

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 Nottingham
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.

Paul Smith's Foundation

Trustees' Report for the year ended 30th June 2024

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.

Launch Press

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

Paul Smith's Foundation

Trustees' Report for the year ended 30th June 2024

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.

Launch Press

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.

Paul Smith's Foundation

Trustees' Report for the year ended 30th June 2024

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 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 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 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.



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

		2024 Unrestricted	2023 Unrestricted
	Note	£	£
Income from:			
Investment income	2	159,641	200,950
Total		<u>159,641</u>	<u>200,950</u>
Expenditure on:			
<i>Charitable Activities:</i>	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
		<u> </u>	<u> </u>
Total		<u>299,413</u>	<u>490,881</u>
Net (loss)/gain on investments	15	(780,496)	2,035,183
		<u> </u>	<u> </u>
Net movement in funds		(920,268)	1,745,252
Total funds brought forward		20,159,496	18,414,244
		<u> </u>	<u> </u>
Total funds carried forward		<u><u>19,239,228</u></u>	<u><u>20,159,496</u></u>

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

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

		2024	2024	2023	2022
	Note	£	£	£	£
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	
		<u>220,308</u>		<u>536,442</u>	
Creditors: Amounts falling due within one year	17	(137,388)		(313,750)	
		<u>(137,388)</u>		<u>(313,750)</u>	
Net Current Assets			<u>82,920</u>		<u>222,692</u>
Total Assets less current liabilities			<u>19,239,228</u>		<u>20,159,496</u>
Total Net Assets			<u><u>19,239,228</u></u>		<u><u>20,159,496</u></u>
Funds					
Unrestricted Funds			<u><u>19,239,228</u></u>		<u><u>20,159,496</u></u>

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 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.

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
Notes to the Accounts
For the year ended 30 June 2024

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
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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 respect 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
Notes to the Accounts
For the year ended 30 June 2024

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
	<u>159,641</u>	<u>200,950</u>

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
	<u>44,436</u>	<u>5,566</u>	<u>-</u>	<u>229,926</u>	<u>14,032</u>	<u>5,453</u>	<u>299,413</u>

	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
	<u>82,149</u>	<u>5,270</u>	<u>97,656</u>	<u>287,425</u>	<u>13,272</u>	<u>5,109</u>	<u>490,881</u>

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	-
	<u>38,000</u>	<u>76,027</u>

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

	2024 £	2023 £
5 Insurance		
Insurance	4,760	4,877
	<u>4,760</u>	<u>4,877</u>
6 Website expenditure		
Website expenditure	-	90,379
	<u>-</u>	<u>90,379</u>
7 Archive costs		
Costs incurred organising and auditing Paul Smith's archive for use by the foundation	<u>196,626</u>	<u>266,006</u>
8 Legal & Professional		
Legal Services	<u>12,000</u>	<u>12,283</u>
9 Advertising costs		
Digital advertising costs	<u>4,663</u>	<u>4,728</u>
10 Support costs		
Governance costs - note 11	43,351	36,563
Bank charges	13	18
	<u>43,364</u>	<u>36,581</u>
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
	<u>43,364</u>	<u>36,563</u>
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.		

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

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	<u>19,156,308</u>	<u>19,936,804</u>

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
	<u>19,156,308</u>	<u>19,936,804</u>

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.

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

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
	<u>19,106</u>	<u>139,020</u>

17 Creditors: amounts falling due within one year

	2024	2023
	£	£
Accruals	137,388	279,839
Other creditors	-	33,911
	<u>137,388</u>	<u>313,750</u>

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

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	<u>19,239,228</u>	<u>20,159,496</u>

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