

Company registration number 04717154 (England and Wales)

**LA FRANÇAISE GROUP UK FINANCE LIMITED**

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2023**



# LA FRANÇAISE GROUP UK FINANCE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	D K Rendall P J Balfour
<b>Company number</b>	04717154
<b>Registered office (up to 1 February 2024)</b>	78 Brook Street London United Kingdom W1K 5EF
<b>Registered office (from 1 February 2024)</b>	6th Floor 17 St Swithin's Lane London United Kingdom EC4N 8AL
<b>Auditor</b>	Mazars LLP Statutory Auditor The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF
<b>Bankers</b>	BNP Paribas 10 Harewood Avenue London NW1 6AA

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# **LA FRANÇAISE GROUP UK FINANCE LIMITED**

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# LA FRANÇAISE GROUP UK FINANCE LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2023

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The directors present the strategic report for the year ended 31 December 2023.

#### **Fair review of the business**

The 2023 economic environment was challenging for the real estate market with rising debt costs and downward pressure on pricing. The market continues to be volatile and challenging. High interest rates and inflation are having an impact on liquidity.

There were positive initiatives across the business however the economic and property market backdrop was challenging, resulting in fewer transactions within the La Francaise Group.

Following the sale of the Starlight portfolio in 2022, the company had no fee income in 2023. Due to rising debt costs and challenging real estate market, many investors were sitting on the fence, nervous about putting money into the market. There had been a lot of activities on business development, leading to a pipeline of potential clients in Asia and Australia. The focus for 2024 is to further develop those relationships and continue to focus on maintaining and developing relationships with its existing clients, delivering a high level of service, and providing exit strategies to clients.

#### **Principal risks and uncertainties**

La Française Group UK Finance Limited ("the company") is currently managed and controlled by La Française Real Estate Managers SAS which has responsibility for determining the business strategy and risk appetite of the business as a whole. The company operates a straightforward business model of property investment management on behalf of professional clients and the risk profile is considered inherently low. The systems, processes and internal control mechanisms are considered adequate and proportionate to the nature, scale and complexity of the company's activities. The key risks identified by the company as well as the management strategies in place for dealing with such risks have been recorded in a risk register.

#### **Key performance indicators**

During the year, the company recorded turnover of €nil (2022: €2,199,598) and a net loss before tax of €876,904 (2022: net profit before tax of €1,352,546). The directors do not consider the company's performance to be satisfactory, however given the current economic climate, it is within expectation.

#### **Financial risk management objectives and policies**

The company's main financial instruments comprise cash and various trading items such as trade creditors, amounts owed to fellow group undertakings and trade debtors. The main purpose of these instruments is to provide finance for the company's operations. The existence of these financial instruments exposes the company to certain risks. These are summarised below:

##### *Credit risk*

The company seeks to manage its credit risk by dealing with established customers and by identifying and addressing any credit issues in a timely manner. Turnover is principally derived from group companies.

##### *Liquidity risk*

The company has low exposure to liquidity risk as it has sufficient cash balances to manage any short-term liquidity issues.

##### *Cash flow risk*

Through regular cash flow forecasting and monitoring of cash flows the company can meet its financial commitments as they fall due.

#### **Capital requirements directive**

The company is required to disclose information relating to its risks and its capital and risk management objectives and policies. The company's required disclosures are provided on the company's website.

# LA FRANÇAISE GROUP UK FINANCE LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### **Going concern**

The company is part of the of the La Française Group ('the Group') which, along with its ultimate controlling party Credit Mutuel Alliance Federal which reported a profit of EUR 4.1 billion for 2023, the Group is financially strong.

The company has reported a loss in the current year. As of 31 December 2023, the company has net assets of EUR 957,867 and cash balance of EUR 1.1m. ICARA assessment of the company indicates that the company has sufficient resources to meet its FCA capital and liquidity requirements in 2024. In addition, the company has access to the considerable financial resources of the immediate parent and ultimate holding companies. The directors are satisfied that the company is able to meet its obligations and liabilities in the next twelve months as they fall due.

