



## Euronics Limited

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### Euronics Limited - Section 172 (1) Statement year ended 31<sup>st</sup> March 2020

Whilst carrying out their duties as directors, the Board have had regard to ensure the company meets the needs of its agents, the consumer, and therefore the longevity of the needs of the company itself. In order to carry out their duties responsibly and fully, training is offered and undertaken where appropriate. Decisions are made to ensure the maintenance of the long-term relationships between the company, its suppliers, its customers and other interested third parties. The directors ensure that the company acts responsibly, fairly and in good faith, towards all third parties with which it engages, and where possible, the environment itself. They also ensure that the company is seen to be maintaining its high standards with regards to the manner in which it conducts its business with its key stakeholders, being the consumers, agents and suppliers. Members all then have a fair and equal ability to obtain stock, where available, and service their local community in their time of need - the members continued ability to trade is key to maintaining the longevity and going concern of the company.

Surveys are undertaken with various stakeholders, obtaining feedback on specific areas of the business functionality - this year included a survey to the members on the topic of marketing.

Consumer awareness of the Euronics brand is one of the directors' main regards, together with maintaining the high standards to which consumers have become accustomed from independent retailers. The brand is key to the company's success, and therefore, the directors need to ensure that it is maintained, and, where possible, enhanced for the future.

The main strategy of the company is to achieve economies of scale, and therefore sustain a profit for the agents, to assist their own businesses in surviving challenges of the high street. Decisions made in support of agents in the high street assists in providing long-term security for the company, and therefore, benefits other stakeholders, including consumers.

All agents who are full members belong to a group (structured geographically), who elect a member to serve on the Board of Directors of the group company, of which a voted number serve on the company's Board. All board decisions are shared with these groups in regular meetings where agents are given the opportunity to discuss/challenge decisions made, and or vote on pending items, including any decisions made/to be made, by the group company. Minutes are taken of the main group Board meeting and shared with the members (agents). Suppliers are invited to relevant and specific meetings to discuss their relationship with the companies, and any relevant long-term plans. The Board has the responsibility of ensuring that the reputation of both the companies and the brand are maintained, to include the high standards under which it conducts business both with its customers, and its suppliers. The Board meetings are key for discussing both the companies' current activities, but also the long-term plans and going concern. To enable the Board to undertake such discussions and make informed decisions, relevant members of the senior management team present to the directors during board meetings, setting out items of note such as:

- Financial information – this provides group details of turnover, debtors, membership numbers, cash balances, and company trading results, each month. Decisions are made based on this information with regards to campaigns and the company plans for the future, both imminent and long term.
- Promotional and Marketing campaigns – this may be both ongoing campaigns, together with potential future campaigns, depending on the market-place and where the Board believe it may be heading. The format of these campaigns is considered, ensuring that the company reaches the appropriate market and consumer sector. All campaigns are planned with the aforementioned financial information provided in mind, to ensure that the cashflow of the company is adequately maintained and the company is considered as a going concern.
- Pricing and ranging of products – ranging is made with consideration of both the market-place and current/pending changes, always having in mind the needs of the consumers and the agents themselves. This was very relevant during the COVID-19 lockdown where consumers needs changed very dramatically and very suddenly. The Board held emergency remote meetings to ensure that pricing and ranging met the new needs of its customers, and that suppliers were also taken on the journey to assist with this revised demand, given their restricted production capacity. These meetings were in addition to the regular communications that the Board may ordinarily undertake with suppliers.
- Business and market changes – this was never more apparent than during this current year with COVID-19 and the lockdown of consumers and businesses. The aforementioned emergency meetings covered what the Board could see at the time, together with their thoughts on how the market and consumers were likely to change, given the new circumstances in which they found themselves. Thought was also given to how the business itself was going to function during this time, making sure that consumers and suppliers were considered. During all this time, the Board ensured that a safe

environment was maintained for all, whilst meeting the needs of all parties, and safeguarding the wellbeing and third-party relationships for the future. Developments on euronics.co.uk and the processes behind the scenes are also discussed to ensure that the structure continues to support all aspects of the business and its partners.

- Environmental matters – this forms part of most discussions, as noted previously. The business continues to discuss and report on ways in which it can be environmentally responsible, such as the use of LED bulbs where this has been possible. The Board shows consideration of the company's impact on the environment, and will continue to do so, as and when changes can be made to fulfil their obligations.
- Health and Safety – HR reports to the Board on a monthly basis, and any matters specifically relevant would be discussed as part of the meeting to ensure that the company acts responsibly towards all interested parties. COVID-19 provided a serious risk for staff providing a service to Euronics, and as such, decisions were made and actions were taken to mitigate these risks.
- The Board will discuss any other ad-hoc matters that may arise, either as a result of the usual discussions, or anything that has happened during the time since the last meeting, or likely to happen during the time until the next meeting. COVID-19 was an example whereby the Board had to make prompt and precise decisions with regards to the members' (agents) and the suppliers. PPE equipment was sourced to support the staff in the retail premises to enable them to keep their shops open, where appropriate; virtual meetings were held with suppliers to ensure a supply of stock to enable the agents to continue supply to the public.

Principal decisions made during the year were to ensure the continued growth of the company, maintaining stability, and securing the going concern of the company. The latter part of the year focused mainly around minimising the impact of COVID-19 on all stakeholders, to include the members (agents) and suppliers. Such decisions have been noted earlier in this section, and include:

- business processes around the recent upgrade of the IT system and website, ensuring the provision of information and facilities to the members, suppliers, and consumers alike;
- future development of the systems and processes to ensure continued ability for the system to cope with increased demand both internally and externally. This includes a review of future phases for added value for all stakeholders, such as reporting;
- supply of stock involving discussions with key suppliers to secure stock availability for the members just prior to, and during, the lockdown period;
- source and supply of PPE for members to ensure their ability to continue to work safely, efficiently and effectively;

