended to 3 years ending in 2026 at the Trustees' meeting held on 22nd January 2025*).

Dr Julia Bache

Susan Cheyne, Vice-Chair (*whose mandate as Vice-Chair was extended to 3 years ending in 2026 at the Trustees' meeting held on 22nd January 2025*).

Stephen Cowen

Sandra Esquiva-Hesse

Ian Gosling (*renewed for three years at the 21st June 2023 Trustees' meeting*)

Richard Hallows (since 1st January 2025)

Julia Howes (since 1st January 2025)

Paul Johnson-Ferguson, Honorary Treasurer

Matthew Kay (since 1st January 2025)

Ian McDonald

Richard Seguin

Peter Terrell (*renewed for three years at the 21st June 2023 Trustees' meeting*)

2.1 TRUSTEE EMERITUS AND SUPPORTERS' COLLEGES

The Annual General Meeting held on 21st June 2023, created two colleges:

- The Trustee Emeritus college which comprises retiring Trustees and other individuals who have made outstanding contributions to the Charity, appointed to the college by the Trustees in recognition of their contribution to HBCF (or, post-merger – see below, to the BCF). They may continue to serve on committees (which must comprise two Trustees including the chair of the committee) and may, in the case of former Trustees, if they so desire, resign after one year and apply to become trustees once again.
- The Supporters' college which comprises people who have expressed a genuine interest in HBCF and are seen as potential future trustees or subject matter experts that could usefully contribute to committee work. The creation of this college and the recruitment of members was a priority given the need to ensure that the next generation of trustees was identified and onboarded on a timely basis.

COMMITTEES AND WORKING GROUPS

The Directors are allocated to the various working groups and committees as shown below. The Chair and Vice-Chair are considered ex-officio members of all the Committees and the Director General (see 5.4 below) is a guest at all meetings.

2.1.1 PROPERTY OPERATIONS AND STRATEGY COMMITTEE

Stephen Cowen, Chair

Patrick Deedes (Supporter) – from 22nd January 2025

Peter Terrell, Vice-Chair

Christopher Gilmore (Trustee Emeritus)

Paul Johnson-Ferguson

Richard Seguin

Sandra Esquivia-Hesse (ex-officio as a legal subject matter expert)

2.1.2 FINANCE, RISK, AUDIT & GOVERNANCE ("FRAG") COMMITTEE

Paul Johnson-Ferguson, Chair

David Blanchard (Trustee Emeritus)

Stephen Cowen

Ian Gosling (ex-officio as a legal subject matter expert)

Ian McDonald

Christopher Spencer (Supporter) – from December 2024

2.1.3 INVESTMENT SUB-COMMITTEE (of FRAG)

Paul Johnson-Ferguson, Chair

Edward Archer (Supporter)

Stephen Smith (Supporter)

2.1.4 NOMINATIONS COMMITTEE

Susan Cheyne, Chair

Dr Julia Bache

David Blanchard (Trustee Emeritus)

Peter Terrell

2.1.5 CHARITABLE GIVING COMMITTEE

Ian McDonald, Chair

Dr Julia Bache

Alicia Suminski (Trustee Emeritus)

Bridget Terrell (Trustee Emeritus)

Louisa Hobday (Supporter)

Stephanie Frackowiack (Supporter) – from March 2024

Olivia Bedier (Supporter) – from 20th November 2024

2.1.6 WELFARE COMMITTEE

A Welfare committee was formed in January 2025 to oversee the activities previously carried out by the British Charitable Fund (see note 6.2).

3 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 Company 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 1st 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”).

With effect on 1st 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 Fondation Cognacq-Jay (the “Fondation”) and OPS after receiving the approval of the French Health Authorities. HBHC sought and obtained the approval of the Charity Commission to the transaction.

In 2019, the Fondation increased its percentage ownership in the capital of the Groupement to 99.67 % and reduced OPS’ share to 0.33 %. HBHC’s obligation to contribute to the funding of the continuing deficits of the IHFB came to an end on 31st December 2019.

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. A new agreement was entered into between the Company and the Fondation making the hospital building available rent free until September 2025, with a potential extension until 2026. However, given that the Fondation’s building project on the rue Kleber site was running late, and that it was anticipated that the maternity, geriatric and other activities housed in the Company’s building will not move to rue Kleber until 2027 at best and potentially 2028, the agreement with the Fondation was extended on 13th December 2022 and now runs until 2028.

As part of the reorganisation of the hospital activity, on 1st January 2021, the Corporation sold its remaining medical activity (the “Centre International de Dermatologie” or “CID”) to the Fondation for a symbolic sum and all the employees attached to the CID were transferred to the Fondation.

Accordingly, the Charity ceased to provide medical services on 1st January 2021 and has provided no such services since that date.

4 OBJECTIVES

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 objectives of the Charity remain, in all essential respects, aligned with those initially laid down by the founder but they have evolved over time. These objectives, initially focused on the medical treatment of patients of British nationality resident in France or of any other nationality, but with a preference for the former were first extended to the provision of other health services and retirement homes. Then, in 2006, the objects of the Original Charity were further expanded to include the protection of health by such means as the trustees consider appropriate.

In 2023, the Charity brought its objects up to date and they now state that the objects of HBCF are:

- to preserve, protect, improve and enhance the medical, social, psychological, physical, mental and emotional health and well-being of the *Preferred Beneficiaries* and other persons residing in the communities in which they live including but not limited to the provision of grants and the provision of community facilities and resources for *Voluntary Organisations*;
- the relief of those in need, hardship or distress in particular but without limitation for Preferred Beneficiaries, including but not limited to the provision of accommodation such as convalescent and retirement homes and the payment of costs towards study for a profession, trade or calling; and
- the advancement of health by fostering collaboration and cooperation between the United Kingdom and France in the medical and para-medical fields, in particular but not exclusively by making grants to support applied research into human health, hospital care (with a preference for supporting hospital care for Preferred Beneficiaries) or such other means as the Trustees consider appropriate, including but not limited to, medical research, medical education and the fostering of Anglo-French co-operation in the medical field;
- *Preferred Beneficiaries* shall mean persons resident in France who are British and their immediate close relatives and other persons resident in France with British connections or associations with the United Kingdom including (but without limitation) persons who have in the past been resident in the United Kingdom.
- *Voluntary Organisations* shall mean independent organisations, which are established for purposes that add value to the community as a whole, or a significant section of the community, and which are not permitted by their constitution to make a profit for private distribution. Voluntary Organisations do not include local government or other statutory authorities.

The objects of the Original Charity were fully aligned with those of HBCF by Scheme 251438 which was issued by the Charity Commission issued on 3rd March 2024.