The directors, having assessed the financial position of the company and responses of the directors of the company's immediate parent company (La Française Real Estate Managers SAS) to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue as a going concern. La Française Real Estate Managers SAS has confirmed its willingness to make available sufficient funds to enable the company to continue for at least 12 months from the date of signing of the financial statements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Groupe La Française, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **STATEMENT OF THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH S172 (1) COMPANIES ACT 2006**

#### *Long Term Consequences*

The directors understand that the success of the company is built around long-term strategies and potential consequences need to be recognised alongside any risks. The directors consider the long-term consequences when making any key decisions. Four board meetings are being held annually and regular meetings are also arranged with senior management of the group and various key management of Groupe La-Française to understand the risks and implications of the decisions. Also, any impact is mitigated by seeking advice from external specialists.

#### *Employees*

The company adopts Group La-Française HR policies. On a group basis, the directors recognise that employees are the group's asset and are therefore committed to investing in their personal and professional development. The group offers rewards, benefits, and training to ensure the employees are recognised for their efforts whilst ensuring health and wellbeing is maintained. No employees were employed by the company during the year.

#### *Business Relationships*

The company conducts its business with integrity for all the stakeholders. The directors ensure code of conduct rules are followed during business interactions, whilst complying with all relevant standards. The company has regular meetings with all its clients to provide updates and to have strategy discussions. The directors monitor group employee performances through meetings and appraisals to ensure a high standard of service is being provided to all stakeholders.

#### *Community and Environment*

Group La-Française is committed to sustainable investment and wherever possible, the company adopts the same policies as Groupe La-Française. The company has implemented to take part in various fundraising such as "Red Nose Day" to raise funds and awareness of the cause, which is actively encouraged and supported by the directors. The company understands that small changes can make a big difference to the environment. Therefore, the directors have implanted environmental practices to reduce overall carbon footprint such as recycling.

#### *Companies Policies and Procedures*

The company is committed to achieving and maintaining the highest degree of quality in all its operations and its provision of services. The company is authorised and regulated by FCA, who supervises and engages with the company through reporting requirements during the year. This ensures that the company has policies and procedures to meet FCA strict standards and guidelines.

# LA FRANÇAISE GROUP UK FINANCE LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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On behalf of the board



.....  
P J Balfour  
Director

Date: 28 FEBRUARY 2024  
.....

# LA FRANÇAISE GROUP UK FINANCE LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2023

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The directors present their annual report and financial statements for the year ended 31 December 2023.

#### Principal activities

The company's principal activity is acting as an intermediary conducting investment business under the Financial Services and Markets Act 2000.

#### Results and dividends

The results for the year are set out on page 9.

During the year, ordinary dividends were paid amounting to €1,000,000 (2022: €nil). The directors do not recommend payment of a final dividend.

#### Directors

The directors who held office during the year and up to the date of signature of the annual report and financial statements were as follows:

D K Rendall

P J Balfour

#### Post reporting date events

With effect from 1 January 2024, the ultimate controlling party changed to Groupe Credit Mutuel Alliance Federale, a body corporate incorporated in France. The registered office of Groupe Credit Mutuel Alliance Federale is 4 rue Frédéric-Guillaume Raiffeisen Strasbourg.

#### Future developments

The directors do not expect the company's principal activity to change from that of conducting investment business under the Financial Services and Markets Act 2000.

#### Auditor

The auditor, Mazars LLP, is deemed to be reappointed under section 485 of the Companies Act 2006.

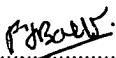
#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of financial risk management objectives and policies.

On behalf of the board

  
.....

P J Balfour

Director

Date: 28 FEBRUARY 2024

# **LA FRANÇAISE GROUP UK FINANCE LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023**

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The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS 101"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LA FRANÇAISE GROUP UK FINANCE LIMITED**

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## **Opinion**

We have audited the financial statements of La Française Group UK Finance Limited (the 'company') for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

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

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LA FRANÇAISE GROUP UK FINANCE LIMITED (CONTINUED)**

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

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-bribery and data regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LA FRANÇAISE GROUP UK FINANCE LIMITED (CONTINUED)

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We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as FCA regulations, tax legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition which we pinpointed to the cut-off, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

### **Use of the audit report**

This report is made solely to the 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 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 company's members as a body for our audit work, for this report, or for the opinions we have formed.

