

Company Registration No. SC145746 (Scotland)

THE HOUSE OF BRUAR LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021

THE HOUSE OF BRUAR LIMITED

COMPANY INFORMATION

Directors	Mr P M Birkbeck Mr M N T Birkbeck Mr T Birkbeck	(Appointed 1 July 2020)
Secretary	Mr P M Birkbeck	
Company number	SC145746	
Registered office	Blair Atholl Pitlochry Perthshire United Kingdom PH18 5TW	
Auditor	Azets Audit Services Fleet House New Road Lancaster United Kingdom LA1 1EZ	

THE HOUSE OF BRUAR LIMITED

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4 - 6
Independent auditor's report	7 - 9
Statement of comprehensive income	10
Balance sheet	11
Statement of changes in equity	12
Notes to the financial statements	13 - 27

THE HOUSE OF BRUAR LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2021

The directors present the strategic report for the year ended 31 January 2021.

Business review

Due to Covid-19, the historically core retail operation of sales to visitors to the unique retail location in Perthshire, Scotland did not produce the majority of the turnover. For the first year since the company opened for business in 1995, the revenue generated from direct shopping channels exceeded that of traditional retail.

With the exception of the Food Hall, the retail departments were closed from March 23rd until June 29th and then operated on a reduced and restricted basis throughout the year until closing again on Christmas Eve 2020. The direct shopping channels were very successful throughout the entire year resulting in increased employment in the last quarter and extending to a shift pattern of nearly 24 hours of despatch per day. As the retail departments were quiet, team members were reallocated to the distribution centre located at Ballinluig.

The House of Bruar continue to promote some of Britain's finest produce, clothing and rural artwork. Within the various different halls you will find items ranging from traditional Scottish tweed to cashmere knitwear and locally sourced foodstuffs.

Financial key performance indicators

The traditional key performance indicators were maintained during the pandemic, but more concentration was placed on aspects such as cash flow, retention of employment, supply chain management, stock control and the ever changing government policies.

Given that the company remained profitable and the turnover decreased by less than 10% from £32.5m to £29.4m, with a reduction in the closing stock and good control of overheads, which was made possible by the job retention scheme, the company is pleased with the results for the year to 31st January 2021.

Other key performance indicators

Our income is mainly generated from two distinct sources: over the counter sales and direct shopping. A key indicator of over the counter sales which is monitored daily is the number of visitors to the store. This is achieved by the use of a counter on the car parks and during the year to 31 January 2021, the number of vehicles visiting the site decreased due to lockdown restrictions imposed on the organisation.

Counter sales are also monitored daily against the same day of the previous calendar year, gross profit is monitored on a weekly basis and operating profit on a month by month basis.

Direct sales are monitored by reviewing the quantity of orders, the average value of orders placed and the average number of units per order on a daily basis. These values include orders generated by catalogues, off the page adverts and digital channels. The latter of which has grown significantly over the past few years.

The balance sheet has remained stable and turnover of the business continues to improve.

THE HOUSE OF BRUAR LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

Future opportunities

There continues to be an increasing demand for House of Bruar branded merchandise at retail and more significantly on the internet and via mail order. This is enhanced by the promotion of world famous brands offered via all channels to the customer. The growth in the use of the internet for shopping due to Covid-19 has increased the future opportunities of the business and opened up international markets.

The ease of price comparison on the internet is both a threat and an opportunity. Customers are able to benchmark all products online very easily and the purchase decision can be very price focussed. In turn this means that the theatre aspect of retail is more important as well as a difference in the product range. The House of Bruar is well placed to take advantage of the market position.

The ambition of long term relationships continues throughout all aspects of the business. Whilst this is an obvious statement for the relationship with staff members and customers, it is also true for suppliers and sub contractors. The House of Bruar is very proud of the fact that several suppliers have been with the company since the inception 26 years ago.