5 STRUCTURE, GOVERNANCE AND MANAGEMENT

5.1 PATRONAGE

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

5.2 APPOINTMENT OF TRUSTEES

The Charity was previously managed by Council of Management (renamed "Board" in the new articles) 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.

This was modified in the new articles approved on 22nd November 2023 and, at the end of a transition period, the Charity is governed by at least eight and not more than twelve Trustees.

The role of ex-officio members has been replaced by that of Honorary Trustee, it being specified that these Honorary Trustees shall be invited to all meetings of the Trustees and be provided with the papers prior to such meetings and shall be entitled to participate in the discussion at such meetings but they shall not be entitled to vote on matters on which the Trustees are entitled to vote.

Trustees are appointed for a term not exceeding three years and are eligible for re-election such that their total term of office shall not exceed nine years. 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...

Trustees become Members of the Company when appointed and cease to be Members when their mandate comes to an end. There are no other Members.

As part of the strategic planning for the future, and under the responsibility of the Nominations Committee, the Charity intends to ensure that significant attention is given in 2025 and subsequent years to creating a pool of potential "next generation" trustees whilst also ensuring that the wisdom and knowledge of long-standing trustees is retained.

5.3 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, there is an annual conflict of interest confirmation process which, together with the declarations made at the start of each meeting of the Trustees, ensures that the Trustees comply with the Conflict of Interest Policy (which is reviewed periodically and approved by the Trustees).

The Trustees are also asked to complete an annual self-assessment.

5.4 ORGANISATION

The Trustees administer the Charity and meet at least twice a year and, in practice, quarterly. At the meeting of Trustees held immediately after the Annual Trustees' Appointment Meeting (previously the Annual General Meeting), the Trustees elect a Chair, a Vice-Chair and Honorary Treasurer. The Trustees also elect the Chairs and members of the various committees listed above and, as appropriate, approve their terms of reference.

These committees make recommendations to the Trustees on the long-term strategy, oversee the finances of the Charity (including its reserves and investment policies), the charitable activities (including the grant giving policy and, from 2025, the welfare policy), the succession planning for Trustees and the operations of its commercial property portfolio. They meet as often as required.

In the light of the significant changes in the activities of the Charity as explained above, the operating policies were last updated and approved as follows:

- Reserves policy: approved at the Council meeting held on 16th June 2021.
- Charitable giving policy: approved at the Council meeting held on 20th October 2021 and updated on 17th January 2024 to take account of latest guidance on safeguarding.
- Investment policy: approved at the Council meeting held on 20th October 2021 and modified on 19th April 2023 to allow 20% of managed funds to be invested in non-euro denominated bonds and equities with no currency hedge.

The Property Strategy and Operations Committee's terms of reference were updated on 19th April 2023 to take account of its wider remit.

A complete review of the committee terms of reference and of the policies is underway and it is expected that the updated terms and policies will be submitted to the Trustees for approval at the Annual Trustees' Appointment Meeting in June 2025.

Since 1st January 2021, a Director General manages HBCF's affairs on a day-to-day basis, represents the Charity vis à vis third parties and assists the Directors in preparing the Company for the changes required once the hospital building ceases to be used by the Foundation in 2028. The Director General, Iain Hutton, took office in January 2021, and has served since then. The Director General was the sole employee of the Charity until June 2024 (when an administrative assistant was recruited), and he reports on a weekly basis to the Chair, Vice-Chair and Treasurer who assess his performance annually and set his remuneration.

5.5 THE BRITISH CHARITABLE FUND AND OTHER RELATED PARTIES

The Charity has enjoyed a long-standing relationship with the British Charitable Fund, Paris ("BCF"). The BCF, a UK registered charity with a related French entity (known as the "BCF in France"), was created over 200 years ago to provide help to British residents in France who had fallen on hard times. The founder of the Original Charity, Sir Richard Wallace, was the chairman and a 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 Charity also made a financial contribution each year to the BCF.

In order to facilitate the relationship between the two charities, each has appointed a trustee who is a guest at the meetings of the governance body of the other: Ian McDonald represented the Corporation at meetings of the BCF's governing body until the end of 2024 and Jonathan Goatly represents the BCF in France at meetings of the HBCF Trustees.

As is further explained in paragraph 6.2 below, the BCF and the Charity were engaged over several years in a process aimed at ensuring that the two charities could work ever more closely together going forward, this culminated in the merger of the two charities on 1st January 2025.

Apart from the BCF, there are no other related parties with whom the Charity entered into any material transactions in either 2024 or 2023.

6 ACHIEVEMENTS AND PERFORMANCE

6.1 CHARITABLE ACTIVITIES

In 2024 and prior years, the Objectives of the Charities are met:

- By making the hospital premises available to the Fondation Cognacq-Jay on a rent-free basis;
- By contributing in kind (rent free office space until 18th February 2022) and financially to the British Charitable Fund so that it could provide for British citizens in need of care and
- Through other discretionary giving to both British charities operating in France and other locally incorporated charitable entities whose purposes are aligned with the objects of the Charity and who satisfy the Charitable Giving Committee's due diligence process.

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 6th February 2025, that rent for 2024 would have approximated €1.68 million.

From 1st January 2025, post-merger of HBCF and BCF, it is the Charity which provides all the funding required by the BCF in France (see note 6.2 below) and which benefits from the income accruing on the investment portfolio, which was previously held by the BCF, Paris.

As is further detailed in note 9 to the Financial Statement, the total amount of Charitable giving, to the BCF and other Charities in 2024 amounted to € 164 938 (£ 136 767). In 2023, the comparable amounts were €160 630 (£ 139 604).

The Corporation also continues to assist the Fondation Cognacq-Jay with the "British" aspects of the hospital.

Throughout 2024, 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.

6.2 STRATEGIC PLAN

Trustees continue to work with the Charity's legal advisors to obtain relevant approvals, including that of the Charity Commission, to reduce the complexity of the HBCF structure (with the Company and Original Charity potentially merging) and then, in a second step, to focus on the wellbeing of beneficiaries in France with ties to Britain through two channels: as a grant making body for other voluntary organisations in France and as the source of funding for the BCF's welfare activities. Whilst it is of course not reflected in the 2024 financial statements, this second step was achieved on 1st January 2025 when HBCF and the BCF merged whilst retaining the BCF's French entity, the BCF in France. This entity, an association registered under the law of 1901, will continue in the short term to perform its current role of caring for the individual beneficiaries but it is anticipated that this activity would be fully transferred to HBCF during 2025. The permanent endowment that was held by the BCF remains as a distinct but linked charity and plans are in hand to release the permanent endowment and allocate the amounts held to a designated fund intended to fund grants to beneficiaries.

