

E H SMITH HOLDINGS LIMITED

Report of the Directors for the year ended 30 June 2021

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2021.

DIVIDENDS

There were no dividends proposed in the 30th June 2020 accounts and therefore no final dividend was paid out during the current year.

The directors proposed an interim dividend of £304,802 for the 30th June 2021 which was approved and paid in March 2021.

The directors propose a final dividend of £661,948 for the 30th June 2021 accounts to be paid in January 2022.

DIRECTORS

The directors during the year under review were:

A. J. Parker
D P Ensell
M. J. H. Hodgskin-Brown
J Cave
M J Mallinder

CHARITABLE DONATIONS

During the year the group made charitable donations totalling £818,798 (2020: £nil).

STREAMLINED ENERGY AND CARBON REPORTING

Changes made by the 2018 Regulations require large unquoted companies to report on UK energy use, and the associated greenhouse gas (GHG) emissions, that relate to the consumption of fuel for the purposes of transport and the purchase of gas and electricity by the company for its own use.

The directors report this data below in order to fulfill these requirements.

Global GHG Emissions and Energy Use Data (for the period 1 July to 30 June)

	2020-21	2019-20
Energy consumption used to calculate emissions (kWh):		
Gas	27,452,348 kWh	21,345,547 kWh
Electricity	3,073,323 kWh	2,871,819 kWh
Transport	9,363,758 kWh	8,423,404 kWh
Total	39,889,429 kWh	32,640,770 kWh
Emissions from activities for which the company is responsible including combustion of fuel [Scope 1] (tonnes of CO2 equivalent (tCO2e)):		
Transport	2,488 tCO2e	2,240 tCO2e
Emissions from purchase of electricity and heat for own use [Scope 2] (tonnes of CO2 equivalent (tCO2e)):		
Electricity	653 tCO2e	670 tCO2e
Gas	5,028 tCO2e	3,909 tCO2e

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Total	<u>5,681 tCO2e</u>	<u>4,579 tCO2e</u>
Total Scope 1 & Scope 2 emissions	<u>8,169 tCO2e</u>	<u>7,404 tCO2e</u>
Intensity Ratio - tCO2e per £100,000 revenue	5.309	5.333

Methodology Used

Electricity usage in kWh per site for the period was obtained from invoices received. This was converted into tonnes of CO2 equivalent using 'UK Government GHG Conversion Factors for Company Reporting' (2021 publication).

Gas usage in kWh per site for the period was obtained from invoices received. This was converted into tonnes of CO2 equivalent using 'UK Government GHG Conversion Factors for Company Reporting' (2021 publication).

Transport usage in kWh is calculated by obtaining the fuel usage in litres for the period. This is converted into kWh using data interpretation taken from the Department for Transport Statistical Document (Dec 2019) - Transport Energy and Environmental Statistics: Notes and Definitions. To convert the fuel usage into CO2 emissions the following conversions were used:

- For diesel fuel: 1 litre of diesel weighs 838g. Diesel consists of 86.2% carbon, or 722g of carbon per litre of diesel. In order to combust this carbon to CO2, 1921g of oxygen is needed. The sum is then 722 + 1921 = 2643g of CO2/litre of diesel, which is applied to the total usage of 894,245 litres to arrive at the CO2 emissions (Source: Ecoscore.be).
- For unleaded petrol: 1 litre of petrol distillate will result in the production of 2610g of CO2 in use in an internal combustion engine, which is applied to the total usage of 47,588 litres to arrive at the CO2 emissions (Source: Exeter University - TW Davies).

Energy Efficiency Action

The Directors are committed to improving the energy efficiency of the Company. As part of this, the Company reviews its motor vehicle fleet on a regular basis, phasing out older vehicles and ensuring new vehicles are fuel efficient to reduce fuel usage. The Company has adopted a policy of phasing out petrol and diesel company vehicles and replacing them with electric vehicles over the next 3 to 5 years. The Company has also increased video conferencing during the year, reducing business travel, as a result of the current pandemic.

DISCLOSURE IN THE STRATEGIC REPORT

Other matters required to be disclosed in the directors' report are set out in the strategic report.