PAUL SMITH'S FOUNDATION

England & Wales · Charity number 1065751

Details

Other names	PAUL SMITH FOUNDATION
Status	Registered
Legal form	Charitable company
Company number	03346635
Registered	1997-11-13
Register	View on the Charity Commission register

Contact

Address	Paul Smith Ltd The Poplars Lenton Lane Nottingham NG7 2PW
Phone	01159868877

Activities

Objects: 3. OBJECTSThe Charity's objects ("Objects") are to advance the education of the public in all matters concerning design, fine arts and design management and in particular but not exclusively the Charity will:-3.1. provide scholarships, exhibitions, bursaries, grants and other financial awards for members of the public to promote courses and schools or colleges and/or to support work-based experience and career development opportunities, in each case in furtherance of the Objects and all other related topics such as architecture, photography, painting and fashion;3.2. fund courses at schools or colleges in the promotion of the Objects and other related topics such as architecture, photography, painting and fashion;3.3. promote research into the Objects and to publish useful results of such research;3.4. promote artistic activities, including art exhibitions, performance of drama, music, opera and ballet, film shows, poetry readings and fashion design;3.5. provide amenities and facilities for the benefit of the public resident anywhere in the world for the furtherance of the Objects as are not provided from public funds;3.6. promote high standards.

Activities: Inactive during the year to 30/06/14

Classification

- **How:** Makes Grants To Organisations
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£423,376	£228,252	-	-
2024-06-30	£159,641	£299,413	-	-
2023-06-30	£200,950	£490,881	-	-
2022-06-30	£132,684	£315,254	-	-
2021-06-30	£132,684	£317,398	-	-

Trustees

Name	Role	Appointed
Christopher Edward Carson		2026-03-17
Heather Louise Sturdy		2025-05-07
Mary Sancroft Findlay		2025-05-07
SEAN GRAHAM BAKER		2020-05-04
SIR PAUL SMITH		
Toby Matthew Rhet Monk		2025-05-07

Accounts

PAUL SMITH'S FOUNDATION

Registered Charity No: 1065751
Company No: 03346635

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2025

Paul Smith's Foundation
Contents

Paul Smith's Foundation
Trustees' Report for the year ended 30 June 2025

The trustees present their report along with the financial statements of the Foundation for the year to 30th June 2025. The Foundation is a registered charity with the Charity Commission for England and Wales with registered charity number 1065751 and is a registered Company in England and Wales with Company number 03346635. The Foundation is constituted by its Memorandum and Articles of Association.

Trustees	Sir Paul Smith Ashley Long (resigned 17 December 2025) Sean Baker James Horsley (resigned 17 December 2025) Mary Findlay (appointed 7 May 2025) Toby Monk (appointed 7 May 2025) Heather Sturdy (appointed 7 May 2025)
Registered Office	20 Kean Street London England WC2B 4AS
Bankers	Yorkshire Bank Plc 11 Smithy Row Nottingham
Auditor	Moore Kingston Smith LLP Chartered Accountants 6th Floor 9 Appold Street London EC2A 2AP

Objects, Activities and Public Benefit

The objects of the Charity are to advance the education of the public in all matters concerning design, fine arts and design movement.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit including the guidance 'public benefit: running a charity (PB2).'

Appointment of new trustees

In May 2025, the Foundation announced the appointment of three new Trustees to support the Foundation. They are Toby Monk as Deputy Chair, Global Recruitment and Engagement Director at Christie’s, Mary Findlay as Visual Arts Trustee, Senior Curator at Deutsche Bank and Heather Sturdy as Development Trustee, Head of National Partnerships at TATE. Toby, Mary & Heather join existing Trustees, Sir Paul Smith and Sean Baker. With the new appointments, James Horsley and Ashley Long will step down as Trustees from September 2025.

The Foundation also appointed two members to the inaugural Development Committee, a sub-committee who will support in the creation and deliverance of the Foundation’s Development Strategy, reporting back to the board.

Paul Smith's Foundation
Trustees' Report for the year ended 30 June 2025

Achievements, Performance and Financial Review

Grant-giving

The programme of grants and donations in support of and for the furtherance of the objects of the charity has continued throughout the year. The Foundation now makes four grants annually to promising creative practitioners in visual arts and fashion design, through established partners including the Royal Academy Schools, Royal Drawing School, and British Fashion Council in London, and Fashanne in Nottingham. At present there are no plans to further increase the grant making programme.

During the year, the charity made grant payments and donations of £203,056 (2024: £48,493). All grants were given in support of and for the furtherance of the objects of the charity.

Programme

We took occupancy of Studio Smithfield to commence our flagship project, The Fashion Residency at Studio Smithfield. Established with the Mayor of London and Projekt, and supported by British GQ and the City of London Corporation, the programme includes a free studio space for 12-months at Studio Smithfield in Farringdon, accompanied by an accelerator programme of bespoke business mentoring. The mentoring programme includes group workshops and 1-to-2 sessions on the topics of Business Development, Legal, Finance, Trade and Production, E-com, PR & Marketing, Digital Media and Planning. Throughout the year over 80+ hours of business teaching was undertaken. The initiative has seen a sharp rise in the efficiency and productivity of each brand, some of whom quadrupled in turnover and quintupled in staff. Awareness of the initiative grew, with the programme being featured in British Vogue, Vogue Runway, ELLE and British GQ, with visitors including Lisa Nandy MP, Secretary of State for Culture, Media and Sport. To further support the business development of the designer Cohort, we held a pop up shopping event in December 2025, funded by Projekt and Paul Smith's Foundation giving opportunity to sell direct to the public.

Additional support in this programme included free use of the Paul Smith showroom in Paris (June 2025) for sales appointments during Paris Fashion Week, resulting in all showcasing designers securing new stockists.

Our legal mentoring partner, Osborne Clarke, donated 60 pro bono hours to the cohort in addition to the business lessons.

In December 2024 we extended the residency programme to 18 months, from 12, making the full-term June 2024-December 2025.This was decided on the basis that we wanted to ensure sustained and meaningful support where we are responsibly preparing the designers for market realities. We are grateful to the Mayor of London and Projekt for agreeing to the extension, and affording the group more time to develop and grow under the guidance of Paul Smith’s Foundation.

In 2024, Winsor & Newton and Paul Smith’s Foundation launched the International Art Prize – an opportunity for artists working in painting and drawing which simultaneously took place in Tokyo, Hong Kong, London, Paris, New York and Los Angeles. One artist was selected in each city by a notable industry judge. Each made a new piece of work which was exhibited in their local Paul Smith store. In October, we celebrated the six winning artists of the inaugural art prize in an intimate dinner at Mount St. Restaurant. The dinner brought together a crowd of industry leaders based in London. Amongst them were Sir Paul Smith; Romain Guinier, CEO of Colart; Dr Nicholas Cullinan OBE, Director of The British Museum; artist Yinka Ilori MBE; Fabien Vallérian, Director of Art for Maison Ruinart; gallerist Maureen Paley; Sarah Douglas; Sarah Philp, Deputy Director of Delfina Foundation; artist Martha Freud, Charlene Prempeh and Lewis Dalton Gilbert, co-founders of A Vibe Called Tech; Alice Rawsthorn as well as the winning artists. In January 2025 we premiered, *With Artists* , a short film exploring the unique role that artists play in shaping our world, using self-submitted content from the 2024 winning artists and judges and narrated by Paul. The film and screening are delivered with support from ArtReview, the world’s leading international art market publication.

Achievements, Performance and Financial Review (continued)

“For an emerging artist like myself, this prize has provided me with the opportunity not just to showcase my work, but to connect with so many incredible people in the art world. I know how vital these connections are for my growth and career, and I feel incredibly fortunate to have had this opportunity.”

In response to the budget cuts for the council in Nottinghamshire, Sir Paul Smith donated his time for two public talks at Nottingham Playhouse. 100% of the proceeds from the talks were donated to Nottingham Playhouse for them to use on their community and outreach programme.

The Foundation expanded the education programme in the Paul Smith archive, in partnership with Nottingham Trent University. Led by Archive manager, Alice O’Hanlon, the programme included tours and talks to students on BA Fashion Design and BA Fashion Management.

The Foundation launched an addition to the programming, The Archive Residency. A biannual creative project, where a visual artist is selected to respond to the Archive of Paul Smith’s work, as nominated by an industry professional. The resident artist will receive a grant of £5,000 and is given scope to freely create in response to their archival visits.

In order to effectively communicate the programme to supporters and alumni, the Foundation launched a newsletter and created a blog page on paulsmithsfoundation.org. Here, interested parties can stay up to date with happenings at the Foundation and with our alumni.

Investments Policy

The majority of investments are shares held in a range of private companies as analysed in Note 12 to the financial statements. The trustees have wide powers of investment in respect of the Foundation's assets.

The Foundation will invest in and hold assets that will:

i. Directly promote of the Objects of the charity, and or;
ii. Provide a long term investment return to maintain the reserves of the Charity.

The trustees ensure the Programme Related Investment (PRI) strategy is aligned with the charitable mission and objectives of the Foundation.

Grant Policy

The trustees review grant requests on a case-by-case basis in the light of the requested purpose of the grant. All grants are awarded in accordance with the objects which are to advance the education of the public in all matters concerning design, fine arts and design management.

Reserves Policy

The trustees aim to provide sufficient funds to cover the existing level of grants committed as well as provide a long term fund from which its charitable activities can be increased in the future. Total unrestricted funds at the year-end totalled £17,016,183 (2024: £19,239,227). During the year a loss on investments of £2,305,668 (2024: loss of £780,496) was recognised in respect of its investments in Paul Smith Group Holdings Limited and Floral Street Property Partners Limited.

Free reserves are described as those reserves, excluding fixed assets which are readily available for use in the operations of the charity. At year end, unrestricted free reserves totalled £217,073 (2024: £201,202). The trustees consider the level of free reserves sufficient to fund its grant programme and cover any unplanned expenditure.

Key management and remuneration policy

The trustees are not remunerated.

The Foundation historically had no employees of its own. Two new employees were hired in the year ending 30 June 2025. They are employed by Paul Smith Limited with costs recharged to the Foundation.

Principle risks and uncertainties

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the investments, operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate the exposure to the major risks.

Statement of Trustees' Responsibilities

The trustees (who are also directors of the Paul Smith Foundation) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the Trust for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 Trust will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Company Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditors

Each of the Trustees confirms that:

- So far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustee has taken all the steps that they ought to have taken as a trustee in order to make himself/ herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Paul Smith's Foundation
Trustees' Report for the year ended 30 June 2025

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the Trustees

Toby Monk (Mar 27, 2026, 10:22am)

Toby Monk (Trustee)

Date: 27 Mar 2026

Indpendent Auditor's Report to the Trustees of Paul Smith's Foundation

Opinion

We have audited the financial statements of Paul Smith's Foundation for the year ended 30th June 2025, which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
· give a true and fair view of the state of the charitable company's affairs as at 30th June 2025 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 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 charitable 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable 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 trustees 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 trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

Indpendent Auditor's Report to the Trustees of Paul Smith's Foundation

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 trustees’ annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
· The trustees’ annual report has been prepared in accordance with applicable legal requirements.

Other Matter

The corresponding figures in the financial statements of Paul Smith's Foundation were not audited as the Charity did not require a statutory audit under Companies Act 2006 or Charities Act 2011 in the prior year.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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:
· the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
· the charitable company’s 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; or
· the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees’ Annual Report and from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees’ responsibilities statement set out on page 4, 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 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 charitable 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 trustees either intend to liquidate the charitable 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

· Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Indpendent Auditor's Report to the Trustees of Paul Smith's Foundation

Auditor’s Responsibilities for the audit of the financial statements (continued)

· Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company’s internal control.

· Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

· Conclude on the appropriateness of the trustees’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

· Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

· We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.

· We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

· We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

· We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Indpendent Auditor's Report to the Trustees of Paul Smith's Foundation

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

· Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

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 and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Adam Fullerton, FCA, DChA (Senior Statutory Auditor)
For and on behalf of Moore Kingston Smith LLP, Statutory Auditor

6th Floor
9 Appold Street
London, EC2A 2AP

Date: 27 March 2026

Paul Smith's Foundation
Statement of Financial Activities
For the year ended 30 June 2025

	Note	2025 Unrestricted £	2024 Unrestricted £
Income from:			
Donations	2	100,000	-
Investment income	3	323,376	159,641
Total		423,376	159,641
Expenditure on:			
Charitable Activities	4	228,252	299,414
Total		228,252	299,414
Net (loss)/gain on investments	12	(2,305,668)	(780,496)
Net movement in funds		(2,110,544)	(920,269)
Total funds brought forward		19,239,227	20,159,496
Total funds carried forward		17,128,683	19,239,227

The notes on pages 12 to 19 form part of the financial statements.