The future planning for the A9 dualling continues, although a specific start dates for the sections that cover The House of Bruar shop and the Ballinluig Distribution Centre have not been finalised. It is the belief of the company that, once completed, the A9 will allow more people to visit Highland Perthshire and further north on a safer road.

During the disruptive construction phase of the A9, the business needs to expand the direct shopping elements of the operation. The core of mail order fulfilment operations has moved from the main site to Ballinluig, which will aid the progression to a multi-season mail order business. There is already a requirement for further expansion of the distribution site, which may be hindered by the delays in the A9 improvements.

With the development of electric vehicles, there are plans to create a charging hub at Bruar, which will incorporate chargers of various speeds. Investigations are underway to assess the viability of using power generated from a neighbouring hydro electric scheme.

Covid – 19

The pandemic has continued to cause significant disruption during the 2021, with the retail departments being closed for the first four months of the year. Whilst not necessarily financially productive, the company policy has been to open every department at the first opportunity and to remove the need for furlough as quickly as possible.

Covid-19 continues to create problems with several aspects of the business from the supply chain to team members.

However the company will return to strong profitability and already has a stronger balance than as at 31st January 2020.

THE HOUSE OF BRUAR LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

Section 172 of the Companies Act 2006

The Directors of the Company must act in accordance with a set of personal duties. These duties are detailed in s172 of the UK Companies Act 2006 summarised as follows:

A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

The longevity of employment for members of staff and internal promotion is a key policy of the business as proven by the fact that at 31st January 2021, two thirds of the senior management team had joined at entry level working on the shop floor.

The company has ensured that the staff are trained to a level, which provides excellent service to customers and guests.

The ambition of long term relationships continues throughout all aspects of the business. Whilst this is an obvious statement for the relationship with customers, it is also true for suppliers and sub contractors. The House of Bruar is very proud of the fact that several suppliers have been with the company since the inception 25 years ago.

During the lockdown the food hall remained open to provide a service to the local community.

With the development of electric vehicles, there are plans to create a charging hub at Bruar, which will incorporate chargers of various speeds. Investigations are underway to assess the viability of using power generated from a neighbouring hydro electric scheme.

On behalf of the board

Mr P M Birkbeck

Director

29 October 2021

THE HOUSE OF BRUAR LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2021

The directors present their annual report and financial statements for the year ended 31 January 2021.

Principal activities

The principal activity of the company continued to be that of high quality retailing.

Results and dividends

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £1,024,032. The directors do not recommend payment of a final dividend.

Directors

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

Mr P M Birkbeck

Mr M N T Birkbeck

Mr T Birkbeck

(Appointed 1 July 2020)

Financial instruments

Objectives and policies

Details of the company's financial risk management objectives and policies are included in note 21 to the financial statements.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Auditor

The auditor, Azets Audit Services (previously trading as Baldwins Audit Services), is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report

The SECR regulations introduced in April 2019 is designed to increase internal awareness of energy usage and cost, drive adoption of energy efficiency measures, standardise external reporting, provide greater transparency for stakeholders on energy efficiency and emissions. Mark Birkbeck & Sons Group embraces these regulations and have made some important steps to help reduce the company's energy efficiency and emissions.

THE HOUSE OF BRUAR LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

<i>Energy consumption</i>	kWh	kWh
Aggregate of energy consumption in the year		
- Gas combustion	740,145	
- Fuel consumed for transport	2,278,769	
- Electricity purchased	118,848	
		3,137,762
<i>Emissions of CO2 equivalent</i>	Metric tonnes	Metric tonnes
Scope 1 - direct emissions		
- Gas combustion	240.00	
- Fuel consumed for owned transport	-	
		240.00
Scope 2 - indirect emissions		
- Electricity purchased		531.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the company		45.00
Total gross emissions		816.00
Intensity ratio		
Tonnes CO2e per turnover [£m's]		28.14

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in tonnes of CO2e per £1m of turnover.

