

PURE

Spa & Beauty

We are moving.

After 16 years of serving our wonderful, loyal clients at Silverburn, PURE is on the move. Most of our fabulous team of therapists, receptionists and Managers at Silverburn will be relocating to our spa at the David Lloyd Club in Renfrew. A few will move to our other PURE spas in West Nile Street Glasgow, The Glasgow Hilton and David Lloyd Hamilton. Our final day of trading at Silverburn will be the 26th of February 2024.

Here are some links to the PURE Spas in Glasgow and our team look forward to welcoming our Silverburn clients to these spas in the near future. **All gift cards, vouchers, courses and memberships you may be holding can be used at any of our Glasgow locations or indeed any of our 24 locations around the UK.** The Silverburn team are all looking forward to seeing you in the next 8 weeks at Silverburn and thereafter at the new spa locations.

It is with a heavy heart that we are leaving Silverburn. We have served over 40,000 clients and performed circa 250,000 treatments since opening the business at Silverburn in 2007. We have maintained near 5 star feedback from our clients throughout this time. When we opened at Silverburn, I was heavily pregnant with my second child and driving from Edinburgh each day to be manning the reception desk. With a lot of sweat and hard work, the spa was an instant success and PURE became a part of many of your lives – a retreat in the heart of Glasgow's urban south.

But life for PURE has not been all smooth sailing at Silverburn. As a female founded entrepreneurial family business set amongst national and international chain stores, we have not always felt valued by the succession of owners who have been our landlords at Silverburn. We have faced a global financial crisis, Covid, and latterly inflation, rising interest rates and rampant energy bills. In the end, the current Silverburn owners decided that the unit occupied by PURE Spa was needed to form part of the redevelopment of the old Debenhams store. This action, which was finalised in recent weeks, took the decision about whether to extend our tenancy at Silverburn out of our hands, but it is unlikely we could have achieved a deal that would have made a new lease at Silverburn financially viable in the future.

Unfortunately it has become very challenging for retail centres to be viable locations for businesses such as PURE. Despite being arguably the most successful business of our type in the UK and with a fantastic loyal customer base of 40,000 at Silverburn, the economics of retail centres no longer work for us. With 20% of the money you pay for treatments going to the Government in VAT, business rates of circa £30,000 per year, rents, centre service charges, electricity, product, laundry, wage costs for our fabulous team, and head office overheads, we cannot make the numbers add up so that we can be sure of covering our costs, let alone making a profit needed to cover our Covid debt repayments going forward.

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For this reason we are pivoting our business away from retail centres for the time being. We have grown to 23 locations in recent years across the UK with all our new locations being in hotels and leisure clubs. Our clients are loving our new surroundings which often allow us to provide access to swimming pools, saunas, steam rooms, Jacuzzis and other facilities, as well as overnight spa breaks, that we can't offer in a retail environment. We can also provide the convenience of free parking and extended opening hours in most locations. At the same time that Silverburn will be closing it's doors at the end of February, we will be opening 2 amazing new spas in London, and have another 6 new hotel spa locations planned to open this year.

Our future in retail will largely depend on the future policy decisions of Governments at UK and Scottish levels. We were very disappointed that in the recent budget announcement, the Scottish Government opted for the second year running not to pass on the business rates relief that retail, leisure and hospitality businesses in England and Wales will receive. Being in Scotland has cost PURE circa £200,000 since Covid with respect to business rates relief that we would have received if our 6 Scottish retail locations had been in England or Wales. The anti-business attitude of the Scottish Government, and their refusal to consider much needed reforms to the business rates system is very disappointing, but even the UK Government reliefs are only a temporary band aid for an archaic, pre internet, tax on bricks and mortar retailers which is unfit for purpose.

Recent travels to the USA, Australia and New Zealand have shown us that businesses like PURE are highly successful and thriving in retail environments in these countries. The difference between the UK and these countries is down to how taxes, primarily business rates and VAT, are applied across our sector. We support the Salon Employers Association and their push for changes to tax laws UK wide to save hairdressers and beauty salons. You can find out more about this at www.salonemployersassociation.co.uk/. Whilst we are hopeful that there could be reforms on taxes that affect our business in the future, for now our focus for business growth will be on the hotel and leisure sectors in the UK, as well as development of our PURE range of natural and eco-friendly skincare products.

I would like to personally thank each and every one of you, our clients for your support and patronage for PURE over the last 22 years. We appreciate you being part of our journey and hope very much that you will stay on board as we continue to expand and deliver on our mission of making amazing spa and wellness experiences a part of everyday lives.

Yours sincerely

Becky