*Sarah Cooke*

Sarah Cooke (Senior Statutory Auditor) for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes  
MK9 1FF

29-Feb-2024

# LA FRANÇAISE GROUP UK FINANCE LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

		2023 €	2022 €
	Notes		
Turnover	3	-	2,199,598
Operating expenses		(818,559)	(792,120)
<b>Operating (loss)/profit</b>		<b>(818,559)</b>	<b>1,407,478</b>
Interest payable and similar expenses	6	(2,121)	-
Interest receivable and similar income	7	-	2,233
Loss on revaluation of investments	10	(56,552)	(35,702)
Profit/(loss) on foreign exchange		328	(21,463)
<b>(Loss)/profit before taxation</b>		<b>(876,904)</b>	<b>1,352,546</b>
Tax on (loss)/profit	8	152,732	(254,223)
<b>(Loss)/profit and total comprehensive (loss)/income for the financial year</b>	<b>15</b>	<b>(724,172)</b>	<b>1,098,323</b>

The accompanying notes are an integral part of these financial statements.

All amounts derive from continuing activities.

**LA FRANÇAISE GROUP UK FINANCE LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2023**

	Notes	2023 €	€	2022 €	€
<b>Fixed assets</b>					
Investments	10		21,416		77,968
<b>Current assets</b>					
Debtors	12	158,835		156,994	
Cash at bank and in hand		1,105,430		2,745,330	
		<u>1,264,265</u>		<u>2,902,324</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(327,814)</u>		<u>(298,253)</u>	
<b>Net current assets</b>			936,451		2,604,071
<b>Net assets</b>			<u>957,867</u>		<u>2,682,039</u>
<b>Capital and reserves</b>					
Called up share capital	14		113,307		113,307
Foreign exchange reserve	15		47,735		47,735
Retained earnings	15		796,825		2,520,997
<b>Total equity</b>			<u>957,867</u>		<u>2,682,039</u>

The accompanying notes are an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 28 FEBRUARY 2024 and are signed on its behalf by:

P J Balfour  
P J Balfour  
Director

# LA FRANÇAISE GROUP UK FINANCE LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Called up share capital €	Foreign exchange reserve €	Retained earnings €	Total €
<b>Balance at 1 January 2022</b>		113,307	47,735	1,422,674	1,583,716
<b>Year ended 31 December 2022:</b>					
Profit and total comprehensive income for the year		-	-	1,098,323	1,098,323
<b>Balance at 31 December 2022</b>		113,307	47,735	2,520,997	2,682,039
<b>Year ended 31 December 2023:</b>					
Loss and total comprehensive loss for the year		-	-	(724,172)	(724,172)
Transactions with owners in their capacity as shareholders:					
Dividends	9	-	-	(1,000,000)	(1,000,000)
<b>Balance at 31 December 2023</b>		113,307	47,735	796,825	957,867

The accompanying notes are an integral part of these financial statements.

# LA FRANÇAISE GROUP UK FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

#### General information

La Française Group UK Finance Limited (the 'company') is a private company limited by shares and is domiciled and incorporated in England and Wales. The registered office is 6th Floor, 17 St Swithin's Lane, London, United Kingdom, EC4N 8AL.

The company's principal activities and nature of its operations are disclosed in Directors' report and the Strategic report.

#### Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards, amended where necessary in order to comply with Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements have been prepared under the historical cost convention, modified to include investments in joint ventures at fair value. The functional and presentational currency is Euros. Monetary amounts in these financial statements are rounded to the nearest whole €1.

These financial statements present the financial position and financial performance of the company as a single entity.

#### Reduced disclosures

In accordance with FRS 101, the following exemptions from the disclosure requirements of IFRS have been applied in the preparation of these financial statements and, where relevant, equivalent disclosures have been made in the publicly available group accounts of Caisse Régionale du Crédit Mutuel Nord Europe (CRCMNE) in which these accounts are consolidated:

- The requirement to publish a Statement of Cash Flows and Cash Flow information, in accordance with IAS 7, 'Statement of Cash Flows' and IAS1 'Presentation of Financial Statements'.
- Disclosure of the objectives, policies and processes for managing capital, in accordance with IAS 1, 'Presentation of Financial Statements'.
- Inclusion of an explicit and unreserved statement of compliance with IFRS, in accordance with IAS 1, 'Presentation of Financial Statements'.
- Disclosure of key management compensation, in accordance with IAS 24, 'Related Party Disclosures'.
- Disclosure of the categories of financial instrument and nature and extent of risks arising on these financial instruments, in accordance with IFRS7, 'Financial Instruments: Disclosures'.
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more wholly owned members of a group.
- Disclosure of the future impact of new IFRSs in issue but not yet effective at the reporting date.
- Comparative period reconciliations for share capital.
- The requirements of paragraphs 91 to 99 of IFRS 13 'Fair Value Measurement'.

