

Paul Smith (Holdings) Ltd
Annual report and financial statements
for the year ended 30 June 2016

Registered number: 04366411

WEDNESDAY



A61RP43E

A20

08/03/2017

#64

COMPANIES HOUSE

Paul Smith (Holdings) Ltd
Annual report and financial statements
for the year ended 30 June 2016

Contents

	Page
Strategic report for the year ended 30 June 2016	1
Directors' report for the year ended 30 June 2016	2
Independent auditors' report to the members of Paul Smith (Holdings) Ltd	4
Income statement for the year ended 30 June 2016	6
Balance sheet as at 30 June 2016	7
Statement of changes in equity for the year ended 30 June 2016	8
Notes to the financial statements for the year ended 30 June 2016	9

Paul Smith (Holdings) Ltd

Strategic report for the year ended 30 June 2016

The directors present their strategic report on the Company for the year ended 30 June 2016.

Review of the business and future developments

The Company's principal activity is acting as an intermediate holding Company within the group.

The directors consider the result for the year to be satisfactory.

Principal risks and uncertainties

Exchange rate risk, credit risk, price risk, interest risk and liquidity risk are not considered to be significant risks to the business. As the Company is an intermediate holding Company the financial risks of the Company are managed at a group level. A detailed review of the group's principal risks and uncertainties is contained within the Annual Report and Financial Statements of Paul Smith Group Holdings Limited.

Financial risk management

The Company receives investment income from its subsidiaries. Cash flow is dependent on the cash generating capacity of the underlying group activities and as such the financial risk management is considered to be linked to the wider group. A detailed review of the group's financial risk policy is contained within the Annual Report and Financial Statements of Paul Smith Group Holdings Limited.

Key Performance Indicators

As the relevant risks of the Company are managed on a group basis, the directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of its development, performance or position.

On behalf of the Board



A J S Long
Director
(9 December 2016)

Paul Smith (Holdings) Ltd

Directors' report

for the year ended 30 June 2016

The directors present their report and the audited financial statements of the Company for the year ended 30 June 2016.

Results and dividends

The Company's profit for the financial year was £22,069,000 (2015: £3,890,000). A dividend of £24,382,000 has been paid during the year (2015: £3,660,000).

Future developments

The future developments are detailed in the Strategic report on page 1.

Principal Risks and Uncertainties

Details of the principal risks and uncertainties of the group are disclosed on page 1 of the Strategic report.

Financial risk management

Details of the financial risks of the group are disclosed on page 1 of the Strategic report.

Other information

The Company had no employees, other than the directors, during the year ended 30 June 2016 and 2015 and made no political donations during either year.

Directors

The directors who served during the year and up to the date of signing the financial statements were as follows:

P B Smith
A J S Long

Indemnity provision

No indemnity provisions were provided to directors during the year (2015: none).

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

Paul Smith (Holdings) Ltd

Directors' report for the year ended 30 June 2016 (continued)

Statement of directors' responsibilities (continued)

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Statement of disclosure of information to auditors

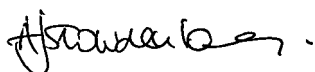
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be reappointed will be proposed at the annual general meeting.

On behalf of the Board



A J S Long

Director

14 December 2016

Paul Smith (Holdings) Ltd

Independent auditors' report to the members of Paul Smith (Holdings) Ltd

Report on the financial statements

Our opinion

In our opinion, Paul Smith (Holdings) Ltd.'s financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its profit 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.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 30 June 2016;
- the income statement for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Paul Smith (Holdings) Ltd (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 2 and 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



David Teager (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
19 December 2016

Paul Smith (Holdings) Ltd

Income statement for the year ended 30 June 2016

	Note	2016 £'000	2015 £'000
Operating expenses		(2,523)	-
Operating profit	4	(2,523)	-
Income from shares in group undertakings		24,382	3,660
Profit on ordinary activities before interest and taxation		21,859	3,660
Interest receivable and similar income	5	352	290
Profit on ordinary activities before taxation		22,211	3,950
Tax on profit on ordinary activities	6	(142)	(60)
Profit for the financial year		22,069	3,890

There are no recognised gains or losses for the financial years stated above other than those included above. Accordingly, no separate statement of comprehensive income is presented.

All amounts relate to continuing operations.