Paul Smith's Foundation
Balance Sheet as at 30 June 2025

	Note	2025 £	2025 £	2024 £	2024 £
Fixed Assets					
Investments	12		16,850,640		19,156,308
Current Assets					
Cash at bank		217,073		201,202	
Debtors	13	135,059		19,106	
		352,132		220,308	
Creditors: Amounts falling due within one year	14	(74,089)		(137,389)	
		(74,089)		(137,389)	
Net Current Assets			278,043		82,919
Total Assets less current liabilities			17,128,683		19,239,227
Total Net Assets			17,128,683		19,239,227
Funds					
Unrestricted Funds			17,128,683		19,239,227

The notes on pages 12 to 19 form part of the financial statements.

The accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of the Financial Reporting Standard 102.

The accounts were approved by the board and authorised for issue on and signed on its behalf by:

Toby Monk

Toby Monk (Mar 27, 2026, 10:22am)

Trustee - Toby Monk

27 Mar 2026

Company number: 03346635

Paul Smith's Foundation
Notes to the Accounts
For the year ended 30 June 2025

1 Accounting policies

Basis of accounting

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charitable company is a public benefit entity for the purposes of FRS 102 and therefore the charitable company also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Going Concern Basis

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity’s forecasts and projections and have taken account of pressures on donation income, dividend income and the valuation of the investment portfolio and income generation from the fund. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Income

Income is credited to the Statement of Financial Activities on an accruals basis when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably. Donated investments are valued at their market value on the date of transaction. Investment income and bank interest are accounted for on a receivable basis.

Expenditure

Expenditure is charged on an accruals basis. Grants payable are included in the Statement of Financial Activities when approved by trustees and offered to the grantee. Support costs have been apportioned across expenditure relating to charitable activities.

Investments

In valuing investments the trustees have had due regard to Section 11 Paragraph 17 of the SORP. Investments are accounted at their fair value. Those unlisted investments for where fair value cannot be established using a valuation technique are accounted at cost. Investments are reviewed each year for impairment with any write off included in the Statement of Financial Activities. Realised and unrealised gains and losses on investments are included within the funds.

1 Accounting policies (continued)

Creditors

Contractual arrangements are recognised as goods and services are supplied. Other grant payments are recognised when a constructive obligation arises.

Governance costs

This expenditure includes the independent examination fee, services provided by the charity's legal advisors and any other expenditure related to governance or the strategic direction of the charity.

Unrestricted funds

These resources arise from unrestricted purposes and from accumulated surpluses and deficits in the operations for charitable purposes and are expendable at the discretion of the Trustees.

Intangible fixed assets

The amortisation policy is as follows:

Website	5 years straight line

Cash and Cash Equivalents

Cash and cash equivalents include cash at bank and in hand and short term deposits with a maturity date of three months or less.

Financial instruments

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102.

Critical accounting estimates and areas of judgement

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

a. Impairment and Valuation of Fixed Asset Investments

The trustees have reviewed the appropriateness of methods used in valuing the unlisted shares of the Company's investments. The trustees believe the investment value is supported by the underlying assets held in the companies of those shares.

Investments are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the SOFA.

2 Donation income

	2025	2024
	£	£
Donations	100,000	-

3 Investment income

	2025	2024
	£	£
Investment Income - Dividends received - FS 1979 Ltd	283,623	133,206
Investment Income - 9 St Thomas Street	36,420	21,129
Bank interest	3,333	5,306
	323,376	159,641

4 Charitable activities

	2025		
	Direct charitable expenditure	Allocation of support costs - note 7	Total
Grants & donations - note 5	73,913	129,143	203,056
Archive costs - note 6	9,691	15,505	25,196
Total	83,604	144,648	228,252

	2024		
	Direct charitable expenditure	Allocation of support costs - note 7	Total
Grants & donations - note 5	38,000	10,493	48,493
Archive costs - note 6	196,626	54,295	250,921
Total	234,626	64,788	299,414

In 2025 and 2024, support costs have been allocated across the charitable expenditure streams based on total costs.

5 Grants & donations

	2025	2024
	£	£
British Fashion Council	10,000	10,000
Royal Academy of Arts	25,000	25,000
The Royal Drawing School	-	3,000
Fashanne	5,000	-
Other grants awarded	33,913	-
	73,913	38,000

		2025	2024
6	**Archive costs**	**£**	**£**
	Costs incurred organising and auditing Paul Smith's archive for use by the foundation	9,691	196,626

		2025	2024
7	**Support costs**	**£**	**£**
	Salaries and wages	103,083	-
	Insurance	3,805	4,760
	Website expenditure	4,769	-
	Legal Services	-	12,000
	Digital advertising costs	1,605	4,651
	Governance costs - note 8	18,100	43,364
	Bank charges	83	13
	Other expenses	13,203	-
		144,648	64,788

		2025	2024
8	**Governance costs**	**£**	**£**
	Independent Auditor fees - current year	17,000	-
	Independent Auditor fees (other) - current year	1,100	-
	Independent examiner fees - prior year	-	8,356
	Independent examiner fees - prior year under accrual	-	3,252
	Accounting services	-	31,756
		18,100	43,364

9 Transactions with Trustees

No trustee received any remuneration for services as a trustee (2024: £Nil), nor any reimbursement of expenditure (2024: £Nil).

10 Employees

The Foundation does not employ any staff. Two staff (2024: nil) that are employed by Paul Smith Limited have their time re-charged to the Foundation as they work on its activities. The total re-charge for the year was £103,083 (2024: £nil)

11 Taxation

The Foundation has suffered no tax charge, as it is not subject to UK corporation tax on its charitable activities.

Paul Smith's Foundation
Notes to the Accounts
For the year ended 30 June 2025

12 Investments

	Unlisted 2025 £	Unlisted 2024 £
Fair value at 1st July	19,156,308	19,936,804
Additions/(disposals) in the year	-	-
(Loss)/gain on investments	(2,305,668)	(780,496)
Fair value at 30th June	16,850,640	19,156,308

Historical cost as at 30th June 2025: All investments were gifted to the Foundation so had no cost.

At 30th June 2025 the following investment holdings represent 5% or more of the fair value of the total portfolio:

	Share class	Shareholding	Country of incorporation
Floral Street 1979 Limited	140 Ordinary C shares	14.00%	England & Wales
Paul Smith Group Holdings Ltd	5,043 Ordinary A shares	13.72%	England & Wales
Partnership - 9 St Thomas Stre	Not applicable	11.24%	Unincorporated

Detailed breakdown of investments

	Fair Value Total 2025 £	Fair Value Total 2024 £
Floral Street 1979 Ltd	8,578,835	8,578,846
Paul Smith Group Holdings Ltd	7,090,827	9,396,484
Partnership - 9 St Thomas Street	1,180,978	1,180,978
	16,850,640	19,156,308

Market risks

The Foundation’s exposure to market risks is restricted to the specific markets of the companies that the Foundation invests in; there is no direct exposure to general market risks. The specific markets include Paul Smith Group Holdings Limited who operate in the luxury fashion retail and wholesale markets, and Floral Street 1979 Limited in property investment. The fashion wholesale and retail and market has continued to face significant challenges since Covid, but not to the extent that it would challenge the carrying value of the investment in the accounts. The property company is well funded and generally maintains a consistent dividend policy. As with risks, the Foundation’s portfolio has a limited direct exposure to general market performance and instead is impacted by specific market performance.

The Foundation’s exposure ties to its investment objectives as the investments either continue to directly promote the objects and profile of the charity or provide a long-term investment return for the charity. Sir Paul Smith, as a Trustee and Ambassador for the charity, has direct interest and influence in managing the risk of the investments. The charity is also currently recruiting new independent trustees.

The Foundation acquired its shares in Paul Smith Group Holdings Limited and Floral Street 1979 Limited by way of a gift to the Foundation from Sir Paul Smith’s Trust. The charity co-funded alongside Sir Paul Smith, the purchase and restoration of the 9 St Thomas Street building as a long-term investment.

The Foundation's investments are considered reasonably liquid as Itochu Corporation or Sir Paul Smith could acquire the shares in Paul Smith Group Holdings Limited at any time if required.

12 Investments (continued)

Currency risks

All of the Foundation's investments are held in GBP and therefore the Foundation is not exposed to currency risk.

Credit risks

The carrying amounts stated above represent the Foundation's maximum exposure to credit risk. Management is not aware of any further credit risks and therefore further disclosure is not required.

13 Debtors

	2025 £	2024 £
Prepayments and other debtors	1,049	9,977
Accrued Investment Income - 9 St Thomas Street	21,510	9,129
Dividend receivable	112,500	-
	135,059	19,106

14 Creditors: amounts falling due within one year

	2025 £	2024 £
Accruals	73,349	137,389
Other creditors	740	-
	74,089	137,389

15 Financial and capital commitments

The Foundation has no outstanding financial or capital commitments.

16 Related parties

The charity held the following investments at year end in which Paul Smith (and his wife), a trustee of Paul Smith's Foundation has an interest; Floral Street 1979 Limited, 9 St Thomas Street Partnership & Paul Smith Group Holdings Limited.

During the year, trustees donated £100,000 (2024: £nil) to the Foundation.

During the year, the Foundation recognised dividend income of £283,623 from Floral Street 1979 Limited (2024: £133,206) of which £112,500 (2024: £nil) was outstanding at year-end, and £36,420 (2024: £21,129) from 9 St Thomas Street partnership.

Included within other creditors is a balance of £140 (2024: £140) due to Paul Smith Limited in which a number of trustees of the Paul Smith's Foundation are also directors of Paul Smith Limited.

Included in other creditors is a balance of £600 (2024: £600) owed to Paul Smith, a trustee of Paul Smith's Foundation

17 Statement of movement on reserves

	2025	2024
	£	£
Reserves brought forward	19,239,227	20,159,496
(Deficit)/surplus for the year	(2,110,544)	(920,269)
Reserves carried forward	17,128,683	19,239,227

The charity's reserves consists of unrestricted general reserves only.

Accounts

PAUL SMITH'S FOUNDATION

Registered Charity No: 1065751

Company No: 03346635

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2024

Paul Smith's Foundation
Trustees' Report for the year ended 30th June 2024

The trustees present their report along with the financial statements of the Foundation for the year to 30th June 2024. The Foundation is a registered charity with the Charity Commission for England and Wales with registered charity number 1065751 and is a registered Company in England and Wales with Company number 03346635. The Foundation is constituted by its Memorandum and Articles of Association.

Trustees	Sir Paul Smith Ashley Long Sean Baker James Horsley
Secretary	Ashley Long
Registered Office	20 Kean Street London England WC2B 4AS
Bankers	Yorkshire Bank Plc 11 Smithy Row Notthingham
Accountants	Moore Kingston Smith LLP Chartered Accountants 6th Floor 9 Appold Street London EC2A 2AP

Objects, Activities and Public Benefit
The objects of the Charity are to advance the education of the public in all matters concerning design, fine arts and design movement.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit including the guidance 'public benefit: running a charity (PB2).'

Appointment of new trustees
New trustees may be appointed by the trustees, to fill a vacancy or as an additional trustee. The Trust shall select appropriate trustees and provide them with an induction to acquaint them with the governance and policies of the Trust as well as what is expected of them in their new role. Additional training and/or information will be provided to the trustees on an ongoing basis.

Achievements, Performance and Financial Review

Grant-giving

The programme of grants and donations in support of and for the furtherance of the objects of the charity has continued throughout the year including a new London Living Grant for students studying at the Royal Drawing School. The Foundation now makes four grants annually to promising creative practitioners in visual arts and fashion design, though established partners including the Royal Academy Schools, RDS, and British Fashion Council in London, and Fashanne in Nottingham. At present there are no plans to further increase the grant making programme.

Under the guide of the Foundation’s Director, the Trust launched two flagship projects to support the business skills training creative people.

During the year, the charity made grant payments and donations of £44,436 (2023: £82,149). All grants were given in support of and for the furtherance of the objects of the charity.

Achievements, Performance and Financial Review (continued)

The Fashion Residency

The Fashion Residency at Studio Smithfield, a pioneering business development programme for early career fashion designers, delivered in partnership by the Mayor of London, Projekt and Paul Smith's Foundation and supported by British GQ.