# LA FRANÇAISE GROUP UK FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies (Continued)

#### Going concern

The company is part of the of the La Française Group ('the Group') which, along with its ultimate controlling party Credit Mutuel Alliance Federal which reported a profit for 2023, the Group is financially strong.

The company has reported a loss in the current year. As of 31 December 2023, the company has net assets of EUR 957,867 and cash balance of EUR 1.1m. ICARA assessment of the company indicates that the company has sufficient resources to meet its FCA capital and liquidity requirements in 2024. In addition, the company has access to the considerable financial resources of the immediate parent and ultimate holding companies. The directors are satisfied that the company is able to meet its obligations and liabilities in the next twelve months as they fall due.

The directors, having assessed the financial position of the company and responses of the directors of the company's immediate parent company (La Française Real Estate Managers SAS) to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue as a going concern. La Française Real Estate Managers SAS has confirmed its willingness to make available sufficient funds to enable the company to continue for at least 12 months from the date of signing of the financial statements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Groupe La Française, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### Investments

Investments in joint ventures are recognised at cost and subsequently measured at fair value, with changes in fair value being recognised in profit or loss.

Fair value is based on underlying net asset value (NAV) calculations reported by Brown Brothers Harriman, an external administrator.

#### Turnover and revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Turnover represents income receivable from the provision of investment management and other related services and is accounted for net of Value Added Tax ('VAT'). Revenue is recognised when the performance obligation has been satisfied by transferring the promised services to the customer. At contract inception, the transaction price is determined, being the amount that the company expects to receive for transferring the promised services. The company generally provides two different services; one-off transaction advisory services, the fee for which is contingent on the execution of a specific investment on behalf of the customer, and ongoing advisory services, relating to the customer's investments. The company is not entitled to the one-off transaction advisory fees until the customer's investment in the end target is executed, therefore revenue is only recognised once the deal has been executed. Ongoing advisory services are recognised on a straight line basis over the period during which the service is provided.



# LA FRANÇAISE GROUP UK FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies (Continued)

#### Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income. Foreign currency gains and losses relating to the translation of amounts to presentational currency are presented as other comprehensive income and are taken to the foreign exchange reserve.

#### Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

#### Financial instruments

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

#### Financial assets

##### *Trade and other debtors*

Trade debtors are initially measured at their transaction price. Other debtors are initially measured at fair value, which is normally equivalent to transaction price, plus transaction costs. Trade and other debtors are held to collect the contractual cash flows which are solely payments of principal and interest. Therefore, these debtors are subsequently measured at amortised cost, being the amount initially recognised less amounts settled and any impairment losses.

#### Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all its liabilities.

# LA FRANÇAISE GROUP UK FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies (Continued)

#### *Trade creditors, other creditors and amounts owed to fellow group undertakings*

Trade creditors, other creditors and amounts owed to fellow group undertakings are initially recognised at fair value, which is normally equivalent to transaction price, less transaction costs and subsequently measured at amortised cost, being the amount initially recognised less amounts settled.

#### *Equity*

Equity instruments issued are recorded at fair value on initial recognition net of transaction costs. Dividend instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **Derecognition of financial assets (including write-offs) and financial liabilities**

A financial asset (or part thereof) is derecognised when the contractual rights to cash flows expire or are settled, or when the contractual rights to receive the cash flows of the financial asset and substantially all the risks and rewards of ownership are transferred to another party.

When there is no reasonable expectation of recovering a financial asset it is derecognised ('written off'). The gain or loss on derecognition of financial assets measured at amortised cost is recognised in profit or loss.

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires. Any difference between the carrying amount of a financial liability (or part thereof) that is derecognised and the consideration paid is recognised in profit or loss.

#### **Impairment of financial assets**

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both.

The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes and takes into account the time value of money.

#### *Trade debtors*

For trade debtors, expected credit losses are measured by applying an expected loss rate to the gross carrying amount. The expected loss rate comprises the risk of a default occurring and the expected cash flows on a default based on the aging of the debtor. The risk of a default occurring always takes into consideration all possible default events over the expected life of those debtors ("the lifetime expected credit losses"). Different provision rates and periods are used based on groupings of historic credit loss experience by product type, customer type and location.

