

D. J. Squire & Co., Limited

S172 Statement

Year Ended

31 July 2020

Company Number 00316151

Section 172 Statement

1. Introduction

In promoting the success of the Company as a whole, the Board has had regard, in its decision-making, to broader stakeholder interests in all the areas identified under section 172 of the Companies Act 2006 and listed under Section 2 below. This is reflected in the agendas for, and decisions made in, the three formal Board Meetings held in the year ended 31 July 2020, as well as in the many informal discussions between Board members during the year.

The onset of Covid-19 posed possibly the greatest challenge to the Company in its 83-year life, putting additional pressure on Board decision-making. We are proud that, in taking the decisions vital to the survival of the business, we continued to respect the principles outlined below.

2. Stakeholder Interests

2.1 Likely consequences of any decision in the long term Maintain a reputation for high standards of business conduct

Context

The Company has been in business since 1936. As a family business, long-term thinking is an integral part of our decision-making processes. The Squire family name is, literally, over the door, and therefore the Company's reputation is paramount. We are committed to be the best we can be in everything we do, never cutting corners whether it is in dealing with Covid-19, maintaining Health and Safety, or ensuring we comply fully with GDPR and our commitments on Modern Slavery.

We have made a conscious decision to limit our geographical scope, so that Board members and other senior staff can visit our Centres often and build strong relationships with our teams and our local communities. We have always striven to maintain our independence of action, in for instance our approach to debt and bank security, or our preference for freehold sites over leasehold, allowing us to invest continually in our Centres, or in our measured approach to acquisitions. We seek to build long-term relationships with our customers, and with suppliers also – we feel we are in business with them for the long run.

We take compliance with the law and regulations seriously, following both the letter and the spirit: for instance, on alcohol licensing we have far more personal licence holders per site than most other operators. We review our policies regularly rather than letting them gather dust.

Board Actions in the year under review

- Shut down Centres ahead of Government announcement.
- Ensured fair treatment of landlords and concessions tenants during lockdown, since maintaining good long-term relationships was more important than short-term financial advantage.
- Negotiated payment plans with suppliers during the lockdown to ensure mutual survival in the longer term.
- Re-approved Bribery Policy in November 2019.
- Kept Gender Pay Gap reporting under review.
- Carried out annual approval of Modern Slavery Policy and Human Trafficking Statement, and approval of supplier Code of Conduct, in November 2019.
- Introduced a modern slavery policy and supplier code of conduct, both based on Squire's models, to the Tillington buying group, which embraced the concept even though other group members are not of the size (as individual companies) required to produce their own annual statements; the Company got the group to sign up, with the Company, to Sedex (a factory auditing body).

2.2 Interest of employees

Context

The Company has always sought to treat its staff well, and beyond statutory requirements. We have ensured that pay levels are maintained above statutory rates. We have an annual bonus scheme, based on Company profitability, which (though non-contractual) has been paid in good times and bad. We have a strong commitment to training and development, including our own apprenticeship scheme.

We use an annual employee survey to measure staff attitudes, and act on the results. Members of the Group Office team visit the Centres regularly, with a more formal "Let's Talk" session for the staff at each Centre, involving the Managing Director and the HR Manager, held twice a year.

A formal meeting is held 8-10 times per year between the Group Office team and the Centre Managers in order to communicate initiatives and ideas throughout the organisation.

Board Actions in the year under review

- Discussed Health and Safety, and HR matters, at every Board Meeting.
- Discussed detailed review of accident statistics, and presentation of Health and Safety Plan for 2020
- Discussed Chairman's investigation into opportunities for promotion for female staff.
- Welcomed the support of the Government furlough scheme in order to avoid redundancies during the height of the pandemic.
- In the period when most of our staff were on furlough, used staff newsletters and emails from the Chairman and MD to communicate to those on furlough to ensure they still felt part of the Squire's 'family'.
- While our Centres were largely closed to face-to-face trading, carried out daily (for an initial period), then gradually less frequent, conference calls to keep clear communication lines to Centre Managers and through them to their teams.
- In planning to re-open our Centres, made staff and customer safety our top priority, with investment in PPE, protective screens, signage, hand sanitiser and additional welfare facilities to allow proper social distancing, along with a clear set of policies and operating procedures.
- Facilitated working from home for our office staff, including investment in new equipment, servers, and remote working technology.

2.3 Foster business relationships with suppliers, customers and others

Context

Our long-term focus extends to all our business partners and to our customers.

We seek long-term relationships with our suppliers, many of whom have traded with us for decades. We are especially keen to protect local UK growers, and other smaller suppliers. We seek to deal fairly with all suppliers, with transparent terms of business, especially in the areas of rebates and payment terms. We have implemented our Modern Slavery policy and supplier code of conduct to ensure that our suppliers are also operating their businesses in a legal and sustainable manner.

We have banked with the same Bank for the entire life of the business and have always sought to make that relationship a mutually supportive one.

We also seek to develop a loyal, long-term customer base, and use multiple methods to promote customer engagement, including a twice-yearly customer survey, our monthly customer email newsletters, our three magazines, distributed through the Royal Mail at key periods, and other leaflets and social media activity.

Via the Tillington Group of Garden Centres we seek to achieve economies of scale in our purchasing.

We engage more broadly through our active membership of our trade associations, the Garden Centre Association (GCA) and the Horticultural Trade Association (HTA), which we believe have both been effective in promoting the industry and influencing Government decision-making in relation to our business.

Board Actions in the year under review

- As stated in section 2.1 above.

2.4 Impact of our operations on the community and environment

Context

Working with local communities has always been a watchword for our business.

The Company continues to extend charitable support to local organisations and to 'In Blooms'. Our support has assisted numerous schools, our nominated Centre charities of the year, Surrey Wildlife Trust, The Lightbox, Phyllis Tuckwell Hospice, the Greenfingers Charity, The Watts Gallery, The Richmond Concert Society and many others.

We reach out to our local communities not only through our charitable works but also marketing campaigns like Love Where You Live, where customer purchases of bulbs generated donations of bulbs to local councils to be planted in their communities, and talks given by the Chairman and Chairman Emeritus to local organisations before Covid and which we hope will resume when possible.

We have partnered with Planet Mark in order to have our current sustainability performance certified and to create multiple projects to improve that performance over time. We have already completed a number of projects, including moving to 100% renewable electricity, and have appointed a senior manager for whom sustainability is a major part of his responsibilities.

We also support local suppliers (especially for food and plants) and contractors wherever possible, in order to minimise transport miles and emissions.

Board Actions in the year under review

- Discussed detailed report on sustainability initiatives by MD.
- Proceeded with Planet Mark accreditation.
- Appointed Sustainability and Cost-Effectiveness Manager.

2.5 Act fairly as between members of the company

Context

There is just one class of equity; there are only six shareholders; and the three shareholders on the Board represent 60% of the votes. Shareholder directors are remunerated fairly in line with the duties and responsibilities assumed. All UK-based shareholders regularly attend the AGM, are regular customers of the business, and take an active interest in its progress through informal discussion with the director shareholders.

We follow a prudent and consistent dividend policy, paying out a low percentage of profit before tax in normal years, with the absolute dividend paid broadly similar to the staff bonus paid.

Board Actions in the year under review

- Cancelled the interim dividend, and substantially reduced the final proposed dividend, to conserve cash.
- Informed non-director shareholders when the Board took the decision to shut our Centres ahead of the Government imposed lockdown.
- Adopted a Declaration of Directors' Interests at start of all meetings as standard practice from March 2020 meeting onwards.