The programme includes a free studio space for six designers in the heart of the City of London and an accelerator programme of bespoke business mentoring from industry experts on topics including common legal issues, finance, manufacturing, communications and more. Created and delivered by Paul Smith's Foundation, the business accelerator is an intentional programme where the mentors create targets and objectives for the designers to fulfil between sessions. Each resident designer also has access to 10 hours of pro bono support from Osborne Clarke LLP, use of 2,500 sqft event space, dye room and reading room and bespoke support on event management, freelancer introductions, partnership and consultancy work and project management.

Each designer is also paired with a 'Personal Mentor' who acts as a confidant, guide and sounding board throughout the residency period. Through the generosity of the Mayor of London and Projekt, the designers also have free usage of a 2,500 sqft event space, dye room, reading room with books donated from Tate, Phaidon, Hauser & Wirth and more. The programme is designed for designers who are at the early stages of their career, have delivered 2-3 seasons and are at a pivotal moment of growth.

The designers in Cohort One are: Paolo Carzana, Pauline Dujancourt, Laura Pitharas, Paolina Russo, Karoline Vitto and YAKU.

Personal Mentors on The Fashion Residency include Adam Andrascik, Charlie Casely-Hayford, Henry Holland, Phoebe Briggs, Mandi Lennard, and Olya Kuryshchuk. Business skills workshop leaders include Alice Bouleau, Sterling International; Catherine Sutton, Sutton Communications; Helen McGowan, Jason Leung & Vince To at The Alphabet Showroom; Laura Holmes, Founder of Holmes Productions; Laura Weir, incoming BFC CEO; Matthew Mumford, Head of Creative at Paul Smith; Murray Clark, Senior Style Editor at British GQ; Neha-Tamara Patel, Director of Audience Development, Analytics & Social at British GQ; Orsola de Castro and Tamsin Blanchard, Estethica, Osborne Clarke LLP, Patrick Atkinson, Head of Buying & Merchandising at Paul Smith; Philipp Raheem, Photographer and Editorial Director of Vingt Sept Magazine; Vikram Menon, Financial Advisor and Founder Fashionex.

The Fashion Residency is funded through the generosity of the Mayor of London and Projekt. Paul Smith's Foundation contributes £0 to the core costs but manages the ideation and implementation of the programme.

<u>Launch Press</u>

PRESS		
Date	**Publication**	**Reach (monthly)**
29-Feb	Evening Standard	31,900,000
29-Feb	London.Gov	911,000
29-Feb	WWD	3,400,000
29-Feb	yahoo!	3,600,000,000
29-Feb	SHOWstudio	144,700
29-Feb	Everand	11,800,000
29-Feb	Estates Gazette	299,800
4-Mar	Fashion Network	2,300,000
4-Mar	BNN Breaking	5,400,000
5-Mar	Fashion United	204,000
8-Mar	GQ	5,600,000
4-Apr	1 Granary	30,000

Achievements, Performance and Financial Review (continued)

The International Art Prize

In May 2024 the Foundation launched its second flagship project, the International Art Prize, delivered in partnership with heritage artists materials company Winsor & Newton. The International Art Prize is a new opportunity for artists working in painting and drawing which identified a winning artist in Tokyo, Hong Kong, London, Paris, New York, and Los Angeles simultaneously. This prize was designed to: develop the artists professional skills like building networks, exhibition management and production; grow their audience both locally and internationally and align them with local figures of industry whilst also providing an opportunity to freely create. Judges on The Art Prize were Ekow Eshun, Curator, writer and broadcaster and Chair of the Fourth Plinth in London; Aaina Bhargava*,* Arts and Culture Editor of Tatler Asia; Jeanne Greenberg Rohatyn, Founder of Salon 94 and Salon 94 Design, art advisor and collector; Kyoko Hattori, Vice President of Pace, Japan; Fabien Vallerian, International Director of Arts & Culture chez Ruinart and César García-Alvarez, Co-founding executive and artistic director of The Mistake Room.

<u>Launch Press</u>

Publication	Reach (PCM)
A Shaded View on Fashion	unknown
ArtPlugged	40,000
Fast Art Daily	50,000
Fashion United US	177,000
Fashion United CH	9,000
Fashion United DE	155,000
Fashion United UK	545,000
Rain Magazine	91,000
Art Media Agency (US)	unknown
Hube Magazine	< 5,000
Happening Media (US)	unknown
Culture Funding (US)	10,000
US Wave Base	unknown
Artnet News	7,000,000
Heni	280,000
Qui Tokyo	231,353

Communications

The Trust changed the website URL and email system to end .org rather than .com. The dedicated website (paulsmithsfoundation.org) continues to be a platform of helpful advice for young creatives, and the Foundation’s Instagram (@paulsmithsfoundation) has been further developed with engaging content specifically designed to further the public’s education and provide inspiration in the fields of fine arts, design and business development. The Foundation’s Instagram following continues to steadily grow under new leadership and a more strategic and partnership-based approach to the content.

Work continued in the archive by means of cataloguing, itemising, and relocating an extraordinary sample of the history of Paul Smith. The Archive forms a central part of the Foundation’s plans to create an educational resource which is accessible to the general public with a view to inspire, educate and develop skills of designers through open- access and teacher-led sessions. As the archive is based in Nottingham, Paul Smith’s Foundation intends has begun plans to involve local universities to ensure that the opportunity is made widely accessible.

Investments Policy
The majority of investments are shares held in a range of private companies as analysed in Note 15 to the financial statements. The trustees have wide powers of investment in respect of the Foundation's assets.

The Foundation will invest in and hold assets that will:

i. Directly promote of the Objects of the charity, and or;
ii. Provide a long term investment return to maintain the reserves of the Charity.

The trustees ensure the Programme Related Investment (PRI) strategy is aligned with the charitable mission and objectives of the Foundation.

Grant Policy
The trustees review grant requests on a case-by-case basis in the light of the requested purpose of the grant. All grants are awarded in accordance with the objects which are to advance the education of the public in all matters concerning design, fine arts and design management.

Reserves Policy
The trustees aim to provide sufficient funds to cover the existing level of grants committed as well as provide a long term fund from which its charitable activities can be increased in the future. Total unrestricted funds at the year-end totalled £19,239,227 (2023 : £20,159,496). During the year a loss on investments of £780,496 (2023: gain of £2,035,183) was recognised in respect of its investments in Paul Smith Group Holdings Limited and Floral Street Property Partners Limited.

Free reserves are described as those reserves, excluding fixed assets which are readily available for use in the operations of the charity. At year end, unrestricted free reserves totalled £201,202 (2023: £397,422). The trustees consider the level of free reserves sufficient to fund its grant programme and cover any unplanned expenditure.

Key management and remuneration policy
The trustees are not remunerated and the Trust has no employees. The trustees are considered to be the key management personnel.

The Trust has no employees of its own but since October 2023 a Director has been in place to oversee the operations, programme, strategy and implementation of work. The Director is employed by Paul Smith Limited with costs recharged to the Foundation and works closely with and reports to the Trustees.

Principle risks and uncertainties
The trustees have assessed the major risks to which the charity is exposed, in particular those related to the investments, operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate the exposure to the major risks.

The principal risk for the Foundation is not meeting the objects of the charity. The trustees are confident that this is now being actively managed following the recruitment of our charity director in October 2023, and the significant progress in charitable activities since.

Future Plans
Having established the reserves of the Foundation with the initial income from donations received from the Paul Smith Discretionary Trust, the trustees continue to increase the visibility and activites of the charity with a modest level of growth in grant and donation activity whilst focussing on generating income from its investments for longer term allocation to causes that further its objectives.

The Trustees will continue to develop the charity through an internal funding review and active outreach for external funding through the launch of a patron programme and corporate sponsorships.

The Director and Foundation trustees intend to launch further flagship projects which address the Foundation's objectives – developing the business skills training of creative people.

Paul Smith's Foundation
Trustees' Report for the year ended 30th June 2024

Statement of Trustees' Responsibilities

The trustees (who are also directors of the Paul Smith Foundation) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the Trust for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 Trust will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Company Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the Trustees

Ashley Long

Date: 12 March 2025

Independent Examiner's Report to the Trustees' of
Paul Smith's Foundation

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30th June 2024.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or

2. the accounts do not accord with those records; or

3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or

4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Moore Kingston Smith LLP

Adam Fullerton, FCA, DChA
For and on behalf of Moore Kingston Smith LLP

6th Floor
9 Appold Street
London, EC2A 2AP

Date: 12 March 2025

Paul Smith's Foundation
Statement of Financial Activities
For the year ended 30 June 2024

	Note	2024 Unrestricted £	2023 Unrestricted £
Income from:			
Investment income	2	159,641	200,950
Total		159,641	200,950
Expenditure on:			
Charitable Activities:	3		
Grants and donations payable in furtherance of objects	4	44,436	82,149
Insurance	5	5,566	5,270
Website expenses	6	-	97,656
Archive costs	7	229,926	287,425
Legal & Professional	8	14,032	13,272
Advertising costs	9	5,453	5,109
Total		299,413	490,881
Net (loss)/gain on investments	15	(780,496)	2,035,183
Net movement in funds		(920,268)	1,745,252
Total funds brought forward		20,159,496	18,414,244
Total funds carried forward		19,239,228	20,159,496

The notes on pages 9 to 15 form part of the financial statements.

Paul Smith's Foundation
Balance Sheet as at 30 June 2024

	Note	2024	2024	2023	2022
		£	£	£	£
Fixed Assets					
Investments	15		19,156,308		19,936,804
Current Assets					
Cash at bank		201,202		397,422	
Debtors	16	19,106		139,020	
		220,308		536,442	
Creditors: Amounts falling due within one year	17	(137,388)		(313,750)	
		(137,388)		(313,750)	
Net Current Assets			82,920		222,692
Total Assets less current liabilities			19,239,228		20,159,496
Total Net Assets			19,239,228		20,159,496
Funds					
Unrestricted Funds			19,239,228		20,159,496

The notes on pages 9 to 15 form part of the financial statements.

The directors state:

(a) For the year ended 30th June 2024 the charitable company was entitled to exemption under Section 477 of the Companies Act 2006.

(b) No notice from Trustees requiring an audit has been deposited under Section 476 of the Companies Act 2006.

(c) The directors acknowledge their responsibilities for:

(i) ensuring that the charitable company keeps accounting records which comply with Section 386 of the Companies Act 2006, and
(ii) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year, and of its income and expenditure for the financial year, in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the charitable company.

(d) The accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of the Financial Reporting Standard 102.

The accounts were approved by the board and authorised for issue on 12 March 2025 and signed on its behalf by:

Trustee - Ashley Long

Company number: 03346635

Paul Smith's Foundation
Notes to the Accounts
For the year ended 30 June 2024

1 Accounting policies

Basis of accounting
These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charitable company is a public benefit entity for the purposes of FRS 102 and therefore the charitable company also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Going Concern Basis
The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donation income, dividend income and the valuation of the investment portfolio and income generation from the fund. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Income
Income is credited to the Statement of Financial Activities on an accruals basis when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably. Donated investments are valued at their market value on the date of transaction. Investment income and bank interest are accounted for on a receivable basis.

Expenditure
Expenditure is charged on an accruals basis. Grants payable are included in the Statement of Financial Activities when approved by trustees and offered to the grantee. Support costs have been apportioned across expenditure relating to charitable acitivies.

Investments
In valuing investments the trustees have had due regard to Section 11 Paragraph 17 of the SORP. Investments are accounted at their fair value. Those unlisted investments for where fair value cannot be established using a valuation technique are accounted at cost. Investments are reviewed each year for impairment with any write off included in the Statement of Financial Activities. Realised and unrealised gains and losses on investments are included within the funds.

Creditors
Contractual arrangements are recognised as goods and services are supplied. Other grant payments are recognised when a constructive obligation arises.

1 Accounting policies (continued)

Governance costs
This expenditure includes the independent examination fee, services provided by the charity's legal advisors and any other expenditure related to governance or the strategic direction of the charity.

Unrestricted funds
These resources arise from unrestricted purposes and from accumulated surpluses and deficits in the operations for charitable purposes and are expendable at the discretion of the Trustees.

Intangible fixed assets
The amortisation policy is as follows:

Website	5 years straight line

Cash and Cash Equivalents
Cash and cash equivalents include cash at bank and in hand and short term deposits with a maturity date of three months or less.

Financial instruments
The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102.

Critical accounting estimates and areas of judgement
Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a. Impairment and Valuation of Fixed Asset Investments
The trustees have reviewed the appropriateness of methods used in valuing the unlisted shares of the Company's investments. The trustees believe the investment value is supported by the underlying assets held in the companies of those shares.