As is more fully explained in paragraph 6.4 below, the Trustees and Director General, assisted by appropriate advisors, have embarked on a renovation plan that will, in due course, see all of the Charity's investment property assets redeveloped to bring them up to date in terms of insulation, heating, etc. so as to ensure that they remain at the high end of the market and yield sufficient revenues to sustain a growing charitable activity.

Work has also started on planning for the redevelopment of the hospital site which will occur once the building is vacated by the Fondation Cognacq-Jay. As reported above, 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 initial end date of the agreement and an addendum to that agreement was signed in 2022 to ensure that the provision of care can continue as appropriate until 2028.

6.3 INVESTMENT AND BORROWING ACTIVITIES

As reported previously, the building at 12 rue Barbès in Levallois-Perret was sold on 18th February 2022 for €12.1 million and the proceeds used to reimburse the outstanding amounts due to Dexia Crédit Local. The net proceeds of €10.6 million were invested under the management of Rothschild Martin Maurel who are supervised by the Investment Committee. The investments were made in accordance with the Charity's investment policy and comprised two equal funds, one invested in "Fonds Euro" lower risk bonds and money market funds and the other being invested over time to create a managed equity and bond portfolio with a view to securing medium term capital growth whilst respecting the Charity's risk profile, as defined by the Investment Sub-Committee, and approved by the Trustees.

In the course of 2024 (and, for a small residual amount, in early 2025), under the supervision of the Investment Sub-Committee, the investments held in these two funds were redeployed, still under the management of Rothschild Martin Maurel, to improve overall performance whilst continuing to respect the Charity's risk profile.

Since late 2023, these investment funds are used as security for a Lombard loan that has been used to finance the renovation of the Château.

At 31st December 2024, as shown in note 17 to the Financial Statements, these funds have been marked to market with an increase in value.

Following the COVID crisis, 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 is being repaid over the full permitted term of 6 years from August 2020. The balance owing at 31st December 2024 amounted to €336 171 / £292 170 (2023: £466 134 / €536 341).

6.4 CHATEAU PROJECT & CHARITY PROPERTIES

As reported last year, a multi-year property redevelopment plan was prepared in 2022, with advice from an external property consultant and an architect selected after an initial tender process supervised by the Property Operations and Strategy Committee. This plan was presented to the Trustees at their June 2022 meeting and covered all the remaining properties under the Corporation's management: the hospital which is made available to the Fondation Cognacq-Jay until 2028, the Wallace Gardens building which is let to Batigère (a leading social housing company) and the Château. The plan proposed that the properties be redeveloped as they become available over time, starting with the Château which was not only the first to become available but also one that required significant renovation in order to remain lettable and meet environmental and other requirements such as disabled access.

The Wallace Gardens lease was extended in 2024 and will now run until 31st December 2030.

The work on renovating the Château commenced in the last weeks of 2023 and, on 17th February 2025, the renovated building was delivered after completion of a €10 million project to clean the façade, renew the gardens and totally renew the interior, bringing it fully up to modern standards, including environmental standards. The building will be operated as a meeting centre by Comet Levallois SAS, beginning on 31st March 2025.

Design work has also commenced on the hospital building so that the Charity can dispose of various redevelopment scenarios that will facilitate discussions with potential financial partners and operators.

7 FINANCIAL REVIEW

7.1 2024 FINANCIAL STATEMENTS - REVIEW

The cash position of the Charity at 31 December 2024 was £738 317 (€890 396), and Loans outstanding represent £ 5 957 290 (€7 184 382) compared to a cash position of £1 986 163 (€2 285 310) and outstanding loans of £765 754 (€1 036 341) at 31st December 2023. The net cash position has been reduced by the spending on the Chateau renovation which amounted to £7 224 748/ € 8 712 914 in 2024 (£884 349 / €1 017 546 in the year to 31st December 2023).

In 2024, the let property income amounted to £1 310 552 (€1 580 502) compared to £2 022 955 (€2 328 794) in 2023: the variation is explained by the vacancy in the Chateau as it underwent renovation.

In 2024, the Charity made an operating profit of £441 367 (€532 281) before deducting tax and before taking into account unrealised losses on valuation of assets. There is a profit of €137 159 (in 2023, a loss of €1 234 713) in the French accounts due to a difference in the treatment of depreciation, the valuation of property and financial assets. A reconciliation is provided at footnote 25 to the Financial Statements.

A professional valuation of the Château and Wallace Gardens properties at 31st December 2024 resulted in a decrease in the estimated market value of £11 693 538 (€14 102 192) bringing the total value of the property portfolio to £32 919 239 (€39 699 999). This loss in value resulted essentially from the trend in market rates and the state of the office market in the Paris region (particularly after the Covid driven move to working from home).

At 31st December 2023, given that work was in progress on the Chateau and that the Wallace Gardens property was last valued at 31st December 2021 (ie 2 years earlier), the Directors had determined that the investment assets would be shown at the same value as at the prior year-end.

As is further explained in note 16.2 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 Foreign Commonwealth and Development Affairs and managed and administered by the Directors of the Company who are also Trustees of the Original Charity (Hertford British Hospital).

7.2 PRINCIPAL RISKS AND UNCERTAINTIES FACING THE CHARITY

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

Members of the Property Operations and Strategy 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.

Members of the Finance, Risk, Audit & Governance 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 2024, the Charity received no significant endowments, grants or donations but, having sold the building at 12 rue Barbès in 2022 and invested the proceeds, the Charity is more exposed to stock market upturns and downturns although it is expected that the performance of the investment portfolio, which is marked to market at year end, may contribute more significantly to the Charity's financial performance in future years.

7.3 PLAN FOR FUTURE PERIODS

The Finance, Risk, Audit & Governance Committee will continue to keep operating costs to a minimum. Legal costs, which continue to be significant for a fourth year running, as the Trustees pursue changes in the structure, are expected to tail off towards the end of 2025. Interest payments to banks which previously included only the government backed loan rose in 2024 as the Company drew down on the Lombard loan to finance the renovation of the Château. This loan bears interest at EONIA 1 month plus 0.7%.

In order to ensure that the Lombard loan stayed well within the agreed limits with regards to the investment portfolio valuation, a further five-year term loan of €2 000 000 (£1 658 400) was raised from Société Générale in 2024. It is guaranteed by a €500 000 (£414 600) term deposit and bears interest at 3.91%.

The total interest charge for 2024 amounted to £184 281 / €222 239 (2023: £21 495 / €24 733).

The maximum draw down will reach £5.8 million (€7 million) in 2025, reducing to £4.0 million (€4.8 million) in 2027 which was the point at which the Wallace Gardens lease was due to expire. The lease was amended in early 2024 and now expires at 31st December 2030 at which time the Lombard loan is expected to be almost fully paid down.