#### *Impairment of other debtors measured at amortised cost*

The measurement of impairment losses depends on whether the financial asset is 'performing', 'underperforming' or 'non-performing' based on the company's assessment of increases in the credit risk of the financial asset since its initial recognition and any events that have occurred before the year-end which have a detrimental impact on cash flows. The financial asset moves from 'performing' to 'underperforming' when the increase in credit risk since initial recognition becomes significant.

In assessing whether credit risk has increased significantly, the company compares the risk of default at the year-end with the risk of a default when the financial asset was originally recognised using reasonable and supportable past and forward-looking information that is available without undue cost. The risk of a default occurring takes into consideration default events that are possible within 12 months of the year-end ("the 12-month expected credit losses") for 'performing' financial assets, and all possible default events over the expected life of those debtors ("the lifetime expected credit losses") for 'underperforming' financial assets.

Impairment losses and any subsequent reversals of impairment losses are adjusted against the carrying amount of the debtor and are recognised in profit or loss.

# LA FRANÇAISE GROUP UK FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following judgements have had the most significant effect on amounts recognised in the financial statements:

#### *Fair value measurements and valuation processes*

Management judgement is required to determine the valuation of investments based on financial and market trends. The fair value of investment in joint ventures held by the company is based on underlying net asset value (NAV) calculation (refer to note 10). At the reporting date, the value of these investments was €21,416 (2022: €77,968).

### 3 Turnover

	2023	2022
	€	€
<b>Turnover analysed by class of business</b>		
Investment management advisory fees	-	57,873
Transaction advisory fees	-	151,725
Disposal transaction fees	-	1,990,000
	<u>-</u>	<u>2,199,598</u>
	<u>-</u>	<u>2,199,598</u>
	2023	2022
	€	€
<b>Turnover analysed by geographical market</b>		
Europe (excluding UK)	-	2,199,598
	<u>-</u>	<u>2,199,598</u>

In the prior year, the revenue reported was in respect of on-going advisory services (refer to turnover accounting policy), one-off transaction advisory services and performance related fees. Revenue from one-off transaction advisory services is generally invoiced to the customer when the deal is executed, which is the same point at which the revenue is recognised, similarly, revenue from on-going advisory services is invoiced to the customer in monthly or quarterly instalments; this is also in line with the approach taken to revenue recognition (refer to turnover accounting policy). As a result the only balances recognised, in respect of the application of IFRS 15 to the companies' contracts with customers, as at 31 December 2022 and as at 31 December 2023 were trade debtors (refer to note 12). There was no revenue generated in the current year and there were no impairment provisions or impairment losses recognised in the current or prior year.

### 4 Auditor's remuneration

	2023	2022
	€	€
Fees payable to the company's auditor:		
<b>For audit services</b>		
Audit of the financial statements of the company	13,080	12,360
	<u>13,080</u>	<u>12,360</u>

# LA FRANÇAISE GROUP UK FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### 4 Auditor's remuneration (Continued)

Fees payable to the auditors in respect of non-audit services during the year totalled €8,131 (2022: €4,113).

### 5 Staff costs

Other than the directors, there were no employees of the company during the current or prior year. None of the directors received any remuneration during the year (2022: €nil).

### 6 Interest payable and similar expenses

	2023	2022
	€	€
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on other loans	2,121	-
	<u>2,121</u>	<u>-</u>

### 7 Interest receivable and similar income

	2023	2022
	€	€
<b>Interest income</b>		
Other interest income	-	2,233
	<u>-</u>	<u>2,233</u>

### 8 Taxation

	2023	2022
	€	€
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	252,245
Adjustments in respect of prior periods	(152,732)	1,978
	<u>(152,732)</u>	<u>1,978</u>
<b>Total UK current tax</b>	<u>(152,732)</u>	<u>254,223</u>

# LA FRANÇAISE GROUP UK FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 8 Taxation (Continued)

The total tax (credit)/charge for the year included in the Statement of Comprehensive Income can be reconciled to the (loss)/profit before tax multiplied by the standard rate of tax as follows:

	2023 €	2022 €
(Loss)/profit before taxation	(876,904)	1,352,546
Expected tax (credit)/charge based on a corporation tax rate of 23.52% (2022: 19.00%)	(206,253)	256,984
Effect of expenses not deductible in determining taxable profit	11,807	6,783
Adjustment in respect of prior years	(152,732)	-
Current tax exchange difference arising on movement between opening and closing spot rates	1,495	(7,826)
Deferred tax not recognised	-	(1,718)
Losses carried back	192,951	-
<b>Taxation (credit)/charge for the year</b>	<b>(152,732)</b>	<b>254,223</b>

In the Spring Budget 2021, the Government announced measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which was effected from 1 April 2023.