Investments are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the SOFA.

b. Amortisation of Intangible Assets
The intangible assets held are all in repsect of website development costs. Therefore the trustees consider an amortisation policy of 5 years straight line to be reasonable where it meets the criteria for capitalisation under FRS102.

2 Investment income

	2024	2023
	£	£
Investment Income-Dividends Rec'd - FSPP Ltd	-	165,854
Investment Income-Dividends Rec'd - FS 1979 Ltd	133,206	-
Investment Income-9 St Thomas Street	21,129	31,864
Bank interest	5,306	811
Loan interest	-	2,421
	159,641	200,950

3 Charitable activities

2024	Grants & donations - note 4	Insurance- note 5	Website costs - note 6	Archive costs - note 7	Legal & Professional - note 8	Advertising costs- note 9	Total
	£	£	£	£	£	£	£
Direct charitable expenditure	38,000	4,760	-	196,626	12,000	4,663	256,049
Allocation of support costs - note 10	6,436	806	-	33,300	2,032	790	43,364
	44,436	5,566	-	229,926	14,032	5,453	299,413

2023	Grants & donations - note 4	Insurance- note 5	Website costs - note 6	Archive costs - note 7 as restated	Legal & Professional - note 8	Advertising costs- note 9	Total
	£	£	£	£	£	£	£
Direct charitable expenditure	76,027	4,877	90,379	266,006	12,283	4,728	454,300
Allocation of support costs - note 10	6,122	393	7,277	21,419	989	381	36,581
	82,149	5,270	97,656	287,425	13,272	5,109	490,881

In 2024 and 2023, support costs have been allocated across the charitable expenditure streams based on total costs.

4 Grants & donations

	2024	2023
	£	£
British Fashion Council	10,000	10,000
Royal Academy of Arts	25,000	15,000
CFDA	-	19,937
Fashanne	-	5,000
Commission Studios	-	21,090
Maggie's	-	5,000
The Royal Drawing School	3,000	-
	38,000	76,027

		2024	2023
		£	£
5	**Insurance**		
	Insurance	4,760	4,877
		4,760	4,877
6	**Website expenditure**		
	Website expenditure	-	90,379
		-	90,379
7	**Archive costs**		
	Costs incurred organising and auditing Paul Smith's archive for use by the foundation	196,626	266,006
8	**Legal & Professional**		
	Legal Services	12,000	12,283
9	**Advertising costs**		
	Digital advertising costs	4,663	4,728
10	**Support costs**		
	Governance costs - note 11	43,351	36,563
	Bank charges	13	18
		43,364	36,581
11	**Governance costs**		
	Independent examiner fees- current year	8,356	6,316
	Independent examiner fees- prior year under accrual	3,252	-
	Accounting services	31,756	30,247
		43,364	36,563

12 Transactions with Trustees

No trustee received any remuneration for services as a trustee (2023: £Nil), nor any reimbursement of expenditure (2023: £Nil).

Key management personnel are the trustees.

13 Employees

The Foundation has no employees.

14 Taxation

The Foundation has suffered no tax charge, as it is not subject to UK corporation tax on its charitable activities.

15 Investments

	Unlisted 2024	Unlisted 2023
	£	£
Fair value at 1st July 2023	19,936,804	17,966,621
Additions/(disposals) in the year	-	(65,000)
(Loss)/gain on investments	(780,496)	2,035,183
Fair value at 30th June 2024	19,156,308	19,936,804

Historical cost as at 30th June 2024: All investments were gifted to the Foundation so had no cost.

At 30th June 2024 the following investment holdings represent 5% or more of the fair value of the total portfolio:

	Share class	Shareholding	Country of incorporation
Floral Street 1979 Limited	140 Ordinary C shares	14.00%	England & Wales
Paul Smith Group Holdings Ltd	5,043 Ordinary A shares	13.72%	England & Wales
Partnership - 9 St Thomas Street	Not applicable	11.24%	Unincorporated

Detailed breakdown of investments

	Fair Value Total 2024	Fair Value Total 2023
	£	£
Floral Street 1979 Ltd	8,578,846	8,578,577
Paul Smith Group Holdings Ltd	9,396,484	10,177,249
Partnership - 9 St Thomas Street	1,180,978	1,180,978
	19,156,308	19,936,804

Market risks

The Foundation’s exposure to market risks is restricted to the specific markets of the companies that the Foundation invests in; there is no direct exposure to general market risks. The specific markets include Paul Smith Group Holdings Limited who operate in the luxury fashion retail and wholesale markets, and Floral Street 1979 Limited in property investment. The fashion wholesale and retail and market has continued to face significant challenges since Covid, but not to the extent that it would challenge the carrying value of the investment in the accounts. The property company is well funded and generally maintains a consistent dividend policy. As with risks, the Foundation’s portfolio has a limited direct exposure to general market performance and instead is impacted by specific market performance.

The Foundation’s exposure ties to its investment objectives as the investments either continue to directly promote the objects and profile of the charity or provide a long-term investment return for the charity. Sir Paul Smith, as a Trustee and Ambassador for the charity, has direct interest and influence in managing the risk of the investments. The charity is also currently recruiting new independent trustees.

The Foundation acquired its shares in Paul Smith Group Holdings Limited and Floral Street 1979 Limited by way of a gift to the Foundation from Sir Paul Smith’s Trust. The charity co-funded alongside Sir Paul Smith, the purchase and restoration of the 9 St Thomas Street building as a long-term investment.

15 Investments (continued)

Market risks (continued)

The Foundation's investments are considered reasonably liquid as Itochu Corporation or Sir Paul Smith could acquire the shares in Paul Smith Group Holdings Limited at any time if required.

The long-term aim of the Foundation involving the investments is to gain dividend income and capital growth from Paul Smith Group Holdings Limited, Floral Street 1979 Limited and St Thomas Street.

Currency risks

All of the Foundation's investments are held in GBP and therefore the Foundation is not exposed to currency risk.

Credit risks

The carrying amounts stated above represent the Foundation's maximum exposure to credit risk. Management is not aware of any further credit risks and therefore further disclosure is not required.

16 Debtors

	2024	2023
	£	£
Prepayments and other debtors	9,977	1,977
Accrued Investment Income - 9 St Thomas Street	9,129	137,043
	19,106	**139,020**

17 Creditors: amounts falling due within one year

	2024	2023
	£	£
Accruals	137,388	279,839
Other creditors	-	33,911
	137,388	**313,750**

18 Financial and capital commitments

The Foundation has no outstanding financial or capital commitments.

19 Related parties

The charity held the following investments at year end in which Paul Smith (and his wife), a trustee of Paul Smith's Foundation has an interest; Floral Street 1979 Limited, 9 St Thomas Street Partnership & Paul Smith Group Holdings Limited.

During the year the Foundation received dividend income of £133,206 from Floral Street 1979 Limited (2023: £nil), £nil (2023: 165,854) from Floral Street Property Partners Limited and £21,129 (2023: £31,864) from 9 St Thomas Street partnership.

Included within other creditors is a balance of £140 (2023: £140) due to Paul Smith Limited in which a number of trustees of the Paul Smith's Foundation are also directors of Paul Smith Limited.

Included in other creditors is a balance of £600 (2023: £600) owed to Paul Smith, a trustee of Paul Smith's Foundation.

20 Statement of movement on reserves

	2024 £	2023 £
Reserves brought forward	20,159,496	18,414,244
(Deficit)/surplus for the year	(920,268)	1,745,252
Reserves carried forward	19,239,228	20,159,496

The charity's reserves consists of unrestricted general reserves only.

Accounts

PAUL SMITH'S FOUNDATION

Registered Charity No: 1065751

Company No: 03346635

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2023

Paul Smith's Foundation (formerly Paul Smith Foundation)
Trustees Report for the year ended 30th June 2023

The trustees present their report along with the financial statements of the Foundation for the year to 30th June 2023. The Foundation is a registered charity with the Charity Commission for England and Wales with registered charity number 1065751 and is a registered Company in England and Wales with Company number 03346635. The Foundation is constituted by its Memorandum and Articles of Association.

Trustees	Sir Paul Smith Ashley Long Sean Baker James Horsley	 (Appointed 14 February 2023)
Secretary	Ashley Long	
Registered Office	20 Kean Street London England WC2B 4AS	
Bankers	Yorkshire Bank Plc 11 Smithy Row Notthingham	
Accountants	Moore Kingston Smith LLP Chartered Accountants 6th Floor 9 Appold Street London EC2A 2AP	

Objects, Activities and Public Benefit

The objects of the Charity are to advance the education of the public in all matters concerning design, fine arts and design movement.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit including the guidance 'public benefit: running a charity (PB2).'

Appointment of new trustees

New trustees may be appointed by the trustees, to fill a vacancy or as an additional trustee. The Trust shall select appropriate trustees and provide them with an induction to acquaint them with the governance and policies of the Trust as well as what is expected of them in their new role. Additional training and/or information will be provided to the trustees on an ongoing basis.

Achievements, Performance and Financial Review

In the year, dividend income was received of £200,950 (2022: £175,680) from a range of investments;

The programme of grants and donations in support of and for the furtherance of the objects of the charity has continued throughout the year whilst further plans for developing and promoting the Foundation have been put into place. During the year, the charity made grant payments and donations of £82,149 (2022: £49,148). All grants were given in support of and for the furtherance of the objects of the charity.

The Foundation's dedicated website (paulsmithsfoundation.com) continues to be a platform of helpful advice for young creatives, and the Foundation's Instagram (@paulsmithsfoundation) has been further developed with engaging content specifically designed to further the public's education and provide inspiration in the fields of fine arts, design and business development.

Work continued in the archive by means of cataloguing, itemising, and relocating an extraordinary sample of the history of Paul Smith. The Archive forms a central part of the Foundation's plans to create an educational resource which is accessible to the general public with a view to inspire, educate and develop skills of designers through open-access and teacher-led sessions. As the archive is based in Nottingham, Paul Smith's Foundation intends to work with local universities to ensure that the opportunity is made widely accessible.

Paul Smith's Foundation (formerly Paul Smith Foundation)
Trustees Report for the year ended 30th June 2023

Investments Policy

The majority of investments are shares held in a range of private companies as analysed in Note 15 to the financial statements. The trustees have wide powers of investment in respect of the Foundation's assets.

The Foundation will invest in and hold assets that will:

i. Directly promote of the Objects of the charity, and or;
ii. Provide a long term investment return to maintain the reserves of the Charity.

The trustees ensure the Programme Related Investment (PRI) strategy is aligned with the charitable mission and objectives of the Foundation.

Grant Policy

The trustees review grant requests on a case-by-case basis in the light of the requested purpose of the grant. All grants are awarded in accordance with the objects which are to advance the education of the public in all matters concerning design, fine arts and design management.

Reserves Policy

The trustees aim to provide sufficient funds to cover the existing level of grants committed as well as provide a long term fund from which its charitable activities can be increased in the future. Total unrestricted funds at the year-end totalled £20,159,496 (2022 restated: £18,414,244). During the year a gain on investments of £2,035,183 (v's loss 2022: £1,446,999) was recognised in respect of its investments in Paul Smith Group Holdings Limited and Floral Street Property Partners Ltd, the shares of which were gifted to it in 2017 .

Free reserves are described as those reserves, excluding fixed assets which are readily available for use in the operations of the charity. At year end, unrestricted free reserves totalled £397,422 (2022: £501,697). The trustees consider the level of free reserves sufficient to fund its grant programme and cover any unplanned expenditure.

Key management and remuneration policy

The trustees are not remunerated and the Trust has no employees. The trustees are considered to be the key management personnel.

Principle risks and uncertainties

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the investments, operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate the exposure to the major risks.

The principal risk for the Foundation at this early stage in its development is not meeting the objects of the charity. The trustees are fully aware of this and are ensuring that the Foundation is becoming more active with the launch of its own dedicated website with regularly updated archive of advice, insights and inspiration.

Future Plans

Having established the reserves of the Foundation with the initial income from donations received from the Paul Smith Discretionary Trust, the trustees continue to increase the visibility and activites of the charity with a modest level of growth in grant and donation activity whilst focussing on generating income from its investments for longer term allocation to causes that further its objectives. The trustees will continue to increase the level of awareness of the Foundation through the appointment of a dedicated foundation Director to promote the furtherance of the objects of the charity.