Discussions continued throughout 2024 and into 2025 with the Charity's advisors in the UK and France as to the reorganization of the way in which the Original Charity's assets are held and managed and it is expected that 2025 will see a simplification of the legal structure in the UK.

8 TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

English company law requires the Directors 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 Directors 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 Directors 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.

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).

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

- So far as we are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- As the directors of the Company, 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.

9 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. This changed on 1st January 2025 with the merger with BCF and plans are in hand to update the GDPR policies and documentation.

10 AUDITORS

The reappointment of Grant Thornton for a six-year period commencing with the examination of the 2022 financial statements was proposed to the Annual General Meeting held on 22nd June 2022 and was approved. Their term will therefore expire with the examination of the accounts for the year ended 31st December 2027.

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By order of the Directors

Christopher Wicker, Chairman

16th April 2025



Statutory auditor's Report on the financial statements

Year ended 31 December 2024

Hertford British Charitable Fund

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 Charitable Fund Year ended 31 December 2024

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 Charitable Fund** for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flow and the related notes. 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 2024 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.

Tours, 4th of June 2025

The Statutory auditor
Grant Thornton
French Member of Grant Thornton International

Kristell Dicharry
Partner

Statement of Financial activities
(including income and expenditure account)
For the years ended 31st December

	Notes	2024 €	2023 €	2024 £	2023 £
				(0.8292)	(0.8691)
Income from property investments	5	1 580 502	2 328 794	1 310 552	2 023 955
Cost of property investments	7	(589 318)	(1 422 013)	(488 662)	(1 235 871)
Net income from property investments		991 184	906 781	821 890	788 084
Income from financial asset		716 408	942	594 046	819
Interest and related charges		(222 239)	24 733	(184 281)	21 495
Net income from financial asset		494 169	25 675	409 765	22 314
Depreciation charge on hospital	8	(103 073)	(103 073)	(85 468)	(89 581)
Charitable giving (grants paid)	9	(164 938)	(160 630)	(136 767)	(139 604)
Total expenditure on charitable activities		(268 011)	(263 703)	(222 235)	(229 185)
Governance costs	12	(685 061)	(459 850)	(568 053)	(399 657)
Net income before non-operating items		532 281	208 903	441 367	181 556
Net income before unrealised gains on investment properties		532 281	208 903	441 367	181 556
Valuations gains / (losses) :					
Investment properties	16	(14 102 192)	(77 044)	(11 693 538)	(66 959)
Financial assets		97 385	306 883	80 752	266 712
Net movement in funds before taxation		(13 472 526)	438 742	(11 252 171)	381 309
Taxation	13	(77 960)	(392)	(64 644)	(341)
Net movement in funds after taxation		(13 550 486)	438 350	(11 316 815)	380 968
Funds brought forward at 1 st January	24	58 945 602	58 507 252	51 229 622	51 890 082
Exchange difference		..	..	(2 271 176)	(1 041 427)
Funds carried forward at 31st December	24	45 395 116	58 945 602	37 641 631	51 229 623

The footnotes form an integral part of the financial reporting.

Balance sheet

As at 31st December

	Notes	2024 €	2023 €	2024 £	2023 £
Fixed assets					
Intangible fixed assets:	14	..	..	..	..
Tangible fixed assets	15	2 064 171	2 021 369	1 711 608	1 756 772
Investment properties	16	39 699 999	45 089 277	32 919 239	39 187 091
Financial assets	17	11 646 813	10 907 113	9 657 538	9 479 372
		53 410 983	58 017 759	44 288 385	50 423 235
Current assets					
Debtors	18	844 029	879 642	699 871	764 497
Short term investments		..	..	..	..
Cash at bank and in hand		648 514	2 254 388	537 748	1 959 289
Sinking fund	19	241 882	30 922	200 569	26 874
		1 734 425	3 164 952	1 438 188	2 750 660
Current liabilities					
Creditors	20	2 115 670	769 540	1 754 313	668 807
Loans (excluding accrued interest)	21	576 483	200 173	478 020	173 970
Taxation	13	77 960	392	64 644	341
		2 770 113	970 105	2 296 977	843 118
Net current (liabilities) / assets		(1 035 688)	2 194 847	(858 789)	1 907 542
Total assets plus net current assets		52 375 295	60 212 606	43 429 596	52 330 777
Long-term liabilities					
Loans	21	6 607 899	836 171	5 479 270	726 720
Provisions	22	..	..	..	..
Investment grant	23	372 280	430 830	308 695	374 434
Creditors	20	..	..	..	..
		6 980 179	1 267 001	5 787 965	1 101 154
Total net assets		45 395 116	58 945 602	37 641 631	51 229 623
Unrestricted funds					
Revaluation reserve	24	14 732 849	28 737 657	12 216 478	24 975 897
Special and other reserves	24	30 662 267	30 207 945	25 425 153	26 253 726
Total unrestricted funds		45 395 116	58 945 602	37 641 631	51 229 623

Signed on 16th April 2025

Christopher Wicker
Chairman

Iain Hutton
Director General




The footnotes form an integral part of the financial reporting.

Statement of cash flow

For the years ended 31st December

	Notes	2024	2023	2024	2023
		€	€	£	£
Cash flow from operating activities					
Net incoming resources for year		454 321	208 510	376 724	181 216
Depreciation		104 682	104 682	86 802	90 979
Decrease / (increase) in debtors		35 602	1 344 270	29 522	1 168 306
Increase / (decrease) in creditors		1 346 130	(721 059)	1 116 211	(626 672)
Increase / (decrease) in provisions	22	..	..	..	..
Increase / (decrease) in investment grant		(58 550)	(58 550)	(48 550)	(50 886)
Cash generated by operating activities		1 882 185	877 853	1 560 709	762 943
Taxation paid		77 568	(392)	64 319	..
Investing activities					
Net acquisition of fixed assets	15	(147 479)	(12 000)	(122 290)	(10 429)
Net acquisition of financial asset		(642 315)	(34 637)	(532 608)	(30 103)
Renovation of investment properties		(8 712 913)	(1 097 741)	(7 224 747)	(954 047)
Proceeds from disposal of fixed assets		..	..	..	..
Cash applied to investing activities		(9 502 707)	(1 144 378)	(7 879 645)	(994 579)
Net cash (outflow) / inflow before financing		(7 542 954)	(266 525)	(6 254 617)	(231 636)
Financing activities					
New long-term loans		6 500 000	500 000	5 389 800	434 550
Repayment of long-term loans		(351 960)	(229 408)	(291 845)	(199 379)
Cash applied to financing activities		6 148 040	270 592	5 097 955	235 171
Net cash applied		(1 394 914)	4 067	(1 156 662)	3 876
Net opening cash		2 285 310	2 281 243	1 894 979	1 982 628
Net closing cash		890 396	2 285 310	738 317	1 986 504
Net closing cash					
Cash at bank and in hand		648 514	2 254 388	537 748	1 959 289
Sinking fund	19	241 882	30 922	200 569	26 874
Short term investments		..	..	..	..
Current liabilities – short term bank loans		..	..	..	..
Net closing cash		890 396	2 285 310	738 317	1 986 163

The footnotes form an integral part of the financial reporting.



