

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	
		<u>15,347,965</u>		<u>15,862,991</u>	
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	
		<u>14,355,598</u>		<u>11,140,306</u>	
Creditors: amounts falling due within one year	16	<u>(4,365,139)</u>		<u>(3,360,586)</u>	
Net current assets			9,990,459		7,779,720
Total assets less current liabilities			<u>25,338,424</u>		<u>23,642,711</u>
Provisions for liabilities					
Deferred tax liability	17	<u>440,492</u>		<u>322,600</u>	
			(440,492)		(322,600)
Net assets			<u>24,897,932</u>		<u>23,320,111</u>
Capital and reserves					
Called up share capital	19	226,000		226,000	
Revaluation reserve		1,631,132		1,680,748	
Profit and loss reserves		<u>23,040,800</u>		<u>21,413,363</u>	
Total equity			<u>24,897,932</u>		<u>23,320,111</u>

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

THE HOUSE OF BRUAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2021

1 Accounting policies

Company information

The House of Bruar Limited is a private company limited by shares incorporated in Scotland. The registered office is The House of Bruar, Blair Atholl, Perth, Perthshire, PH18 5TW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention, modified to include the holding of previously revalued freehold property at deemed cost. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Mark Birkbeck & Sons Limited. These consolidated financial statements are available from its registered office, The House of Bruar, Blair Atholl, Perth, Perthshire, PH18 5TW.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In making their assessment the directors have considered the impact of the COVID-19 pandemic. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

THE HOUSE OF BRUAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Other intangible assets	5% to 33% straight line
-------------------------	-------------------------

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Leasehold improvements	over the term of the lease
Fixtures and fittings	15% straight line
Computers	33% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Freehold land is not depreciated.

THE HOUSE OF BRUAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

Cost is based on the cost of purchase on a weighted average basis.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE HOUSE OF BRUAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

1 Accounting policies

(Continued)

1.9 Financial instruments

The company 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets 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. 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 profit or loss.

If there is a 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 profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

THE HOUSE OF BRUAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

THE HOUSE OF BRUAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

THE HOUSE OF BRUAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

2 Judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Depreciation

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are assessed annually.

Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. The company estimates the net realisable value of stock based on an assessment of expected retail prices and the ageing of stock. Stock is reviewed on a regular basis and the company will make provisions or allowances for excess or obsolete stock and write down stock to net realisable value when deemed necessary. Stock of £6,943,205 (2020: £8,221,740) is stated after a provision of £174,925 (2020: £114,925).

3 Turnover and other revenue

	2021 £	2020 £
Turnover analysed by class of business		
Retail	29,372,475	32,567,668
	<u>29,372,475</u>	<u>32,567,668</u>
	2021 £	2020 £
Other significant revenue		
Interest income	-	625
Commissions received	71,525	130,932
Grants received	752,830	-
	<u>824,355</u>	<u>131,557</u>
	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	27,914,163	31,559,068
Rest of Europe	853,118	494,475
Rest of the world	605,194	514,125
	<u>29,372,475</u>	<u>32,567,668</u>

THE HOUSE OF BRUAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	28,973	186,868
Government grants	(752,830)	-
Depreciation of owned tangible fixed assets	988,976	956,700
Profit on disposal of tangible fixed assets	-	(5,075)
Amortisation of intangible assets	75,955	91,318
Operating lease charges	199,132	330,230
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	14,300	13,850
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	2,400	2,310
Other taxation services	385	385
All other non-audit services	11,348	11,305
	<u> </u>	<u> </u>
	14,133	14,000
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Sales staff	144	190
Administrative staff	72	55
Warehouse staff	57	53
	<u> </u>	<u> </u>
Total	273	298
	<u> </u>	<u> </u>

THE HOUSE OF BRUAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

6 Employees (Continued)

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	5,025,161	5,513,369
Social security costs	394,372	431,843
Pension costs	80,471	79,250
	<u>5,500,004</u>	<u>6,024,462</u>

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	167,070	121,577
Company pension contributions to defined contribution schemes	1,242	678
	<u>168,312</u>	<u>122,255</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 1).