Paul Smith's Foundation (formerly Paul Smith Foundation)
Trustees Report for the year ended 30th June 2023

Statement of Trustees' Responsibilities

The trustees (who are also directors of the Paul Smith Foundation) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the Trust for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 Trust will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Company Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the Trustees

Ashley Long

Date: 27 Mar '24

Independent Examiner's Report to the Trustees of Paul Smith's Foundation (formerly Paul Smith Foundation)

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30th June 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or

2. the accounts do not accord with those records; or

3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or

4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Moore Kingston Smith LLP

Adam Fullerton, FCA, DChA
For and on behalf of Moore Kingston Smith LLP

6th Floor
9 Appold Street
London, EC2A 2AP

Date: 27 March 2024

Paul Smith's Foundation (formerly Paul Smith Foundation)
Statement of Financial Activities
For the year ended 30 June 2023

	Note	2023 Unrestricted £	2022 Unrestricted as restated £
Income from:			
Investment income	2	200,950	175,680
Total		200,950	175,680
Expenditure on:			
Charitable Activities:	3		
Grants and donations payable in furtherance of objects	4	82,149	49,148
Insurance	5	5,270	2,737
Website expenses	6	97,656	164,418
Archive costs	7	287,425	94,049
Legal & Professional	8	13,272	10
Advertising costs	9	5,109	4,892
Total		490,881	315,254
Net Gain/(loss) on investments	15	2,035,183	(1,446,999)
Net movement in funds		1,745,252	(1,586,573)
Total funds brought forward		18,414,244	20,000,817
Total funds carried forward		20,159,496	18,414,244

The notes on pages 7 to 14 form part of the financial statements.

Paul Smith's Foundation (formerly Paul Smith Foundation)
Balance Sheet as at 30 June 2023

	Note	2023 £	2023 £	2022 as restated £	2022 as restated £
Fixed Assets					
Intangible fixed assets	16		-		-
Investments	15		19,936,804		17,966,621
Current Assets					
Cash at bank		397,422		501,697	
Other debtors	17	139,020		157,273	
		536,442		658,970	
Creditors: Amounts falling due within one year	18	(313,750)		(211,348)	
		(313,750)		(211,348)	
Net Current Assets			222,692		447,622
Total Assets less current liabilities			20,159,496		18,414,244
Total Net Assets			20,159,496		18,414,244
Funds					
Unrestricted Funds			20,159,496		18,414,244

The notes on pages 7 to 14 form part of the financial statements.

The directors state:

(a) For the year ended 30th June 2023 the charitable company was entitled to exemption under Section 477 of the Companies Act 2006.

(b) No notice from Trustees requiring an audit has been deposited under Section 476 of the Companies Act 2006.

(c) The directors acknowledge their responsibilities for:

(i) ensuring that the charitable company keeps accounting records which comply with Section 386 of the Companies Act 2006, and
(ii) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year, and of its income and expenditure for the financial year, in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the charitable company.

(d) The accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of the Financial Reporting Standard 102.

The accounts were approved by the board and authorised for issue on 27 Mar '24
and signed on its behalf by:

Trustee - Ashley Long

Company number: 03346635

Paul Smith's Foundation (formerly Paul Smith Foundation)
Notes to the Accounts
For the year ended 30 June 2023

1 Accounting policies

Basis of accounting

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charitable company is a public benefit entity for the purposes of FRS 102 and therefore the charitable company also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Going Concern Basis

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donation income, dividend income and the valuation of the investment portfolio and income generation from the fund. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Income

Income is credited to the Statement of Financial Activities on an accruals basis when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably. Donated investments are valued at their market value on the date of transaction. Investment income and bank interest are accounted for on a receivable basis.

Expenditure

Expenditure is charged on an accruals basis. Grants payable are included in the Statement of Financial Activities when approved by trustees and offered to the grantee. Support costs have been apportioned across expenditure relating to charitable acitivies.

Investments

In valuing investments the trustees have had due regard to Section 11 Paragraph 17 of the SORP. Investments are accounted at their fair value. Those unlisted investments for where fair value cannot be established using a valuation technique are accounted at cost. Investments are reviewed each year for impairment with any write off included in the Statement of Financial Activities. Realised and unrealised gains and losses on investments are included within the funds.

Creditors

Contractual arrangements are recognised as goods and services are supplied. Other grant payments are recognised when a constructive obligation arises.

1 Accounting policies (continued)

Governance costs
This expenditure includes the independent examination fee, services provided by the charity's legal advisors and any other expenditure related to governance or the strategic direction of the charity.

Unrestricted funds
These resources arise from unrestricted purposes and from accumulated surpluses and deficits in the operations for charitable purposes and are expendable at the discretion of the Trustees.

Intangible fixed assets
The amortisation policy is as follows:

Website	5 years straight line

Cash and Cash Equivalents
Cash and cash equivalents include cash at bank and in hand and short term deposits with a maturity date of three months or less.

Financial instruments
The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102.

Critical accounting estimates and areas of judgement
Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a. Impairment and Valuation of Fixed Asset Investments
The trustees have reviewed the appropriateness of methods used in valuing the unlisted shares of the Company's investments. The trustees believe the investment value is supported by the underlying assets held in the companies of those shares.

Investments are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the SOFA.

b. Amortisation of Intangible Assets
The intangible assets held are all in repsect of website development costs. Therefore the trustees consider an amortisation policy of 5 years straight line to be reasonable where it meets the criteria for capitalisation under FRS102.

2 Investment income

	2023	As restated 2022
	£	£
Investment Income-Dividends Rec'd - FSPP Ltd	165,854	132,684
Investment Income-9 St Thomas Street	31,864	42,996
Bank interest	811	-
Loan interest	2,421	-
	200,950	175,680

3 Charitable activities

2023

	Grants & donations - note 4	Insurance- note 5	Website costs - note 6	Archive costs - note 7	Legal & Professional - note 8	Advertising costs- note 9	Total
	£	£	£	£	£	£	£
Direct charitable expenditure	76,027	4,877	90,379	266,006	12,283	4,728	454,300
Allocation of support costs - note 10	6,122	393	7,277	21,419	989	381	36,581
	82,149	5,270	97,656	287,425	13,272	5,109	490,881

2022

	Grants & donations - note 4	Insurance- note 5	Website costs - note 6	Archive costs - note 7 as restated	Legal & Professional - note 8	Advertising costs- note 9	Total
	£	£	£	£	£	£	£
Direct charitable expenditure	47,500	2,645	158,904	90,895	10	4,728	304,682
Allocation of support costs - note 10	1,648	92	5,514	3,154	-	164	10,572
	49,148	2,737	164,418	94,049	10	4,892	315,254

In 2023 and 2022, support costs have been allocated across the charitable expenditure streams based on total costs.

4 Grants & donations

	2023	2022
	£	£
British Fashion Council	10,000	-
Royal Academy of Arts	15,000	47,500
CFDA	19,937	-
Fashanne	5,000	-
Commission Studios	21,090	-
Maggie's	5,000	-
	76,027	47,500

Paul Smith's Foundation (formerly Paul Smith Foundation)
Notes to the Accounts
For the year ended 30 June 2023

		2023 £	2022 £
5	**Insurance**		
	Insurance	4,877	2,645
		4,877	2,645
6	**Website Expenditure**		
	Website expenditure	90,379	158,904
		90,379	158,904
7	**Archive costs**		
	Costs incurred organising and auditing Paul Smith's archive for use by the foundation	266,006	90,895
8	**Legal & Professional**		
	Legal Services	12,283	10
9	**Advertising costs**		
	Digital advertising costs	4,728	4,728
10	**Support costs**		
	Governance costs - note 111	36,563	10,573
	Bank charges	18	-
		36,581	10,573
11	**Governance costs**		
	Independent examiner fees	6,316	4,950
	Accounting services	30,247	5,623
		36,563	10,573

12 Transactions with Trustees

No trustee received any remuneration for services as a trustee (2023: £Nil), nor any reimbursement of expenditure (2022: £Nil).

Key management personnel are the trustees.

13 Employees

The Foundation has no employees.

14 Taxation

The Foundation has suffered no tax charge, as it is not subject to UK corporation tax on its charitable activities.

15 Investments

	Unlisted 2023 £	Unlisted 2022 £
Fair value at 1st July 2022	17,966,621	19,413,620
Additions/(Disposal) in the year	(65,000)	-
Gain/(loss) on Investments	2,035,183	(1,446,999)
Fair value at 30th June 2023	19,936,804	17,966,621
Historical cost as at 30th June 2022	17,966,621	19,413,620

At 30th June 2023 the following investment holdings represent 5% or more of the fair value of the total portfolio:

	Share class	Shareholding	Country of incorporation
Floral Street 1979 Limited	140 Ordinary C shares	14.00%	England & Wales
Paul Smith Group Holdings Ltd	5,043 Ordinary A shares	13.72%	England & Wales
Partnership - 9 St Thomas Street	Not applicable	11.24%	Unincorporated

Detailed breakdown of investments

	Fair Value Total 2023 £	Fair Value Total 2022 £
Lecture in Progress Ltd	-	50,000
Floral Street Property Partners Ltd	-	5,918,102
Floral Street 1979 Ltd	8,578,577	-
Paul Smith Group Holdings Ltd	10,177,249	10,817,541
Partnership - 9 St Thomas Street	1,180,978	1,180,978
	19,936,804	17,966,621

Market risks
The Foundation's exposure to market risks is restricted to the specific markets of companies the Foundation invests in; there is no direct exposure to general market risks. The specific markets include Paul Smith Group Holdings Ltd in Fashion wholesale and retail and Floral Street Property Partners Ltd in Property. The Fashion wholesale and retail market faced challenges during the year but not to the extent that it would challenge the carrying value of the investment in the accounts. The Property company is well funded and generally maintains a consistent dividend policy. As with risk, the Foundation's portfolio has limited direct exposure to general market performance and instead is impacted by specific markets performance.

The Foundation's exposure ties into its investment objectives as the investments either continue to directly promote the objects and profile of the charity or provide a long-term investment return for the charity. Sir Paul Smith, as a Trustee and Ambassador for the charity, has direct interest and influence in managing the risk of the investments. The charity is also currently considering the option to appoint new independent trustees.

The Foundation acquired its shares in Paul Smith Group Holdings Ltd and Floral Street Property Partners Ltd by way of a gift to the Foundation from Sir Paul Smith's Trust. The charity invested funds in LIP Ltd as it directly promotes the objectives of the charity in supporting new talent in the creative industries. The charity co-funded alongside Sir Paul Smith, the purchase and restoration of the 9 St Thomas Street building as a long-term investment. No revaluation has been carried out this year.

15 Investments (continued)

Market risks (continued)

The Foundation's investments are considered reasonably liquid as Itochu Corporation or Sir Paul Smith could acquire the shares in Paul Smith Group Holdings Ltd at any time if required. Sir Paul Smith and the other shareholders can also potentially acquire the shares in Floral Street Property Partners Ltd if the need arose.

The long-term aim of the Foundation involving the investments is to gain dividend income and capital growth from Paul Smith Group Holdings Ltd, Floral Street Property Partners Ltd and St Thomas Street. The long-term aim of LIP Ltd is to continue promoting the objectives of the charity.

Currency risks

All of the Foundation's investments are held in GBP and therefore the Foundation is not exposed to currency risk.

Credit risks

The carrying amounts stated above represent the Foundation's maximum exposure to credit risk. Management is not aware of any further credit risks and therefore further disclosure is not required.

16 Intangible fixed assets

	Website development
Cost at 1 July 2022	79,287
Additions	-
Cost at 30 June 2023	79,287
Accumulated amortisation at 1 July 2022	79,287
Impairment charge for the year	-
Accumulated amortisation at 30 June 2023	79,287
Net book value as at 30 June 2023	**-**
Net book value as at 30 June 2022	-

17 Debtors

	2023	As restated 2022
	£	£
Prepayments	1,977	2,094
Accrued Investment Income-9 St Thomas Street	137,043	105,179
Loan	-	50,000
	139,020	**157,273**

18 Creditors: amounts falling due within one year

	2022	2022
	£	£
Accruals	279,839	77,925
Deferred dividend income	-	132,683
Other creditors	33,911	740
	313,750	**211,348**

19 Financial and capital commitments

The Foundation has no outstanding financial or capital commitments.

20 Related parties

The charity held the following investments at year end in which Paul Smith (and his wife), a trustee of Paul Smith's Foundation has an interest; Floral Street 1979 Ltd, 9 St Thomas Street Partnership & Paul Smith Group Holdings Limited

During the year the Foundation received dividend income of £165,854 (2022:132,683) from Floral Street Property Partners Limited (formerly known as Colston Property Partners Limited) of which Paul Smith is a director and Ashley Long is Company Secretary.