HERTFORD BRITISH CHARITABLE FUND

(previously the Hertford British Hospital Corporation, Paris)

Notes to the financial statements for the year ended 31st December 2024

1 Legal status, activities and financing

The Hertford British Charitable Fund (hereafter indifferently “HBCF”, “the Charity” or “the Company”), was incorporated in the United Kingdom on 10th May 1966 as a company limited by guarantee and not having a share capital. The Charity 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. It also provides limited financial support to the British Charitable Fund, a related charity and to other charities and benevolent organisations operating in France to further the physical and mental well-being of primarily British citizens resident in France and whose purposes are aligned with the Charity’s objects.

The Company also owns directly or indirectly (see note 16.2) a portfolio of investment properties and funds whose revenue is used to further the objects of the Charity.

2 Accounting policies

2.1 Basis of preparation

The financial statements incorporate the investment property management and commercial letting activities of the Company. They have been prepared under the historic cost convention, except for investments in property and financial investments 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 1st 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.

As at 31st December 2023, the Directors determined that the Statement of Financial activities should be presented in a way that more closely reflects the activity of the Company, distinguishing between the net income from property, the performance of the investments, operating costs and the amount of charitable contributions paid in the year. The 2024 presentation follows the same principles as those used in 2023.

2.2 Functional and reporting currencies

The functional and reporting currency of the Company 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 31st December 2024 and the year then ended: € 1 = £ 0.8292
- At 31st December 2023 and the year then ended: € 1 = £ 0.8691

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 remaining to be spread is revised annually in accordance with the relevant index.

There is no longer any health services income.

2.4 Costs of generating funds

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

2.5 Charitable activities

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

2.6 Irrecoverable VAT

As a charity, the Company 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 directly for charitable 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. Exceptionally at 31st December 2024, the Trustees obtained independent valuations of both investment properties and on

the hospital premises.

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

The sole employee at 1st January 2024 has already claimed his pension benefits and, accordingly, when that individual leaves the Company, no lump sum will be due. A second employee was recruited in June 2024 but, given her age and expected length of service, no provision has been recorded at 31st December 2024.

3 Significant events in the current and prior year

3.1 Occupancy agreement with the Fondation Cognacq-Jay (prior year)

On 9th December 2020, HBCF entered into an occupancy agreement with the Fondation Cognacq-Jay, which is now the sole operator of the hospital, managed by the Fondation under the name “Hôpital Franco-Britannique Fondation Cognacq-Jay”.

The occupancy agreement provides that the Company 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 28th September 2020 at 00 hour, expiring on 28th September 2025 at midnight.

In 2022, because of the delays encountered in the renovation of the Fondation Cognacq-Jay’s nearby hospital buildings, the occupancy agreement was extended under the same terms until 2028 and now provides that the borrower may, 6 months before the end of the initial term, request that HBCF extend that term to either 28th March 2027 or 28th September 2028. Such notice was required to be given no later than 28th March 2025 by registered letter with recorded delivery and this only in the event that the work under way to restructure the Hôpital Franco Britannique site such as to allow all the medical activities to be consolidated into that one site has not been completed. The Company received the notification in 2025 and the term of the rent-free lease will therefore run to 28th September 2028.

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 Company and the Fondation Cognacq-Jay do not call into question the reimbursement by the Hôpital Franco Britannique of the subsidies described in note 23.

3.2 Litigation with Zalthabar (prior and current years)

Zalthabar, the previous tenant of the Chateau, was wound up by the Commercial Court in 2023 and, at 31st December 2023, given that the Company had not yet received the necessary certificate of non-recoverability from the receiver, these amounts, totalling €585 460 (£508 823) were shown on the balance sheet under the “Debtors” caption and were fully provided against for the net of tax amount of €476 396 (£414 036).

In 2024, the debtor balance was written off and the provision reversed. No amounts related to Zalthabar remain on the balance sheet at 31st December 2024.

3.3 Restructuring work on the Château building (the original hospital) and new lease (current year)

On 23rd October 2023, HBCF obtained a building permit for the complete restructuring of the original hospital building, known as the Château, and held as an investment asset. On 18th November 2023, a fixed price works contract amounting to €8.28 million (£ 7.20 million) was entered into with Fayat Bâtiment Ile de France. The work was expected to be completed on 2nd January 2025, date on which the premises were to be operated by Comet Levallois under a forward lease agreement that was entered into on 30th August 2023. This lease, which was amended in 2024, provides for a total term of 12 years with a fixed term of 10 years.

At 31st December 2023, the work carried out to date, consisting essentially of the removal of all interior fittings and depollution was accounted for as “fixed assets in progress” and was not amortized.

During 2024, further work was carried out, including certain work realised at the request of the future tenant. This work gave rise to additional costs and delayed the delivery until 17th February 2025.

All work carried out on the Château until 31st December 2024 is accounted for as fixed assets in progress and no depreciation has been accounted for since the building was only delivered on 17th February 2025.

3.4 Financing arrangement for the restructuring work on the Château

In order to finance the work on the Château, HBCF obtained financing from Rothschild Martin Morel. This financing takes the form of a Lombard loan secured by a lien over the capitalization funds opened in 2022 with the proceeds of the sale of the building at 12 rue Barbès. The loan was obtained in two tranches, one signed on 18th April 2023 for a total amount of €3 million (£2.6 million) and a second amount of €5 million (£4.35 million) signed in early 2024.

At 31st December 2024, several tranches have been drawn down, totalling €5 500 000 (£4 560 600) and are shown under the “Loans” caption of the balance sheet. The principal terms of this financing are as follows:

- Maximum amount available: €8 million (£ 6.95 million)
- Length of the loan: undefined (in effect a credit facility rather than a loan)
- Reimbursement: in fine
- Interest rate: Euribor 1 month plus 70 basis points

In order to ensure that sufficient headroom was left on the Lombard loan to ensure that potential fluctuations in the valuation of the investment portfolio did not trigger a requirement to immediately reduce the balance outstanding, a fixed term loan of €2 million was obtained from Société Générale. The principal terms of this loan are:

- Amount borrowed: €2 million (£ 1.66 million)
- Length of the loan: 5 years fixed term from July 2024
- Reimbursement: monthly
- Interest rate: 3.91% fixed rate

4 Post balance sheet events

As of the date of approval of these financial statements by the Trustees, there were no events that had occurred after 31st December 2024, and which would either require an adjustment to those financial statements or disclosure therein.