8 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	-	625
	<u>-</u>	<u>625</u>

9 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and loans	6,178	13,196
	<u>6,178</u>	<u>13,196</u>

10 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	347,580	601,680
Adjustments in respect of prior periods	1	(840)
Total current tax	<u>347,581</u>	<u>600,840</u>

THE HOUSE OF BRUAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

10	Taxation	(Continued)	
		2021 £	2020 £
	Deferred tax		
	Origination and reversal of timing differences	79,939	51,293
	Changes in tax rates	37,953	-
	Total deferred tax	117,892	51,293
	Total tax charge	465,473	652,133

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	3,067,326	3,086,923
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	582,792	586,515
Tax effect of expenses that are not deductible in determining taxable profit	8,981	25,897
Effect of change in corporation tax rate	37,953	-
Group relief	(9,716)	(19,883)
Permanent capital allowances in excess of depreciation	-	(5,122)
Depreciation on assets not qualifying for tax allowances	145,896	65,626
Research and development tax credit	(300,840)	-
Other non-reversing timing differences	-	38
Other permanent differences	407	(98)
Under/(over) provided in prior years	-	(840)
Taxation charge for the year	465,473	652,133

11	Dividends	2021 £	2020 £
	Final paid	-	3,406,791
	Interim paid	1,024,032	-
		1,024,032	3,406,791

THE HOUSE OF BRUAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

12 Intangible fixed assets

	Other intangible assets
	£
Cost	
At 1 February 2020	861,823
Additions	26,070
At 31 January 2021	887,893
Amortisation and impairment	
At 1 February 2020	725,628
Amortisation charged for the year	75,955
At 31 January 2021	801,583
Carrying amount	
At 31 January 2021	86,310
At 31 January 2020	136,195

The amortisation charge of £75,955 (2020: £91,318) is included in administrative expenses in profit and loss.

13 Tangible fixed assets

	Freehold land and buildings	Leasehold improvements	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 February 2020	14,678,761	1,346,396	3,363,992	560,406	355,094	20,304,649
Additions	87,934	-	259,153	198,111	28,578	573,776
Disposals	-	-	(49,941)	-	-	(49,941)
At 31 January 2021	14,766,695	1,346,396	3,573,204	758,517	383,672	20,828,484
Depreciation and impairment						
At 1 February 2020	1,755,799	350,480	1,911,629	322,850	237,095	4,577,853
Depreciation charged in the year	336,968	47,746	411,171	150,175	42,916	988,976
At 31 January 2021	2,092,767	398,226	2,322,800	473,025	280,011	5,566,829
Carrying amount						
At 31 January 2021	12,673,928	948,170	1,250,404	285,492	103,661	15,261,655
At 31 January 2020	12,922,962	995,916	1,452,363	237,556	117,999	15,726,796

THE HOUSE OF BRUAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

13 Tangible fixed assets

(Continued)

If the land and buildings held at deemed cost were stated on a historical cost basis rather than a deemed cost basis, the total amounts included would have been as follows:

Carrying value: £11,059,263 (2020: £11,258,681), being cost of £14,492,243 (2020: £14,404,309) and depreciation of £3,432,980 (2020: £3,145,628).

Land and buildings were revalued at the date of transition to FRS 102 based on a valuation by DTZ Debenham Tie Leung Limited, independent valuers not connected with the company, on an open market value for existing use basis. The valuation conforms to International Valuation Standard and was based on recent market transactions on arm's length terms for similar properties.