Paul Smith (Holdings) Ltd

Balance sheet as at 30 June 2016

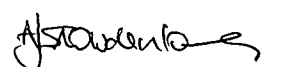
	Note	£'000	2016 £'000	2015 £'000
Fixed assets				
Investments	8		967	175
			967	175
Current assets				
Debtors	9	36,343		20,301
Cash at bank and in hand		103		111
		36,446		20,412
Creditors: amounts falling due within one year	10	(19,199)		(60)
Net current assets			17,247	20,352
Net assets			18,214	20,527
Capital and reserves				
Share capital	11		43	43
Capital redemption reserve			4	4
Retained earnings			18,167	20,480
Total equity			18,214	20,527

The financial statements on pages 6 to 17 were approved by the board of directors on 14 December 2016 and were signed on its behalf by:

P B Smith
Director



A J S Long
Director



Registered Company number: 0436641

Paul Smith (Holdings) Ltd

Statement of changes in equity for the year ended 30 June 2016

	Note	Share capital	Retained earnings	Capital redemption reserve	Total Equity
		£'000	£'000	£'000	£'000
Balance as at 1 July 2014		43	20,250	4	20,297
Profit for the year		-	3,890	-	3,890
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	3,890	-	3,890
Dividends	7	-	(3,660)	-	(3,660)
Total transactions with owners, recognised directly in equity		-	(3,660)	-	(3,660)
Balance as at 30 June 2015		43	20,480	4	20,527
Profit for the year		-	22,069	-	22,069
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	22,069	-	22,069
Dividends	7	-	(24,382)	-	(24,382)
Total transactions with owners, recognised directly in equity		-	(24,382)	-	(24,382)
Balance as at 30 June 2016		43	18,167	4	18,214

Paul Smith (Holdings) Ltd

Notes to the financial statements for the year ended 30 June 2016

1) General information

Paul Smith (Holdings) Ltd is a private Company limited by shares and it is incorporated in United Kingdom. The address of its registered office is The Poplars, Lenton Lane, Nottingham, NG7 2PW.

The principal activity of the Company is acting as an intermediate holding company within the group.

2) Statement of compliance

The financial statements of Paul Smith (Holdings) Ltd have been prepared in compliance with the United Kingdom Accounting Standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3) Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. This is the first year in which the financial statements have been prepared under FRS 102. The date of transition to FRS 102 was 1 July 2014. The reported financial position and financial performance for both the previous and current period are not affected by the transition to FRS 102 and as such no transition adjustments have been disclosed.

a) Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, assets and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3(m).

b) Going concern

The company meets its day to day working capital requirements through its available cash reserves and intercompany arrangements. The company forecasts and projections, taking account of reasonably possibly changes in performance, show that the company should be able to operate within the level of its current cash reserves and intercompany arrangements. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. Paul Smith (Holdings) Ltd is a qualifying entity as its results are consolidated into the financial statements of Paul Smith Group Holdings Limited which are publicly available.

Paul Smith (Holdings) Ltd

Notes to the financial statements for the year ended 30 June 2016 (continued)

3) Summary of significant accounting policies (continued)

c) Exemptions for qualifying entities under FRS 102 (continued)

As a qualifying entity, the Company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

d) Basis of consolidation

The Company is a wholly owned subsidiary of Paul Smith Group Holdings Limited, and is included in the consolidated financial statements of Paul Smith Group Holdings Limited, which are publicly available. Consequently, the Company has taken advantage of the exception from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

These financial statements are the Company's separate financial statements.

e) Foreign currency

- i) Functional and presentation currency

The Company's functional and presentation currency is the pound sterling.

- ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses are presented in the statement of comprehensive income statement within operating expenses.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the income statement.

Current or deferred taxation assets and liabilities are not discounted.

Paul Smith (Holdings) Ltd
Notes to the financial statements
for the year ended 30 June 2016 (continued)

3) Summary of significant accounting policies (continued)

f) Taxation (continued)

i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

g) Fixed asset investments

Investment in subsidiary company is held at cost less accumulated impairment losses.

h) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts, if any.

i) Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

Paul Smith (Holdings) Ltd
Notes to the financial statements
for the year ended 30 June 2016 (continued)

3) Summary of significant accounting policies (continued)

i) Financial instruments (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii) Financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

The Company does not hold any derivative financial instruments.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

iii) Offsetting

Financial assets and liabilities are offset and 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.

j) Dividends

Final dividends are recognised when approved by the shareholders, interim dividends are recognised when paid. These amounts are recognised in the statement of changes in equity.

k) Related party transactions

The Company has taken advantage of the exemption provided by Section 33.1A of FRS 102 from disclosing related party transactions with the wholly owned entities.

l) Critical accounting judgements and key sources of estimation uncertainty continued

- *Impairment of non-financial assets*

On an annual basis the company assesses non-financial assets not carried at fair value to determine whether there is an indication that the asset may be impaired. This assessment is performed on the smallest identifiable group of assets or CGU basis. The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Where the recoverable amount is assessed to be lower than the carrying amount an impairment loss is recognised in the income statement.