5 Income from investments

	2024	2023	2024	2023
	€	€	£	£
Let property income				
Rental income and indemnities	1 047 865	1 656 712	868 890	1 439 848
Other charges invoiced to tenants	474 087	613 261	393 112	532 985
	<u>1 521 952</u>	<u>2 269 971</u>	<u>1 262 002</u>	<u>1 973 833</u>
Interest income				
Exchange gain / (loss) - net	..	272	..	236
Grant	<u>58 550</u>	<u>58 550</u>	<u>48 550</u>	<u>50 886</u>
Total income from investments	<u>1 580 502</u>	<u>2 328 794</u>	<u>1 310 552</u>	<u>2 023 955</u>

6 Income from health services

HBCF no longer provides health services. The last year in which such services were reported was 2021.

7 Expenditure on raising funds

	2024	2023	2024	2023
	€	€	£	£
Let property expense				
Expenses recoverable from tenants	126 940	238 501	105 259	207 281
Taxes recoverable from tenants	347 147	374 760	287 854	325 704
Property taxes	104 653	62 248	86 778	54 100
Other costs and expenses	26 867	316 771	22 278	275 306
Risk provisions (see below)	(16 289)	422 893	(13 507)	367 536
	589 318	1 415 173	488 662	1 229 927
Interest on borrowings				
<i>Investment properties:</i>				
Interest on loans	222 229	5 633	184 272	4 896
Bank interest	10	1 207	8	1 048
Total interest	222 239	6 840	184 280	5 944
Total expenditure on raising funds	811 557	1 422 013	672 942	1 235 871

8 Health services and other expenditure

HBCF no longer provides health services. The last year in which such services were reported was 2021. Accordingly, other expenditure comprises only depreciation, as follows:

	2024	2023	2024	2023
	€	€	£	£
Depreciation				
<i>Hospital:</i>				
Buildings	103 073	103 073	85 468	89 581
Intangible assets	..	..	..	..
Total health services and other expenditure	103 073	103 073	85 468	89 581

9 Charitable activities

The direct provision of health services ceased in 2021 and, since then, the Company's charitable activity consisted mainly in:

- making freely available the hospital building whose market rent has been independently evaluated by Savills in a report issued on 6th February 2025 as reaching €1.68 million per annum.
- making an annual grant to the BCF (which amounted to €112 000 / £92 870 in 2024 compared to €105 250 / £91 473 in 2023) and to other charities based in France but with UK ties and whose charitable objects are aligned with those of the Company. These grants amounted to €52 938 (£43 896) in 2024 compared to €55 380 (£48 131) in 2023.

10 Staff costs

	2024	2023	2024	2023
	€	€	£	£
Salary costs	156 731	128 433	129 961	111 621
Social security costs	66 646	45 365	55 263	39 427
	223 377	173 798	185 224	151 048
Health services	..	..	..	..
Administration	223 377	173 798	185 224	151 048
	223 377	173 798	185 224	151 048

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:

	2024			2023		
	Total	Health	Admin.	Total	Health	Admin.
Administrative staff	2	..	2	1	..	1
Total	2	..	2	1	..	1

Emoluments of employees:

	2024	2023
Above £70 000 (€80 000)	1	1
Between £62 000 and £72 000 (€70 000 and €80 000)	..	..
Below £62 000 (€70 000)	1	..
Total	2	1

The total gross remuneration of the three highest paid employees was €149 597 (£124 045) for the year ended 31st December 2023 (€124 576 (£108 269 in 2023)).

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

11 Indemnity insurance

Included in income from property investments 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.

	2024	2023	2024	2023
	€	€	£	£
Premiums	860	860	713	747

12 Governance costs

These costs can be analysed as follows:

	2024	2023	2024	2023
	€	€	£	£
Staff costs	223 377	173 798	185 224	151 048
Provision for retirement indemnities	..	..	..	..
Audit fee	20 776	18 870	17 227	16 400
Legal fees	231 124	259 131	191 648	225 211
Other fees and expenditures	181 927	41 080	150 854	35 703
Depreciation	1 609	1 609	1 334	1 398
Net book value of assets sold	..	..	..	..
Impairment of financial assets	26 248	(34 638)	21 765	(30 103)
	685 061	459 850	568 053	399 657

13 Taxation

The Company is registered as a non-profit association in France under the law of 1st July 1901 and, as such, is only subject to income tax on the net profit arising from investment properties to which it has full legal title (12 rue Barbès until its sale in 2022) at a rate of 24% and on certain financial income at a rate of 10%.

The tax computation on rental and investment income is as follows for the years to 31st December:

		2024	2023	2024	2023
		€	€	£	£
Investment Property Income	Taxable income from investment properties	..	..	..	..
	Management costs	..	..	..	..
	Insurance	..	..	..	..
	Real estate and related taxes	..	..	..	..
	Depreciation	..	..	..	..
	Adjustment to amounts recovered from tenants	..	..	..	..
	Improvements	..	..	..	..
	Interest income	..	..	..	..
Total taxable rental income					
Financial Investment Income	Income on capitalization contracts*	397 971	182 516	329 998	158 625
	Other financial income	26 209	942	21 732	819
	Total financial income	424 180	183 459	351 730	159 444
	Total Income before loss carried forward	424 180	183 459	351 730	159 444
	Loss carried forward from prior year	..	(179 543)	..	156 041
	Total taxable income	424 180	3 916	351 730	3403
	Tax charge for the year	77 960	392	64 644	341
	Loss carried forward :				
	At 1st January 2024	..	(179 543)	..	(156 041)
	Loss offset against income	..	179 543	..	156 041
	At 31st December 2024	..	..	..	..

The actuarial interest rate equal to 105 % of the monthly rate for long-term government loans known on the contract subscription date, i.e.: 1.63 105% = 1.71 %.

14 Intangible assets

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

	2024	2023	2024	2023
	€	€	£	£
Cost	9 290	9 290	7 703	8 074
Aggregate depreciation	(9 290)	(9 290)	(7 703)	(8 074)

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)
	€	€	€	£	£	£
Cost or valuation						
At 1 st January 2024	9 926 767	9 917 461	9 306	8 627 354	8 619 266	8 088
Additions	147 479	147 479	..	122 290	122 290	
Disposals	..	..	..	..	..	..
Exchange difference	..	..	..	(396 079)	(395 708)	(371)
At 31 st December 2024	10 074 246	10 064 940	9 306	8 353 565	8 345 848	7 717
Aggregate depreciation						
At 1 st January 2024	7 905 393	7 900 040	5 353	6 870 591	6 865 932	4 659
Charge for the year	104 682	103 073	1 609	86 803	85 469	1 334
Disposals	..	..	..	..	..	..
Exchange difference	..	..	..	(315 437)	(315 223)	(214)
At 31 st December 2024	8 010 075	8 003 113	6 962	6 641 960	6 636 178	5 779
Net book value						
At 1 st January 2024	2 021 374	2 017 423	3 953	1 756 763	1 753 334	3 429
At 31 st December 2024	2 064 171	2 061 827	2 344	1 711 608	1 709 670	1 938

Additions in 2024 represent the cost of initial architectural studies for the restructuring of the hospital building.