Included within other creditors is a balance of £140 (2022: £140) due to Paul Smith Limited in which a number of trustees of the Paul Smith's Foundation are also directors of Paul Smith Limited.

Included in other creditors is a balance of £600 (2022: £600) owed to Paul Smith, a trustee of Paul Smith's Foundation.

21 Statement of movement on reserves

	2023	As restated 2022
	£	£
Reserves brought forward	18,414,244	20,000,817
Surplus/(deficit) for the year	1,745,252	(1,586,573)
Reserves carried forward	20,159,496	18,414,244

The charity's reserves consists of unrestricted general reserves only.

22 Prior period adjustments

	As previously reported £	Adjustment 1 £	Adjustment 2	As restated £
Net assets and unrestricted funds at 30 June 2021	19,888,634	50,000	62,183	20,000,817
Surplus/(deficit) for year-ended 30 June 2022	(1,629,569)	-	42,996	(1,586,573)
Net assets and unrestricted funds at 30 June 2022	18,259,065	50,000	105,179	18,414,244

Adjustment 1

Other debtors have been restated to include a loan due from Lecture in Progress Ltd at 30 June 2021 and 30 June 2022. This loan was repaid in 2022/23.

Adjustment 2

Income due from 9 St Thomas Street Partnership that met the Charity SORP income reocognition criteria has been recognised as follows: £62,183 accrued at 30 June 2021 and a further £42,996 accrued in the year to 30 June 2022, leaving £105,179 accrued at 30 June 2022.

Accounts

PAUL SMITH'S FOUNDATION

Registered Charity No: 1065751
Company No: 03346635

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2022

Paul Smith's Foundation (formerly Paul Smith Foundation)
Trustees Report for the year ended 30th June 2022

The trustees present their report along with the financial statements of the Foundation for the year to 30th June 2022. The Foundation is a registered charity with the Charity Commission for England and Wales with registered charity number 1065751 and is a registered Company in England and Wales with Company number 03346635. The Foundation is constituted by its Memorandum and Articles of Association.

Trustees	Sir Paul Smith	
	Ashley Long	
	Sean Baker	
	James Horsley	(Appointed 14 February 2023)
Secretary	Ashley Long	
Registered Office	The Poplars Lenton Lane Notthingham, NG7 2PW	
Bankers	Yorkshire Bank Plc 11 Smithy Row Notthingham	
Accountants	Moore Kingston Smith LLP Chartered Accountants 6th Floor 9 Appold Street London EC2A 2AP	

Objects, Activities and Public Benefit

The objects of the Charity are to advance the education of the public in all matters concerning design, fine arts and design movement.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit including the guidance 'public benefit: running a charity (PB2).'

Appointment of new trustees

New trustees may be appointed by the trustees, to fill a vacancy or as an additional trustee. The Trust shall select appropriate trustees and provide them with an induction to acquaint them with the governance and policies of the Trust as well as what is expected of them in their new role. Additional training and/or information will be provided to the trustees on an ongoing basis.

Achievements, Performance and Financial Review

In the year, dividend income was received of £132,684 (2021: £132,684) from its investment in Colston Property Partners Limited.

The programme of grants and donations in support of and for the furtherance of the objects of the charity has continued throughout the year whilst further plans for developing and promoting the Foundation have been put into place. During the year, the charity made grant payments and donations of £47,500 (2021: £25,000). All grants were given in support of and for the furtherance of the objects of the charity. Notes 3 & 4 to the financial statements provide additional information on the grants committed. The Foundation's dedicated website (paulsmithsfoundation.com) has been further developed to give helpful advice and showcase young creatives. As well as the Foundation Instagram (@paulsmithsfoundation), the Foundation is developing new ways to give helpful advice to young creative people that are on the edge of the industry.

Paul Smith's Foundation (formerly Paul Smith Foundation)
Trustees Report for the year ended 30th June 2022

Statement of Trustees' Responsibilities

The trustees (who are also directors of the Paul Smith Foundation) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the Trust for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 Trust will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Company Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the Trustees

Ashley Long

Date: 28 JUNE 2023

Paul Smith's Foundation (formerly Paul Smith Foundation)
Trustees Report for the year ended 30th June 2022

Investments Policy
The majority of investments are shares held in a range of private companies as analysed in Note 15 to the financial statements. The trustees have wide powers of investment in respect of the Foundation's assets.

The Foundation will invest in and hold assets that will:

i. Directly promote of the Objects of the charity, and or;
ii. Provide a long term investment return to maintain the reserves of the Charity.

The trustees ensure the Programme Related Investment (PRI) strategy is aligned with the charitable mission and objectives of the Foundation.

Grant Policy
The trustees review grant requests on a case-by-case basis in the light of the requested purpose of the grant. All grants are awarded in accordance with the objects which are to advance the education of the public in all matters concerning design, fine arts and design management.

Reserves Policy
The trustees aim to provide sufficient funds to cover the existing level of grants committed as well as provide a long term fund from which its charitable activities can be increased in the future. Total unrestricted funds at the year-end totalled £18,259,065 (2021 restated: £19,888,634). During the year a net loss on investments of £1,446,999 (2021: £6,278,374) was recognised in respect of its investments in Paul Smith Group Holdings Limited, the shares of which were gifted to it in 2017 and Colston Property Partners Ltd . This loss on investment value was as a result of a reduction in net asset value of the investment following the companies purchase of own shares during the year as well as losses incurred by the group due to the impact of the COVID19 pandemic.

Free reserves are described as those reserves, excluding fixed assets which are readily available for use in the operations of the charity. At year end, unrestricted free reserves totalled £292,444 (2021 restated: £475,013). The trustees consider the level of free reserves sufficient to fund its grant programme and cover any unplanned expenditure

Key management and remuneration policy
The trustees are not remunerated and the Trust has no employees. The trustees are considered to be the key management personnel.

Principle risks and uncertainties
The trustees have assessed the major risks to which the charity is exposed, in particular those related to the investments, operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate the exposure to the major risks.

The principal risk for the Foundation at this early stage in its development is not meeting the objects of the charity. The trustees are fully aware of this and are ensuring that the Foundation is becoming more active with the launch of its own dedicated website with regularly updated archive of advice, insights and inspiration.

Future Plans
Having established the reserves of the Foundation with the initial income from donations received from the Paul Smith Discretionary Trust, the trustees continue to increase the visibility and activites of the charity with a modest level of growth in grant and donation activity whilst focussing on generating income from its investments for longer term allocation to causes that further its objectives. The trustees will continue to increase the level of awareness of the Foundation through its own dedicated website, initially providing advice, insights and inspiration to a new generation of creatives.

Paul Smith's Foundation (formerly Paul Smith Foundation)
Statement of Financial Activities
For the year ended 30 June 2022

	Note	2022 Unrestricted £	2021 Unrestricted as restated £
Income from:			
Investment income	2	132,684	132,684
Total		132,684	132,684
Expenditure on:			
Charitable Activities:	3		
Grants and donations payable in furtherance of objects	4	49,148	34,714
Insurance	5	2,737	-
Website expenses	6	164,418	241,966
Archive costs	7	94,049	104,734
Legal & Professional	8	10	680
Advertising costs	9	4,892	14,212
Total		315,254	396,306
Net loss on investments	15	(1,446,999)	(6,278,374)
Net movement in funds		(1,629,569)	(6,541,996)
Total funds brought forward		19,888,634	26,430,630
Total funds carried forward		18,259,065	19,888,634

The notes on pages 7 to 13 form part of the financial statements.

Independent Examiner's Report to the Trustees of Paul Smith's Foundation (formerly Paul Smith Foundation)

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30th June 2022.

Responsibilities and basis of report
As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or

2. the accounts do not accord with those records; or

3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or

4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Moore Kingston Smith LLP

Shivani Kothari, FCCA, DChA
For and on behalf of Moore Kingston Smith LLP

6th Floor
9 Appold Street
London, EC2A 2AP

Date: 28 June 2023

Paul Smith's Foundation (formerly Paul Smith Foundation)
Balance Sheet as at 30 June 2022

	Note	2022 £	2022 £	2021 as restated £	2021 as restated £
Fixed Assets					
Intangible fixed assets	16		-		-
Investments	15		17,966,621		19,413,620
Current Assets					
Cash at bank		501,698		610,986	
Other debtors	17	2,094		-	
		503,792		610,986	
Creditors: Amounts falling due within one year	18	(211,348)		(135,973)	
		(211,348)		(135,973)	
Net Current Assets			292,444		475,013
Total Assets less current liabilities			18,259,065		19,888,634
Total Net Assets			18,259,065		19,888,634
Funds					
Unrestricted Funds			18,259,065		19,888,634

The notes on pages 7 to 13 form part of the financial statements.

The directors state:

(a) For the year ended 30th June 2022 the charitable company was entitled to exemption under Section 477 of the Companies Act 2006.

(b) No notice from Trustees requiring an audit has been deposited under Section 476 of the Companies Act 2006.

(c) The directors acknowledge their responsibilities for:

(i) ensuring that the charitable company keeps accounting records which comply with Section 386 of the Companies Act 2006, and
(ii) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year, and of its income and expenditure for the financial year, in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the charitable company.

(d) The accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of the Financial Reporting Standard 102.

The accounts were approved by the board and authorised for issue on
and signed on its behalf by:

28 June 2023.

Trustee - Ashley Long

Company number: 03346635

1 Accounting policies

Basis of accounting
These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charitable company is a public benefit entity for the purposes of FRS 102 and therefore the charitable company also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

Costs in the prior year have been restated to recognise archive costs that were previously omitted. The prior period adjustment is detailed in note 22.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Going Concern Basis
The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donation income, dividend income and the valuation of the investment portfolio and income generation from the fund. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Income
Income is credited to the Statement of Financial Activities on an accruals basis when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably. Donated investments are valued at their market value on the date of transaction. Investment income and bank interest are accounted for on a receivable basis.

Expenditure
Expenditure is charged on an accruals basis. Grants payable are included in the Statement of Financial Activities when approved by trustees and offered to the grantee. Support costs have been apportioned across expenditure relating to charitable acitivities.

Investments
In valuing investments the trustees have had due regard to Section 11 Paragraph 17 of the SORP. Investments are accounted at their fair value. Those unlisted investments for where fair value cannot be established using a valuation technique are accounted at cost. Investments are reviewed each year for impairment with any write off included in the Statement of Financial Activities. Realised and unrealised gains and losses on investments are included within the funds.

Creditors
Contractual arrangements are recognised as goods and services are supplied. Other grant payments are recognised when a constructive obligation arises.

Paul Smith's Foundation (formerly Paul Smith Foundation)
Notes to the Accounts
For the year ended 30 June 2022

1 Accounting policies (continued)

Governance costs
This expenditure includes the independent examination fee, services provided by the charity's legal advisors and any other expenditure related to governance or the strategic direction of the charity.

Unrestricted funds
These resources arise from unrestricted purposes and from accumulated surpluses and deficits in the operations for charitable purposes and are expendable at the discretion of the Trustees.

Intangible fixed assets
The amortisation policy is as follows:

Website	5 years straight line

Cash and Cash Equivalents
Cash and cash equivalents include cash at bank and in hand and short term deposits with a maturity date of three months or less.

Financial instruments
The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102.

Critical accounting estimates and areas of judgement
Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a. Impairment and Valuation of Fixed Asset Investments
The trustees have reviewed the appropriateness of methods used in valuing the unlisted shares of the Company's investments. The trustees believe the investment value is supported by the underlying assets held in the companies of those shares.

Investments are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the SOFA.

b. Amortisation of Intangible Assets
The intangible assets held are all in repsect of website development costs. Therefore the trustees consider an amortisation policy of 5 years straight line to be reasonable where it meets the criteria for capitalisation under FRS102.

Paul Smith's Foundation (formerly Paul Smith Foundation)
Notes to the Accounts
For the year ended 30 June 2022

2 Investment income

	2022	2021
	£	£
Dividend from Colston Property Partners Limited	132,684	132,684
	132,684	132,684

3 Charitable activities

	2022						
	Grants & donations - note 4	Insurance- note 5	Website costs - note 6	Archive costs - note 7	Legal & Professional - note 8	Advertising costs- note 9	Total
	£	£	£	£	£	£	£
Direct charitable expenditure	47,500	2,645	158,904	90,895	10	4,728	304,682
Allocation of support costs - note 10	1,648	92	5,514	3,154	0	164	10,572
	49,148	2,737	164,418	94,049	10	4,892	315,254

	2021						
	Grants & donations - note 4	Insurance- note 5	Website costs - note 6	Archive costs - note 7 as restated	Legal & Professional - note 8	Advertising costs- note 9	Total
	£	£	£	£	£	£	£
Direct charitable expenditure	25,000	-	174,256	97,507	490	10,235	307,488
Allocation of support costs - note 10	9,714	-	67,710	7,227	190	3,977	88,818
	34,714	-	241,966	104,734	680	14,212	396,306

In 2022 and 2021, support costs have been allocated across the charitable expenditure streams based on total costs.