### 9 Dividends

	2023 per share €	2022 per share €	2023 Total €	2022 Total €
Amounts recognised as distributions:				
<b>Ordinary shares</b>				
Interim dividend paid	11.17	-	1,000,000	-

### 10 Investments

	2023 €	2022 €
Investments in joint ventures	21,416	77,968
	<u>21,416</u>	<u>77,968</u>

# LA FRANÇAISE GROUP UK FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 10 Investments (Continued)

#### Movements in fixed asset investments

	Shares in joint ventures	
	2023	2022
	€	€
<b>Valuation</b>		
At January	77,968	113,670
Valuation changes	(56,552)	(35,702)
At 31 December	21,416	77,968
<b>Historic cost</b>	114,390	114,390

### 11 Joint ventures

Details of the company's joint ventures at 31 December 2023 are as follows:

Name of undertaking	Registered office	Interest held	% Held Direct
PURetail Luxembourg Management Company S.a.r.l.	80 Rootdesch, Grand Duchy of Luxembourg.	Ordinary	50.00

At the reporting date, the directors have assessed the value of the investment and, based on the unaudited Management Accounts of PURetail Luxembourg Management Company S.a.r.l for the year ended 31 December 2023, have concluded that a fair value adjustment of €56,552 should be recognised. The investment is categorised as a Level 2 investment in the fair value hierarchy as outlined in IFRS 13. There were no transfers between levels in the year or the previous year.

### 12 Debtors

	2023	2022
	€	€
Trade debtors	-	151,725
Corporation tax recoverable	152,732	-
Other debtors	6,103	3,859
Prepayments	-	1,410
	158,835	156,994

# LA FRANÇAISE GROUP UK FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 13 Creditors

	2023 €	2022 €
Trade creditors	21,534	19,972
Amounts owed to fellow group undertakings	265,776	-
Accruals	40,504	24,058
Corporation tax payable	-	254,223
	<u>327,814</u>	<u>298,253</u>

Amounts owed to fellow group undertakings are unsecured, interest free and have no fixed date of repayment. These amounts are repayable on demand.

### 14 Share capital

	2023 Number	2022 Number	2023 €	2022 €
<b>Ordinary share capital</b>				
<b>Allotted, called up and fully paid:</b>				
Ordinary shares of £1 each	<u>89,495</u>	<u>89,495</u>	<u>113,307</u>	<u>113,307</u>

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company. Share issues have been translated to the presentational currency at the historic rates on the dates of issue.

### 15 Profit and loss reserves

#### **Retained earnings**

Retained earnings represents cumulative profit and loss net of distributions to owners. Retained earnings includes cumulative fair value loss of €92,974 (2022: €36,422) in respect of the joint venture which are not distributable.

#### **Foreign exchange reserve**

Accumulated gains and losses arising on translation of the results, assets and liabilities into the presentational currency.

### 16 Parent undertakings

The company's immediate parent company is La Française Real Estate Managers SAS. The smallest group to consolidate these financials is Groupe La Française, a company incorporated in France. Copies of the financial statements can be obtained from the French Registry of Commerce and Companies.

The parent company of the largest group until 31 December 2023 which included the company was Caisse Régionale du Crédit Mutuel Nord Europe (CRCMNE), a company incorporated in France. With effect from 1 January 2024, the ultimate controlling party changed to Groupe Credit Mutuel Alliance Federale, a body corporate incorporated in France. The registered office of Groupe Credit Mutuel Alliance Federale is 4 rue Frédéric-Guillaume Raiffeisen Strasbourg.

# LA FRANÇAISE GROUP UK FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 17 Related party transactions

During the current year the company submitted group VAT returns for La Française Group UK Limited (LFG UK) totalling €13,001 (2022: €nil). At the year end, the VAT balance due to the company from LFG UK was €5,219 (2022: €nil).

Additionally, La Française Group UK Limited invoiced €153,810 (2022: €145,667) to the company in relation to HQ cost recharges and €567,451 (2022: €501,752) in relation to employee cost recharges. As at 31 December 2023, the company owed €40,800 (2022: €nil) in regards to HQ costs and €230,195 (2022: €nil) in regards to employee costs to LFG UK.