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

Health service (in €)	Total	Buildings Hospital 1990	Buildings Hospital 1982	Buildings Hospital 1974	Renovation Hospital
	€	€	€	€	€
Cost					
At 1 st January 2024	9 917 461	3 046 184	5 265 953	1 593 324	12 000
Additions	147 479	..	..	..	147 479
Disposals	..	..	..	..	..
At 31 st December 2024	10 064 940	3 046 184	5 265 953	1 593 324	159 479
Aggregate depreciation					
At 1 st January 2024	7 900 038	2 210 874	4 095 840	1 593 324	..
Charge for the year	103 073	25 237	77 836	..	..
Disposals	..	..	..	..	..
At 31 st December 2024	8 003 111	2 236 111	4 173 676	1 593 324	..
Net book value					
At 1 st January 2024	2 017 423	835 310	1 170 113	..	12 000
At 31 st December 2024	2 061 829	810 071	1 092 279	..	159 479
Health service (in £)	Total	Buildings Hospital 1990	Buildings Hospital 1982	Buildings Hospital 1974	Renovation Hospital
	£	£	£	£	£
Cost					
At 1 st January 2024	8 619 266	2 647 439	4 576 640	1 384 758	10 429
Additions	122 290	..	..	..	122 290
Disposals	..	..	..	..	..
Exchange difference	(395 708)	(121 543)	(210 112)	(63 574)	(479)
At 31 st December 2024	8 345 848	2 525 896	4 366 528	1 321 184	132 240
Aggregate depreciation					
At 1 st January 2024	6 865 932	1 921 471	3 559 703	1 384 758	..
Charge for the year	85 469	20 927	64 542	..	..
Disposals	..	..	..	..	..
Exchange difference	(315 220)	(88 213)	(163 433)	(63 574)	..
At 31 st December 2024	6 636 181	1 854 185	3 460 812	1 321 184	..
Net book value					
At 1 st January 2024	1 753 334	725 968	1 016 937	..	10 429
At 31 st December 2024	1 709 667	671 711	905 716	..	132 240

Other fixed assets - Admin (in € and £)	Total	Furniture	Computer equipment	Total	Furniture	Computer equipment
	€	€	€	£	£	£
Cost						
At 1 st January 2024	9 306	2 372	6 934	8 088	2 062	6 026
Additions						
Disposals	..	..	..	..	..	..
Exchange differences	..	..	..	(371)	(95)	(276)
At 31 st December 2024	9 306	2 372	6 934	7 717	1 967	5 750
Aggregate depreciation						
At 1 st January 2024	5 353	1 066	4 287	4 659	933	3 726
Charge for the year	1 609	439	1 170	1 334	364	970
Disposals & reclassification	..	..	..	..	..	..
Exchange differences	..	..	..	(214)	(43)	(171)
At 31 st December 2024	6 962	1 505	5 457	5 779	1 254	4 525
Net book value						
At 1 st January 2024	3 953	1 299	2 647	3 429	1 129	2 300
At 31 st December 2024	2 342	860	1 475	1 938	713	1 225

16 Investment properties

	Total €	Total £
Historical cost		
At 1 st January 2024	17 346 919	15 076 207
Additions	8 712 914	7 224 748
Disposals	(..)	(..)
Exchange difference	..	(692 141)
At 31 st December 2024	26 059 833	21 608 814
Market value		
At 1 st January 2024	45 089 277	39 084 424
Fixed assets – increase	8 712 914	7 224 748
Disposals	..	..
Revaluation of properties	(14 102 192)	(11 693 538)
Exchange difference	..	(1 696 395)
At 31st December 2024	39 699 999	32 919 239

Investment properties are all located in Levallois-Perret in France and, at 31st December 2024, included:

- 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.

16.1 Valuation of investment properties

The independent valuation of the original hospital (the “Chateau”) and the Wallace Gardens offices was carried out in early 2025 by Savills (valued as at 31st December 2024).

At 31st December 2023, the Directors had determined that the assets should be stated at the same valuation as at the prior year end since there was building work in progress on the Chateau and the Wallace Gardens buildings were last valued in 2022 (less than three years previously).

16.2 Secretary of State for Foreign Commonwealth and Development Affairs

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 Foreign, Commonwealth and Development Affairs. He was deemed, under English law, to have accepted the gift of the land in his capacity of trustee for the Original Charity. Following a scheme of arrangement dated 2nd November 1977, the Charity Commissioners for England and Wales confirmed that the land and buildings continue to be vested in the Secretary of State and that their management and administration is undertaken by the members of the Directors of the Company who are also Trustees of the Original Charity.

17 Financial assets

Financial assets are as follows:

Summary (in € and £)	Total €	Total £
Cost or valuation		
At 1 st January 2024	10 907 113	9 479 372
Net acquisition of financial assets	642 315	532 608
Revaluation of financial asset	123 629	102 514
Exchange difference	..	(435 194)
At 31 st December 2024	11 673 057	9 679 299
Aggregate depreciation		
At 1 st January 2024	..	..
Charge for the year	26 244	21 765
Retirements	(..)	(..)
Exchange difference		(..)
At 31 st December 2024	26 243	21 765
Net book value		
At 1 st January 2024	10 907 113	9 479 372
At 31 st December 2024	11 646 813	9 657 538
Market Value	11 646 813	9 657 538

18 Debtors

Debtors comprise the following at 31st December:

	2024	2023	2024	2023
	€	€	£	£
Income not yet invoiced (rental on Batigère lease)	276 300	546 840	229 108	475 259
Accounts receivable net of depreciation	..	165 803	..	144 099
Other debtors and prepayments	225 102	25 458	186 655	22 126
VAT	279 802	78 716	232 008	68 412
Receivable from IHFB (now HFB-FCJ)	62 825	62 825	52 094	54 601
Investment grant from ARS to be received from IHFB (now HFB-FCJ)	..	..	..	..
Investment grant on cost overrun of the smoke extraction system to be received from IHFB (now HFB-FCJ)	..	..	..	..
	844 029	879 642	699 871	764 497

19 Sinking fund

A sinking fund has been set up to meet unforeseen expenses. As of 31st December 2024, this fund has a balance of €241 882/£200 569 (2023 €30 922/£26 874). The amount is invested in a passbook savings account and earned interest of €1 881 / £1 560 for the year ended 31st December 2024 (2023 € €942 / £818).