4 Grants & donations

	2022	2021
	£	£
Royal Academy of Arts	47,500	25,000
	47,500	25,000

5 Insurance

	2022	2021
	£	£
Insurance	2,645	-
	2,645	-

6 Website Expenditure

	2022	2021
	£	£
Website expenditure	158,904	174,256
	158,904	174,256

Paul Smith's Foundation (formerly Paul Smith Foundation)
Notes to the Accounts
For the year ended 30 June 2022

		2022	2021
7	**Archive costs**		as restated
		£	£
	Costs incurred organising and auditing Paul Smith's archive for use by the foundation	90,895	97,507
8	**Legal & Professional**		
	Review of Charitable Company Constitution and change of company	10	490
9	**Advertising costs**		
	Digital advertising costs	4,728	10,235

		2022	2021
10	**Support costs**	£	£
	Governance costs - note 10	10,573	9,514
	Bank charges	-	17
	Impairment	-	79,287
		10,573	88,818

		2022	2021
11	**Governance costs**	£	£
	Independent examiner fees	4,950	4,570
	Accounting services	5,623	4,944
		10,573	9,514

12 Transactions with Trustees

No trustee received any remuneration for services as a trustee (2021: £Nil), nor any reimbursement of expenditure (2021: £Nil).

Key management personnel are the trustees.

13 Employees

The Foundation has no employees.

14 Taxation

The Foundation has suffered no tax charge, as it is not subject to UK corporation tax on its charitable activities.

15 Investments

	Unlisted 2022 £	Unlisted 2021 £
Fair value at 1st July 2021	19,413,620	25,641,994
Additions in the year	-	50,000
Revaluation loss	(1,446,999)	(6,278,374)
Fair value at 30th June 2022	17,966,621	19,413,620
Historical cost as at 30th June 2021	19,413,620	25,641,994

At 30th June 2022 the following investment holdings represent 5% or more of the fair value of the total portfolio:

	Share class	Shareholding	Country of incorporation
Lecture in Progress Ltd	25 Ordinary shares	20.00%	England & Wales
Colston Property Partners Ltd	5,043 Ordinary C shares	11.60%	England & Wales
Paul Smith Group Holdings Ltd	5,043 Ordinary A shares	15.72%	England & Wales
Partnership - 9 St Thomas Street	Not applicable	11.24%	Unincorporated

Detailed breakdown of investments

	Fair Value Total 2022 £	Fair Value Total 2021 £
Lecture in Progress Ltd	50,000	50,000
Colston Property Partners Ltd	5,918,102	6,856,872
Paul Smith Group Holdings Ltd	10,817,541	11,325,770
Partnership - 9 St Thomas Street	1,180,978	1,180,978
	17,966,621	19,413,620

Market risks

The Foundation's exposure to market risks is restricted to the specific markets of companies the Foundation invests in; there is no direct exposure to general market risks. The specific markets include Paul Smith Group Holdings Ltd in Fashion wholesale and retail and CPP Ltd in Property. The Fashion wholesale and retail market faced challenges during the year but not to the extent that it would challenge the carrying value of the investment in the accounts. The Property company is well funded and generally maintains a consistent dividend policy. As with risk, the Foundation's portfolio has limited direct exposure to general market performance and instead is impacted by specific markets performance.

The Foundation's exposure ties into its investment objectives as the investments either continue to directly promote the objects and profile of the charity or provide a long-term investment return for the charity. Sir Paul Smith, as a Trustee and Ambassador for the charity, has direct interest and influence in managing the risk of the investments. The charity is also currently considering the option to appoint new independent trustees.

The Foundation acquired its shares in PSGH Ltd and CPP Ltd by way of a gift to the Foundation from Sir Paul Smith's Trust. The charity invested funds in LIP Ltd as it directly promotes the objectives of the charity in supporting new talent in the creative industries. The charity co-funded alongside Sir Paul Smith, the purchase and restoration of the 9 St Thomas Street building as a long-term investment. No revaluation has been carried out this year.

15 Investments (continued)

Market risks (continued)

The Foundation's investments are considered reasonably liquid as Itochu Corporation or Sir Paul Smith could acquire the shares in PSGH Ltd at any time if required. Sir Paul Smith and the other shareholders can also potentially acquire the shares in CPP Ltd if the need arose.

The long-term aim of the Foundation involving the investments is to gain dividend income and capital growth from PSGH Ltd, CPP Ltd and St Thomas Street. The long-term aim of LIP Ltd is to continue promoting the objectives of the charity.

Currency risks

All of the Foundation's investments are held in GBP and therefore the Foundation is not exposed to currency risk.

Credit risks

The carrying amounts stated above represent the Foundation's maximum exposure to credit risk. Management is not aware of any further credit risks and therefore further disclosure is not required.

16 Intangible fixed assets

	Website development
Cost at 1 July 2021	79,287
Additions	-
Cost at 30 June 2022	79,287
Accumulated amortisation at 1 July 2021	79,287
Impairment charge for the year	-
Accumulated amortisation at 30 June 2022	79,287
Net book value as at 30 June 2022	-
Net book value as at 30 June 2021	-

17 Debtors

	2022	2021
	£	£
Prepayments	2,094	-
	2,094	**-**

18 Creditors: amounts falling due within one year

	2022	2021 as restated
	£	£
Grant accruals	-	10,000
Accruals	77,925	88,494
Deferred dividend income	132,683	33,171
Other creditors	740	4,308
	211,348	**135,973**

19 Financial and capital commitments

The Foundation has no outstanding financial or capital commitments.

20 Related parties

The charity held the following investments at year end in which Paul Smith (and his wife), a trustee of Paul Smith's Foundation has a controlling interest; Colston Property Partners Ltd, Partnership - 9 St Thomas Street and Paul Smith Group Holdings Ltd.

During the year the Foundation received a dividend of £132,684 (2021: £132,684) from Colston Property Partners Limited of which Paul Smith and Ashley Long are directors. Included within creditors is a balance of £132,684 (2021: 33,171) from Colston Property Partners Limited relating to dividend income for 2023.

Included within other creditors is a balance of £140 (2021: £140) due to Paul Smith Limited in which a number of trustees of the Paul Smith's Foundation are also directors of Paul Smith Limited.

Included in other creditors is a balance of £600 (2021: £600) owed to Paul Smith, a trustee of Paul Smith's Foundation.

21 Statement of movement on reserves

	2022	2021
	£	£
Reserves brought forward	19,967,542	26,430,630
Surplus/(deficit) for the year	(1,629,569)	(6,463,088)
Reserves carried forward	18,337,973	19,967,542

The charity's reserves consists of unrestricted general reserves only.

22 Prior period adjustment

Costs in the prior year have been restated to recognise archive costs that were previously omitted.

Changes to the balance sheet

	As previously reported £	Adjustment £	As restated at 30 June 2021 £
Creditors due within a year			
Accruals	9,586	78,908	88,494
Net assets	19,967,542	(78,908)	19,888,634
Funds			
Unrestricted funds	19,967,542	(78,908)	(19,888,364)

Changes to the SOFA

	As previously reported £	Adjustment £	As restated at 30 June 2021 £
Expenditure			
Archive costs	25,826	78,908	104,734
Net movement in funds	(6,463,088)	(78,908)	(6,541,996)

PAUL SMITH'S FOUNDATION

England & Wales - Charity number 1065751

Accounts

PAUL SMITH'S FOUNDATION (FORMERLY PAUL SMITH FOUNDATION)

Registered Charity No.: 1065751

Company No.: 03346635

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 June 2021

Paul Smith's Foundation (formerly Paul Smith Foundation)
Trustees' Report for the year ended 30 June 2021

The trustees present their report along with the financial statements of the Foundation for the year to 30th June 2021. The Foundation is a registered charity with the Charity Commission for England and Wales with registered charity number 1065751 and is a registered Company in England and Wales with Company number 03346635. The Foundation is constituted by its Memorandum and Articles of Association.

Trustees	Sir Paul Smith Ashley Long Sean Baker
Secretary	Ashley Long
Registered Office	The Poplars Lenton Lane Nottingham, NG7 2PW
Bankers	Yorkshire Bank Plc 11 Smithy Row Nottingham
Accountants	Moore Kingston Smith LLP Chartered Accountants Devonshire House 60 Goswell Road London EC1M 7AD

Objects, Activities and Public Benefit

The objects of the Charity are to advance the education of the public in all matters concerning design, fine arts and design movement.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit including the guidance 'public benefit: running a charity (PB2).'

Appointment of new trustees

New trustees may be appointed by the trustees, to fill a vacancy or as an additional trustee. The Trust shall select appropriate trustees and provide them with an induction to acquaint them with the governance and policies of the Trust as well as what is expected of them in their new role. Additional training and/or information will be provided to the trustees on an ongoing basis.

Achievements, Performance and Financial Review

In the year, dividend income was received of £132,684 (2020: £98,565) from investments held in a range of investments.

Despite the continuing impact of the COVID19 pandemic this year, the trustees have made good progress during the year in developing the activities of the Foundation. The programme of grants and donations in support of and for the furtherance of the objects of the charity has continued throughout the year whilst further plans for developing and promoting the Foundation have been put into place. During the year, the charity made grant payments and donations of £34,714 (2020: £18,187). All grants were given in support of and for the furtherance of the objects of the charity. Notes 3 & 4 to the financial statements provide additional information on the grants committed. The Foundation's dedicated website (paulsmithsfoundation.com) has been further developed to give helpful advice and showcase young creatives. As well as the Foundation Instagram (@paulsmithsfoundation), the Foundation is developing new ways to give helpful advice to young creative people that are on the edge of the industry.

Investments Policy

The majority of investments are shares held in a range of private companies as analysed in Note 12 to the financial statements.

The Trust will invest in and hold assets that will:

i. Directly promote of the Objects of the charity, and or
ii. Provide a long-term investment return to maintain the reserves of the Charity.

Grant Policy

The trustees review grant requests on a case-by-case basis in the light of the requested purpose of the grant. All grants are awarded in accordance with the objects which are to advance the education of the public in all matters concerning design, fine arts and design management.

Reserves Policy

The trustees aim to provide sufficient funds to cover the existing level of grants committed as well as provide a long term fund from which its charitable activities can be increased in the future. Total unrestricted funds at the year-end totalled £19,967,542 (2020: £26,430,630). During the year a net loss on investments of £6,278,374 (2020: £nil) was recognised in respect of its investment in Paul Smith Group Holdings Limited, the shares of which were gifted to it in 2017. This loss on investment value was as a result of a reduction in net asset value of the investment following the companies purchase of own shares during the year as well as losses incurred by the group due to the impact of the COVID19 pandemic.

Free reserves are described as those reserves, excluding fixed assets, which are readily available for use in the operations of the charity. At the year end, unrestricted free reserves totalled £553,921 (2020: £709,349). The trustees consider the level of free reserves sufficient to fund its grant programme and cover any unplanned expenditure.

Key management and remuneration policy

The trustees are not remunerated, and the Trust has no employees. The Trustees are considered to be the key management personnel.

Principle risks and uncertainties

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the investments, operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate the exposure to the major risks.

The principal risk for the Foundation at this early stage in its development is not meeting the objects of the charity. The trustees are fully aware of this and are ensuring that the Foundation is becoming more active with the launch of its own dedicated website with regularly updated archive of advice, insights and inspiration.

Paul Smith's Foundation (formerly Paul Smith Foundation)
Trustees' Report for the year ended 30 June 2021

Future Plans

Having established the reserves of the Foundation with the initial income from donations received from the Paul Smith Discretionary Trust, the trustees continue to increase the visibility and activities of the charity with a modest level of growth in grant and donation activity whilst focussing on generating income from its investments for longer term allocation to causes that further its objectives. The trustees will continue to increase the level of awareness of the Foundation through its own dedicated website (launched during the year) initially providing advice, insights and inspiration to a new generation of creatives.

Statement of Trustees' Responsibilities

The trustees (who are also directors of the Paul Smith's Foundation) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the Trust for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards 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 Trust will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Company Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the Trustees

Ashley Long

Date: 26/04/2022

Independent Examiner's Report to the Trustees of Paul Smith's Foundation (formerly Paul Smith Foundation)

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30th June 2021.