14 Stocks

	2021 £	2020 £
Finished goods and goods for resale	6,943,205	8,221,740

15 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	135,303	472,617
Amounts owed by group undertakings	385,636	287,844
Other debtors	172,532	35,000
Prepayments and accrued income	109,525	121,651
	802,996	917,112

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,041,313	1,022,573
Amounts owed to group undertakings	1,500,000	-
Corporation tax	343,309	418,809
Other taxation and social security	1,076,011	1,225,347
Other creditors	69,382	104,271
Accruals and deferred income	335,124	589,586
	4,365,139	3,360,586

THE HOUSE OF BRUAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Accelerated capital allowances	440,492	322,600
	<u>440,492</u>	<u>322,600</u>
Movements in the year:		2021 £
Liability at 1 February 2020		322,600
Charge to profit or loss		117,892
		<u>440,492</u>
Liability at 31 January 2021		<u>440,492</u>

18 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	80,471	79,250
	<u>80,471</u>	<u>79,250</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

19 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	226,000	226,000	226,000	226,000
	<u>226,000</u>	<u>226,000</u>	<u>226,000</u>	<u>226,000</u>

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

THE HOUSE OF BRUAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

20 Financial risk management objectives and policies

The company holds or issues financial instruments in order to achieve three main objectives, being:

(a) to finance its operations;

(b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and

(c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

Credit risk

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring that the company has sufficient liquid resources to meet the operating needs of the business.

Currency risk

The company's principal foreign currency exposures arise via:

(a) Purchasing goods from overseas companies. The company seeks to invoice and be invoiced in its principal trading currency wherever possible so as to minimise its exposure to foreign currency movements.

(b) Bank accounts held in foreign currencies. The company has engaged in forward positions to minimise risk

21 ~~Exposures~~ Financial commitments, guarantees and contingent liabilities

Bank loans within Mark Birkbeck & Sons Limited, the company's parent undertaking, are secured by an inter-company guarantee between Mark Birkbeck & Sons Limited and The House of Bruar Limited and by fixed and floating charges over the assets of The House of Bruar Limited. At the balance sheet date the potential liability under this guarantee amounted to £5,429,947 (2020: £3,616,675).

22 Commitments

Rent is payable to the Bruar Trust each year calculated at £1,300 plus 1.5% of turnover of certain departments of the business, subject to a minimum rental payment of £35,000 per annum. Rent paid in the year ended 31 January 2021 amounted to £167,069 (2020: £305,081).

The company had commitments to buy a total of 550,000 euros at an average rate of 1.1254 euros: £1 and a total of 1,025,000 US dollars for an average rate of 1.3388 US dollars: £1 at various dates before 3 June 2021.

THE HOUSE OF BRUAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

23 Events after the reporting date

Since the year end, the COVID-19 pandemic has continued to impact many local economies around the globe and in common with many other UK businesses the company's operations have been affected. The Company operates within a sector where measures taken based upon Government advice to contain the spread of the virus, including travel bans, quarantines, and social distancing mean that operations have been affected during each period of lockdown. The company has cut costs and taken advantage of available incentives to manage the financial impact of the pandemic.

The Company has determined that these ongoing events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the period ended 31 January 2021 have not been adjusted to reflect their impact.

24 Related party transactions

The following amounts were outstanding at the reporting end date:

	2021	2020
Amounts due to related parties	£	£
Entities with control, joint control or significant influence over the company	1,500,000	-

The following amounts were outstanding at the reporting end date:

	2021	2020
Amounts due from related parties	£	£
Other related parties	385,646	287,844

Other information

The company has taken advantage of the exemption contained in Financial Reporting Standard 102 and has therefore not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

During the year the company paid remuneration of £27,500 (2020: £92,500) to other related parties.

25 Ultimate controlling party

The immediate and ultimate parent undertaking is Mark Birkbeck & Sons Limited, a company registered in Scotland.

The ultimate controlling party is Mr M N T Birkbeck in both the current and previous year, by virtue of his majority shareholding in Mark Birkbeck & Sons Limited.

The smallest and largest group to consolidate the results of these financial statements is Mark Birkbeck & Sons Limited. Copies of the consolidated financial statements can be obtained from The House of Bruar, Blair Atholl, Perth, Perthshire, PH18 5TW.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.