This "sinking fund" was initially planned to face future cost of refurbishment but there is in fact no constraint on its use.

20 Current liabilities

Current liabilities comprise the following at 31st December:

	2024	2023	2024	2023
	€	€	£	£
Social debt	54 207	36 638	44 948	31 842
Suppliers	737 928	117 728	611 890	102 317
Due to tenants	83 472	..	69 215	..
Deposits received from tenants	398 676	450 483	330 582	391 515
VAT	68 229	162 651	56 575	141 360
IHFB contribution (see below)	..	..	..	..
Payments received in advance	725 000	..	601 170	..
Due to IHFB (now HFB-FCJ)	79	79	66	69
Accrued interest on loans	48 079	1 961	39 867	1 704
Other creditors and accruals	..	..	..	..
	2 115 670	769 540	1 754 313	668 807

21 Loans

21.1 Summary

Details of outstanding loans are as follows at 31st December:

	2024	2023	2024	2023
	€	€	£	£
Short-term bank loans	..	..	..	..
Short-term portion of property loans	576 483	200 173	478 020	173 970
Total short-term loans	576 483	200 173	478 020	173 970
Long-term portion of property loans	6 607 899	836 171	5 479 270	726 720
Total loans	7 184 382	1 036 344	5 957 290	900 690

21.2 Property loans in detail

	Note	Total €	Long-term €	Short-term €	Total £	Long-term £	Short-term £
At 1 st January 2024							
Rothschild Martin Maurel - Lombard loan	(a)	500 000	500 000	..	414 600	414 600	..
Société Générale (previously Crédit du Nord) « PGE » loan	(b)	536 344	336 171	200 173	444 736	278 753	165 983
Société Générale	(c)	..	..	..	..	..	..
Total		1 036 344	836 171	200 173	859 336	693 353	165 983
At 31 st December 2024							
Rothschild Martin Maurel - Lombard loan	(a)	5 000 000	5 000 000	..	4 146 000	4 146 000	..
Société Générale (previously Crédit du Nord) « PGE » loan	(b)	336 168	..	336 168	278 751	..	278 751
Société Générale	(c)	1 848 214	1 473 048	375 166	1 532 539	1 221 451	311 088
Total		7 184 382	6 473 048	711 334	5 957 290	5 367 451	589 839

The details of the loans subscribed and the balances due are as follows:

		Amount subscribed €	Amount drawn down at 31 st Dec. 24 €	Amount due at 31 st Dec. 24 €	Duration	Interest rate
Rothschild Martin Maurel – Lombard loan	(a)	8 000 000	5 000 000	5 000 000	Revolving	Euribor 1 month plus 70 basis points
Société Générale (previously Crédit du Nord) « PGE » loan	(b)	999 000	999 000	336 168	6 years from August 2020	0.25% initial rate
Société Générale – fixed term loan	(c)	2 000 000	2 000 000	1 848 214	5 years from July 2024	3.91% fixed rate

22 Provisions

There are no provisions at the year-end (and none at 31st December 2023).

23 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. 2023	Increases	Reductions	31 Dec. 2024
	€	€	€	€
Initial investment grant	312 729	..	42 500	270 229
Additional grant	118 101	..	16 050	102 051
Total in €	430 830	..	58 550	372 280
Total in £	361 166	..	48 550	312 616
Exchange difference	13 268	..	(17 190)	(3 923)
Total in £	374 434	..	65 740	308 693

In 2011, the Company 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 Company 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 Company 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 3.3)

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

24 Unrestricted funds

	2024	2023	2024	2023
	€	€	£	£
Revaluation reserve				
1967 revaluation of land at rue Barbès	198 184	198 184	164 334	172 242
1974 revaluation of other fixed assets	472 195	472 195	391 544	410 385
	670 379	670 379	555 878	582 627
Unrealised gain on investment properties				
Revaluation reserve	14 062 470	28 067 277	11 660 600	24 393 270
Total revaluation reserve	14 732 849	28 737 656	12 216 478	24 975 897
Special reserves				
Investment reserve	173 130	173 130	143 559	150 467
Treasury reserve	549 156	549 156	455 360	477 271
Total special reserves	722 286	722 286	598 919	627 738
Other reserves				
Reserve for refurbishment of assets	1 000 000	1 000 000	829 200	869 100
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	914 070	958 054
Various other funds	1 310 983	1 310 982	1 087 069	1 139 375
Total other reserves	3 413 335	3 413 334	2 830 339	2 966 529
General funds	26 526 646	26 072 325	21 995 895	22 659 459
Total special and other reserves	30 662 267	30 307 945	25 425 153	26 253 726
Total unrestricted funds	45 395 116	58 945 602	37 641 631	51 229 623

As described in note 16.1, the investment properties were independently valued at 31st December 2024 and this gave rise to a € 14 102 192 (£ 11 693 538) decrease in the revaluation reserve that was recorded at 31st December 2024.

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.

25 Reconciliation to French financial reporting

Given its status in France and French law, the books and records of the Company 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 31st December and its reconciliation to the net movement in funds after taxation as reported herein can be reconciled as follows:

	2024	2023	
	€	€	
Net profit (loss) for the year per French accounts	137 159	(1 234 713)	
Reconciling items			Impacted items
Disposal of investment assets	..	919 606	Unrealized gain & loss
Investment asset	..	..	Unrealized gain & loss
Depreciation of investment assets	..	..	General funds
Revaluation of investment assets	(14 004 807)	229 839	Unrealized gain & loss
Difference in depreciation charge	317 162	523 618	General funds
Net movement in funds after taxation	(13 550 486)	438 350	

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

	2024	2023	
	€	€	
Net equity per French accounts	19 476 197	19 339 037	
Reconciling items			
Revaluation of assets	14 062 471	28 067 276	
Cumulative difference in depreciation charge	11 856 448	11 539 289	
Other	..	..
Total unrestricted funds	45 395 116	58 945 602	

26 Off balance sheet commitments

26.1 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 Company should leave the French social security system, a pro-rata temporis reimbursement would have applied. As of 31st December 2022, the liability was fully extinguished.

26.2 Other commitments

As is explained at note 3.5, the Company has provided a lien ("nantissement") over the funds managed by Rothschild Martin Maurel in guarantee of the Lombard loan that has been obtained to finance the work on the Château.

In addition, to secure the €2 million loan from Société Générale, an amount of €500,000 has been deposited with Société Générale and is pledged in guarantee of the loan.