Responsibilities and basis of report
As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or

2. the accounts do not accord with those records; or

3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or

4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Moore Kingston Smith LLP

Shivani Kothari, FCCA, DChA
For and on behalf of Moore Kingston Smith LLP

Devonshire House
60 Goswell Road
London, EC1M 7AD

Date: 26th April 2022.

Independent Examiner's Report to the Trustees of Paul Smith's Foundation (formerly Paul Smith Foundation)

	Note	2021 Unrestricted £	2020 Unrestricted £
Income from:			
Investment income	2	132,684	98,565
Total		132,684	98,565
Expenditure on:			
Charitable Activities:	3		
Grants and donations payable in furtherance of objects	4	34,714	18,187
Sponsorship	5	-	3,031
Website expenditure	6	241,966	-
Archive costs	7	25,826	30,460
Legal & Professional	8	680	-
Advertising costs	9	14,212	-
Total		317,398	51,678
Net loss on investments	15	(6,278,374)	-
Net movement in funds		(6,463,088)	46,887
Total funds brought forward		26,430,630	26,383,743
Total funds carried forward		19,967,542	26,430,630

The notes on pages 7 to 13 form part of the financial statements.

Independent Examiner's Report to the Trustees of Paul Smith's Foundation (formerly Paul Smith Foundation)

	Note	2021 £	2021 £	2020 £	2020 £
Fixed Assets					
Intangible fixed assets	16		-		79,287
Investments	15		19,413,620		25,641,994
Current Assets					
Cash at bank		610,986		736,265	
Other debtors		-		-	
		610,986		736,265	
Creditors: Amounts falling due within one year	17	(57,065)		(26,916)	
		(57,065)		(26,916)	
Net Current Assets			553,921		709,349
Total Assets less current liabilities			19,967,542		26,430,630
Total Net Assets			19,967,542		26,430,630
Funds					
Unrestricted Funds			19,967,542		26,430,630

The notes on pages 7 to 13 form part of the financial statements.

The directors state:

(a) For the year ended 30th June 2021 the charitable company was entitled to exemption under Section 477 of the Companies Act 2006.

(b) No notice from Trustees requiring an audit has been deposited under Section 476 of the Companies Act 2006

(c) The directors acknowledge their responsibilities for:

(i) ensuring that the charitable company keeps accounting records which comply with Section 386 of the Companies Act 2006, and
(ii) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year, and of its income and expenditure for the financial year, in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the charitable company.

(d) The accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of the Financial Reporting Standard 102.

The accounts were approved by the board and authorised for issue on
and signed on its behalf by:

Trustee - Ashley Long
26/04/2022
Company number: 03346635

Independent Examiner's Report to the Trustees of Paul Smith's Foundation (formerly Paul Smith Foundation)

1 Accounting policies

Basis of accounting
These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charitable company is a public benefit entity for the purposes of FRS 102 and therefore the charitable company also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Going Concern Basis
The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donation income, dividend income and the impact of the coronavirus on the valuation of the investment portfolio and income generation from the fund. After making enquiries the trustees have concluded that any impact on investment income due to the Coronavirus will be short term and that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Income
Income is credited to the Statement of Financial Activities on an accruals basis when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably. Donated investments are valued at their market value on the date of transaction. Investment income and bank interest are accounted for on a receivable basis.

Expenditure
Expenditure is charged on an accruals basis. Grants payable are included in the Statement of Financial Activities when approved by trustees and offered to the grantee.

Investments
In valuing investments the trustees have had due regard to Section 11 Paragraph 17 of the SORP. Investments are accounted at their fair value. Those unlisted investments for where fair value cannot be established using a valuation technique are accounted at cost. Investments are reviewed each year for impairment with any write off included in the Statement of Financial Activities. Realised and unrealised gains and losses on investments are included within the funds.

Creditors
Contractual arrangements are recognised as goods and services are supplied. Other grant payments are recognised when a constructive obligation arises.

1 Accounting policies (continued)

Governance costs

This expenditure includes the independent examination fee, services provided by the charity's legal advisors and any other expenditure related to governance or the strategic direction of the charity.

Unrestricted funds

These resources arise from unrestricted purposes and from accumulated surpluses and deficits in the operations for charitable purposes and are expendable at the discretion of the Trustees.

Intangible fixed assets

The amortisation policy is as follows:

Website	5 years straight line

Cash and Cash Equivalents

Cash and cash equivalents include cash at bank and in hand and short term deposits with a maturity date of three months or less.

Financial instruments

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102.

Critical accounting estimates and areas of judgement

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

a. Impairment and Valuation of Fixed Asset Investments

The trustees have reviewed the appropriateness of methods used in valuing the unlisted shares of the Company's investments. The trustees believe the investment value is supported by the underlying assets held in the companies of those shares.

Investments are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the SOFA.

b. Amortisation of Intangible Assets

The intangible assets held are all in repsect of website development costs. Therefore the trustees consider an amortisation policy of 5 years straight line to be reasonable where it meets the criteria for capitalisation under FRS102.

2 Investment income

	2021	2020
	£	£
Dividend from Colston Property Partners Limited	132,684	98,565
	132,684	98,565

3 Charitable activities

	2021						
	Grants & donations - note 4	Sponsorship - note 5	Website costs - note 6	Archive costs - note 7	Legal & Professional - note 8	Advertising costs- note 9	Total
	£	£	£	£	£	£	£
Direct charitable expenditure	25,000	-	174,256	18,599	490	10,235	228,580
Allocation of support costs - note 10	9,714	-	67,710	7,227	190	3,977	88,818
	34,714	-	241,966	25,826	680	14,212	317,398

	2020						
	Grants & donations - note 4	Sponsorship - note 5	Website costs - note 6	Archive costs - note 7	Legal & Professional - note 8	Advertising costs- note 9	Total
	£	£	£	£	£	£	£
Direct charitable expenditure	15,000	2,500	-	25,123	-	-	42,623
Allocation of support costs - note 10	3,187	531	-	5,337	-	-	9,055
	18,187	3,031	-	30,460	-	-	51,678

In 2021 and 2020, support costs have been allocated across the charitable expenditure streams based on total costs.

4 Grants & donations

	2021	2020
	£	£
Royal Academy of Arts	25,000	15,000
	25,000	15,000

5 Sponsorship

	2021	2020
	£	£
Gold Sponsor of Menswear Design Award at FASHANNE	-	2,500

6 Expenditure on website

	2021	2020
	£	£
Expenditure on website	174,256	-
	174,256	-

Independent Examiner's Report to the Trustees of Paul Smith's Foundation (formerly Paul Smith Foundation)

		2021	2020
7	**Archive costs**	**£**	**£**
	Costs incurred organising and auditing Paul Smith's archive for use by the foundation	18,599	25,123
8	**Legal & Professional**		
	Review of Charitable Company Constitution and change of company	490	-
9	**Advertising costs**		
	Digital advertising costs	10,235	-

		2021	2020
10	**Support costs**	**£**	**£**
	Governance costs - note 10	9,514	9,055
	Bank charges	17	-
	Impairment	79,287	-
		88,818	9,055

		2021	2020
11	**Governance costs**	**£**	**£**
	Independent examiner fees	4,570	4,220
	Accounting services	4,944	4,835
		9,514	9,055

12 Transactions with Trustees

No trustee received any remuneration for services as a trustee (2020: £Nil), nor any reimbursement of expenditure (2020: £Nil).

Key management personnel are the trustees.

13 Employees

The Foundation has no employees.

14 Taxation

The Foundation has suffered no tax charge, as it is not subject to UK corporation tax on its charitable activities.

15 Investments

	Unlisted 2021 £	Unlisted 2020 £
Fair value at 1st July 2020	25,641,994	25,641,994
Additions in the year	50,000	-
Revaluation loss	(6,278,374)	-
Fair value at 30th June 2021	19,413,620	25,641,994
Historical cost as at 30th June 2020	25,641,994	25,661,511

At 30th June 2021 the following investment holdings represent 5% or more of the fair value of the total portfolio:

	Share class	Shareholding	Country of incorporation
Lecture in Progress Ltd	25 Ordinary shares	20.00%	England & Wales
Colston Property Partners Ltd	5,043 Ordinary C shares	11.60%	England & Wales
Paul Smith Group Holdings Ltd	5,043 Ordinary A shares	12.89%	England & Wales
Partnership - 9 St Thomas Street	Not applicable	11.24%	Unincorporated

Detailed breakdown of investments

	Fair Value Total 2021 £
Lecture in Progress Ltd	50,000
Colston Property Partners Ltd	6,856,872
Paul Smith Group Holdings Ltd	11,325,770
Partnership - 9 St Thomas Street	1,180,978
	19,413,620

Market risks

The Foundation's exposure to market risks is restricted to the specific markets of companies the Foundation invests in; there is no direct exposure to general market risks. The specific markets include Paul Smith Group Holdings Ltd in Fashion wholesale and retail and CPP Ltd in Property. The Fashion wholesale and retail market has faced challenges during Covid-19 but not to the extent that it would challenge the carrying value of the investment in the accounts. The Property company is well funded and generally maintains a consistent dividend policy. As with risk, the Foundation's portfolio has limited direct exposure to general market performance and instead is impacted by specific markets performance.

The Foundation's exposure ties into its investment objectives as the investments either continue to directly promote the objects and profile of the charity or provide a long-term investment return for the charity. Sir Paul Smith, as a Trustee and Ambassador for the charity, has direct interest and influence in managing the risk of the investments. The charity is also currently considering the option to appoint new independent trustees.

The Foundation acquired its shares in PSGH Ltd and CPP Ltd by way of a gift to the Foundation from Sir Paul Smith's Trust. The charity invested funds in LIP Ltd as it directly promotes the objectives of the charity in supporting new talent in the creative industries. The charity co-funded alongside Sir Paul Smith, the purchase and restoration of the 9 St Thomas Street building as a long-term investment. No revaluation has been

15 Investments (continued)

Market risks (continued)

The Foundation's investments are considered reasonably liquid as Itochu Corporation or Sir Paul Smith could acquire the shares in PSGH Ltd at any time if required. Sir Paul Smith and the other shareholders can also potentially acquire the shares in CPP Ltd if the need arose. The building of 9 St Thomas Street can be sold for more than the carrying value to increase liquidity.

The long-term aim of the Foundation involving the investments is to gain dividend income and capital growth from PSGH Ltd, CPP Ltd and St Thomas Street. The long-term aim of LIP Ltd is to continue promoting the objectives of the charity. Due to Covid-19 PSGH has been impacted the most in the short term however it is not sufficient to risk the carrying value in the Foundation's account.

Currency risks

All of the Foundation's investments are held in GBP and therefore the Foundation is not exposed to currency risk.

Credit risks

The carrying amounts stated above represent the Foundation's maximum exposure to credit risk. Management is not aware of any further credit risks and therefore further disclosure is not required.

16 Intangible fixed assets

	Website development
Cost at 1 July 2020	79,287
Additions	-
Cost at 30 June 2021	79,287
Accumulated amortisation at 1 July 2020	-
Impairment charge for the year	79,287
Accumulated amortisation at 30 June 2021	79,287
Net book value as at 30 June 2021	-
Net book value as at 30 June 2020	79,287

17 Creditors: amounts falling due within one year

	2021 £	2020 £
Grant accruals	10,000	15,000
Accruals	9,586	8,956
Deferred dividend income	33,171	-
Other creditors	4,308	2,960
	57,065	**26,916**

18 Financial and capital commitments

The Foundation has no outstanding financial or capital commitments.

19 Related parties

The charity held the following investments at year end in which Paul Smith (and his wife), a trustee of Paul Smith's Foundation has a controlling interest; Colston Property Partners Ltd, Partnership - 9 St Thomas Street and Paul Smith Group Holdings Ltd.

During the year the Foundation received a dividend of £132,684 (2020: 98,565) from Colston Property Partners Limited of which Paul Smith and Ashley Long are directors.

Included within other creditors is a balance of £140 (2020: £140) due to Paul Smith Limited in which a number of trustees of the Paul Smith's Foundation are also directors of Paul Smith Limited.

Included in other creditors is a balance of £600 (2020: £600) owed to Paul Smith, a trustee of Paul Smith's Foundation.

20 Statement of movement on reserves

	2021 £	2020 £
Reserves brought forward	26,430,630	26,383,743
Surplus/(deficit) for the year	(6,463,088)	46,887
Reserves carried forward	19,967,542	26,430,630

The charity's reserves consists of unrestricted general reserves only.