Paul Smith (Holdings) Ltd

Notes to the financial statements for the year ended 30 June 2016 (continued)

3) Summary of significant accounting policies (continued)

m) Future amendments to FRS 102

Amendments to FRS 102 were issued in July 2015 as a result of changes to the EU-directives and UK Companies Regulations. The amendments are mandatory for periods beginning on or after 1 January 2016, with early adoption permitted for periods beginning on or after 1 January 2015.

The Company has chosen not to early adopt such amendments and do not expect such amendments to have a significant effect on the financial statements of the Company.

4) Operating profit

Auditors' remuneration of £2,000 (2015: £2,000) is borne by a fellow subsidiary company, Paul Smith Limited, and disclosed in the financial statements of that Company. No recharge is made to the company for such costs.

Impairments of investments of £2,548,000 (2015: £nil) and impairment of intercompany balances of £225,000 (2015: £nil) have been recognised in the financial statements in line with impairment reviews performed by the company.

In accordance with SI 2008/489 the company has not disclosed the fees payable to the company's auditor for 'other services' as this information is included in the consolidated financial statements of Paul Smith Group Holdings Limited.

The remuneration of the directors are paid by a subsidiary company, Paul Smith Limited, which makes no recharge to the Company. Both P B Smith and A J S Long are directors of the parent company and a number of subsidiary companies and it is not possible to make an accurate apportionment of their remuneration in respect of each of the subsidiaries. Accordingly, the result for Paul Smith (Holdings) Ltd includes no remuneration in respect of the directors as no recharges are made to the company. Their total remuneration are included in the aggregate of directors' remuneration disclosed in the financial statements of the parent company.

There are no employees in the Company (2015: none).

5) Interest receivable and similar income

	2016 £'000	2015 £'000
Interest receivable from subsidiary undertakings	352	290

Paul Smith (Holdings) Ltd

Notes to the financial statements for the year ended 30 June 2016 (continued)

6) Tax on profit on ordinary activities (continued)

(a) Tax expense included in profit or loss:

	2016 £'000	2015 £'000
Current tax		
UK corporation tax charged on the profit for the year	120	60
Adjustments in respect of prior years	22	-
Total current tax	142	60
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Tax on profit on ordinary activities	142	60

(b) Reconciliation of tax charge

The UK corporation tax assessed for the year is different (2015: different) to the standard rate of corporation tax in the UK. The differences are explained below:

	2016 £'000	2015 £'000
Profit on ordinary activities before tax	22,211	3,950
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 20% (2015: 20.75 %)	4,442	820
Effects of:		
Income not subject to tax	(4,322)	(760)
Adjustments in respect of prior years	22	-
Short term timing differences	-	-
Permanent differences	-	-
Adjustments in respect of prior years	-	-
Withholding tax	-	-
Total tax charge for the year	142	60

(c) Tax rate change

Deferred tax balances at 30 June 2016 have been calculated using a rate of 18% (2015: 20%) as this is the enacted rate for the period over which the deferred tax balances are forecast to be utilised.

The July 2015 Budget Statement announced changes to the UK Corporation tax rate which will reduce the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. This change was substantively enacted on 26 October 2015.

Paul Smith (Holdings) Ltd

Notes to the financial statements for the year ended 30 June 2016 (continued)

6) Tax on profit on ordinary activities (continued)

The March 2016 Budget Statement announced a further change to the UK Corporation tax rate which will reduce the main rate of corporation tax to 17% from 1 April 2020. As the change has not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

7) Dividend

	2016 £'000	2015 £'000
Dividend paid in the year (£560.75 per share) (2015: £84.18 per share)	24,382	3,660

8) Fixed asset investments

	2016 £'000	2015 £'000
At 1 July 2015	175	175
Additions	3,340	-
Impairment (note 4)	(2,548)	-
At 30 June 2016	967	175

All subsidiary companies are incorporated in the United Kingdom unless stated otherwise. All trading subsidiaries have activities consistent with those of Paul Smith Group Holdings Limited and Paul Smith Limited.