Measures taken to improve energy efficiency

There has been a Migration to LED lighting over last seven years to the capital cost of approximately £150,000.

Movement sensors have also been fitted in all areas that are not customer related so that lights can not be left on and consume unnecessary energy.

Blankets for chillers have also been installed to reduce the requirement for chilling produce in the shops out of hours.

Whenever possible, the group will attempt to source products locally to reduce the overall supply miles and in turn reduce the groups carbon footprint.

There is a continued investment into new, greener, energy consumption plant and machinery which improves overall energy efficiency within group.

THE HOUSE OF BRUAR LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to auditor

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

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future outlook.

On behalf of the board

Mr P M Birkbeck
Director

29 October 2021

THE HOUSE OF BRUAR LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE HOUSE OF BRUAR LIMITED

Opinion

We have audited the financial statements of The House of Bruar Limited (the 'company') for the year ended 31 January 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 company's affairs as at 31 January 2021 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

THE HOUSE OF BRUAR LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE HOUSE OF BRUAR LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE HOUSE OF BRUAR LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE HOUSE OF BRUAR LIMITED

Extent to which 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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. 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.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Susanna Cassey (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

29 October 2021

Chartered Accountants
Statutory Auditor

Fleet House
New Road
Lancaster
United Kingdom
LA1 1EZ

THE HOUSE OF BRUAR LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JANUARY 2021

	Notes	2021 £	2020 £
Turnover	3	29,372,475	32,567,668
Cost of sales		(17,513,067)	(18,159,787)
Gross profit		11,859,408	14,407,881
Administrative expenses		(9,681,039)	(11,529,294)
Other operating income		895,135	220,907
Operating profit	4	3,073,504	3,099,494
Interest receivable and similar income	8	-	625
Interest payable and similar expenses	9	(6,178)	(13,196)
Profit before taxation		3,067,326	3,086,923
Tax on profit	10	(465,473)	(652,133)
Profit for the financial year		2,601,853	2,434,790

The profit and loss account has been prepared on the basis that all operations are continuing operations.

THE HOUSE OF BRUAR LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	12	86,310		136,195	
Tangible assets	13	15,261,655		15,726,796	
		15,347,965		15,862,991	
Current assets					
Stocks	14	6,943,205		8,221,740	
Debtors	15	802,996		917,112	
Cash at bank and in hand		6,609,397		2,001,454	
		14,355,598		11,140,306	
Creditors: amounts falling due within one year	16	(4,365,139)		(3,360,586)	
Net current assets		9,990,459		7,779,720	
Total assets less current liabilities		25,338,424		23,642,711	
Provisions for liabilities					
Deferred tax liability	17	440,492		322,600	
			(440,492)		(322,600)
Net assets		24,897,932		23,320,111	
Capital and reserves					
Called up share capital	19	226,000		226,000	
Revaluation reserve		1,631,132		1,680,748	
Profit and loss reserves		23,040,800		21,413,363	
Total equity		24,897,932		23,320,111	

The financial statements were approved by the board of directors and authorised for issue on 29 October 2021 and are signed on its behalf by:

Mr P M Birkbeck
Director

Company Registration No. SC145746

THE HOUSE OF BRUAR LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2021

		Share capital	Revaluation reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 February 2019		226,000	1,730,364	22,335,748	24,292,112
Year ended 31 January 2020:					
Profit and total comprehensive income for the year		-	-	2,434,790	2,434,790
Dividends	11	-	-	(3,406,791)	(3,406,791)
Other movements		-	(49,616)	49,616	-
Balance at 31 January 2020		226,000	1,680,748	21,413,363	23,320,111
Year ended 31 January 2021:					
Profit and total comprehensive income for the year		-	-	2,601,853	2,601,853
Dividends	11	-	-	(1,024,032)	(1,024,032)
Other movements		-	(49,616)	49,616	-
Balance at 31 January 2021		226,000	1,631,132	23,040,800	24,897,932