



Euronics Limited

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Euronics Limited - Section 172 (1) Statement year ended 31st March 2021

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 recycling/Waste from Electrical and Electronic Equipment and what the group can do to support the retailers.

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. With the continuation of the pandemic and the various local and national lockdowns, the Euronics brand became even more prominent with the consumer. The support of the suppliers enabled the continued supply to the consumers via our agents, through this adversity.

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 the continued challenges of the high street, even more so during and post-pandemic. 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. 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 both the company and main group Board meetings 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 and prospects. 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, impacts of these long-term plans, relationships both current and future, 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 and where they wish the companies to be positioned in the market. The format of these campaigns is considered, ensuring that the company reaches the appropriate market and consumer sector, giving consideration to the current economy and market-place, together with where they believe it will head in the future. 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 continues to be considered 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 continued to be very relevant during the lockdowns where consumers needs had already changed very dramatically and very suddenly, and continued to do so as it became clear that a different style of living was likely to remain. This included the fact that many businesses recognised the benefit of their employees working from home, and therefore needing a differing home environment, such as quieter and less intrusive home appliances. The Board continued to hold remote meetings to ensure that pricing and ranging met the new needs of the consumers, and that suppliers were also taken on the journey to assist with this revised demand, given their continued restricted production capacity.

- Business and market changes –changes continued to be apparent during the prolonged national and local lockdowns of consumers and businesses. The aforementioned meetings covered what the Board could see at the time, what had already occurred, together with their thoughts on how the market and consumers were likely to continue to change, given the continued effect of the pandemic. Thought was also given to how the business itself was going to continue to function during this time of further lockdowns, again making sure that consumers and suppliers continued to be 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 all 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, together with further advancing our efforts towards a paperless office. Solar panels have been installed in the new warehouse (owned by the group company), and will be used where possible, including electric car charging points at all locations. 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. The pandemic continued to be a serious risk for staff providing a service to Euronics, and as such, decisions were continually reviewed and actions 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. The continued pandemic was an example whereby the Board had to make prompt and precise decisions, and react to the changing circumstances as new virus variants appeared, with regards to the members' (agents) and the suppliers, given that this clearly was not going to be a short term situation. Rapid flow tests were sourced to support the staff at head office, to enable a safe environment within which to work, Virtual meetings continued to be held with suppliers to ensure a supply of stock, enabling the agents to continue supply to the consumers.

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

- Energy savings and social responsibility for the company to include ranging products with energy labelling that enables consumers to make ‘greener’ choices within the home;
- Further future developments on the system in order to provide enhanced facilities to the members, suppliers, and consumers alike;
- The purchase of a brand new, larger warehouse in the northern parts of UK to enhance overall service to the full membership. Note that this was a joint decision between the group companies, in order to support increased SKU’s for both agency and non-agency products. This includes considerations to ensure the companies recognise social responsibility, such as LED lighting, solar panels, and also whether the business decision with regard to the building being owned vs leased etc;
- Supply of stock involving discussions with key suppliers to secure stock availability for the members just prior to, and during, the lockdown periods, and in consideration of the increased available warehouse space following the new warehouse purchase;
- Discussions with Europe on the brand and ensuring proper roll out of the revised version with the agents;

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