The Company has the following subsidiaries that have been consolidated in the financial statements of Paul Smith Group Holdings Limited, the ultimate holding company. The directors believe that the carrying value of the investments are supported by their underlying net assets.

Paul Smith Limited

This Company is registered in England. The share capital consists of 47,940 fully paid £1 shares. The Company's principal activity is the design, supply licensing and retail of wholesale men's, women's and children's clothing. The Company is wholly owned by Paul Smith (Holdings) Ltd.

R Newbold & Company Limited

This Company is registered in England. The share capital consists of 7,300 fully paid £1 shares. The Company does not currently trade. The Company is wholly owned by Paul Smith (Holdings) Ltd.

Paul Smith Aust Pty Limited

The Company is incorporated in Australia. The share capital consists of 10 ordinary shares of Aus\$1 each. The Company operates a sales office in Australia. The Company is wholly owned by Paul Smith (Holdings) Ltd.

Paul Smith France SAS

The Company is incorporated in France. The share capital consists of 5,036,750 fully paid ordinary shares of 1€ each. The Company operates retail outlets selling goods produced by Paul Smith Limited. The Company is 0.7% owned by Paul Smith (Holdings) Ltd. The balance of share capital is owned by Paul Smith Limited, a wholly owned subsidiary of Paul Smith (Holdings) Ltd. Paul Smith France SAS is the only

Paul Smith (Holdings) Ltd

Notes to the financial statements for the year ended 30 June 2016 (continued)

8) Fixed asset investments (continued)

indirectly held subsidiary of Paul Smith (Holdings) Ltd, the other subsidiaries are all direct investments.

Paul Smith Belgium SPRL

The Company is incorporated in Belgium. The share capital consists of 4,048,237 fully paid 1€ shares. The Company operates a retail outlet selling goods produced by Paul Smith Limited. The Company is 99.99% owned by Paul Smith (Holdings) Ltd. The balance of share capital is owned by Paul Smith Limited, a wholly owned subsidiary of Paul Smith (Holdings) Ltd.

Paul Smith Germany GmbH

This Company is incorporated in Germany. The share capital consists of 25,000 fully paid €1 shares. The Company operates a sales office in Germany. The Company is wholly owned by Paul Smith (Holdings) Ltd.

Paul Smith Netherlands B.V.

This Company is incorporated in The Netherlands. The share capital consists of 18,000 fully paid €1 shares. The Company operates a retail outlet selling goods produced by Paul Smith Limited. The Company is wholly owned by Paul Smith (Holdings) Ltd.

Paul Smith Holdings Inc

This Company is incorporated in the USA. The share capital consists of 1,000 shares with no par value. The Company operates as an intermediate holding Company within the USA. The Company is wholly owned by Paul Smith (Holdings) Ltd.

Paul Smith Rue des Archives

The Company is incorporated in France. The share capital consists of 10,000 fully paid ordinary shares of €1 each. The Company operates property management for properties located in France. The Company is 100% owned by Paul Smith (Holdings) Ltd.

9) Debtors

	2016 £'000	2015 £'000
Amounts owed by group undertakings	36,343	20,301

Interest is charged at UK base rate plus 1.5% on the amounts owed by some subsidiary undertakings in the Company. There is no fixed repayment date on the intercompany debt, which is unsecured and repayable on demand.

Amounts owed by group undertakings are stated after provisions for impairments of £1,562,000 (2015: £1,337,000).

10) Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Corporation tax	120	60
Amount due to group undertakings	19,079	-
	19,199	60

Paul Smith (Holdings) Ltd

Notes to the financial statements for the year ended 30 June 2016 (continued)

11) Share capital and other reserves

	2016 Authorised £'000	2016 Fully paid £'000	2015 Authorised £'000	2015 Fully paid £'000
Ordinary shares of £1 each	100	43	100	43

There is a single class of ordinary shares. There are no restrictions on the distribution of capital and the repayment of capital.

Capital redemption reserve

The capital redemption reserve represents a transfer from retained earnings to maintain the capital on the redemption of shares.

Retained earnings

The retained earnings account represents the accumulated profits, losses and distributions of the company.

12) Controlling party

The ultimate parent undertaking is Paul Smith Group Holdings Limited, a Company incorporated in England and Wales. The smallest and largest group of undertakings for which group financial statements are drawn up is Paul Smith Group Holdings Limited. Copies of the group financial statements are available from Companies House, Cardiff.