

John Heathcoat & Company (Holdings) Limited

Directors' Report — *continued*

Properties are shown in the financial statements at a value of £5,878,000 (2020: £6,265,000) which represents historical cost less accumulated depreciation.

Charitable donations

No Charitable donations were made in the year (2020: Nil).

Employee involvement

The companies within the group maintain and develop the involvement of employees through both formal and informal systems of communication and consultation.

All employees within the group benefit from a profit-sharing scheme. A proportion of the profits are transferred to a pool which is distributed among all employees in proportion to their earnings.

Regular meetings are held with the employees' representatives to discuss the group's performance.

Employment of disabled persons

It is the policy of the group that disabled persons should have the same consideration for employment opportunities as others where they have the appropriate skills, experience, and qualifications. Similarly, disabled persons are given the same consideration as other employees for career development, training and promotion where their abilities allow. Special consideration is given to the continuity of employment of any existing employee who becomes disabled and, wherever practicable, to providing alternative employment with suitable retraining.

Environmental policy

The group has ISO 14001 certification, copies of the environmental policy are available from the company secretary on request.

Streamlined Energy and Carbon reporting (SECR)

Intensity Ratio Performance

	tCO2e Emitted YTD				Intensity Ratio
	Scope 1	Scope 2	Scope 3	Scope 1+2	
2020-2021	9,918	8	137	9,926	16.97
2019-2020	10,797	1,377	117	12,174	22.61

Intensity Ratio Used – tCO2e/£100,000

Annual Energy Efficiency Statement

Heathcoat have achieved an intensity ratio improvement of 25% compared to the previous financial year. A significant factor in this improvement has been the move to purchasing renewable imported electricity from Natural Renewable sources from April 2020. On site generation comes from both solar and hydro generation systems which were installed in 2017.

In the year ended May 2021, the group has undertaken investments in a number of more environmental-based initiatives –

- A new, more efficient Stenter machine, including heat recovery system
- Additional roof-based solar panelling

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- Migration to an all electric FLT fleet
- Further LED lighting installations

Scope of Emissions Included in the Report

Electricity, Generated Electricity, Natural Gas, LPG, Direct Diesel, Direct Petrol, Direct Mileage.

Methodology

This report is aligned with the GHG Protocol methodology. The GHG Protocol establishes comprehensive global standardised frameworks to measure and manage greenhouse gas (GHG) emissions from private and public sector operations, value chains and mitigation actions. The framework has been in use since 2001 and forms recognised structure format to calculate a carbon footprint.

Exclusions

Nominal energy supply to external tenant of small yard.

Emissions Factor Applied

DEFRA 2021

Validation

This data has been compiled and validated by EIC Ltd., whose registered office is Monarch House 7-9 Stafford Road, Wallington, Surrey, United Kingdom, SM6 9AN.

Financial risk management

The group's operations expose it to a variety of financial risks that include credit and foreign exchange risks. The group has in place adequate controls to limit the effect of these risks which are managed by the finance department.

Credit risk

The group has taken out insurance to cover credit risk and carries out regular credit checks on customers.

Foreign Exchange

The group monitors the foreign exchange risk on a regular basis and ensures that currency risk is limited by taking out forward contracts where necessary.

Research and development

The group's activities are concentrated on the development of new products, new processes, and quality improvement of existing products.

Disclosure of information to auditor

So far as each of the directors are aware, there is no relevant audit information (that is, any information needed by the group's independent auditor in connection with preparing their report) of which the group's auditor is unaware, and each of the directors has taken all steps that they ought to have taken in order to make themselves aware of any relevant information and to establish that the group's independent auditor is aware of that information.

Independent Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.