Directors' Report/Continued

Streamlined Energy and Carbon Reporting

The UK Government's Streamlined Energy and Carbon Reporting (SECR) policy was implemented on 1 April 2019. The table below represents Finsbury Food Group's energy use and associated greenhouse gas (GHG) emissions from electricity and fuel in the UK for the year ended 26 June 2021. The data covers seven manufacturing sites in the UK.

UK Greenhouse Gas Emissions and Energy Use Data

Energy consumption used to calculate emissions (kWh)	**52 weeks ending 26 June 2021 kWh**	52 weeks ending 27 June 2020 kWh
Total Energy Consumption (kWh)	**102,577,469**	106,904,756
Energy consumption break down (kWh):		
Natural gas	**69,487,690**	67,208,470
Electricity	**32,624,756**	38,714,433
Transport	**162,423**	433,331
Diesel	**149,094**	367,909
LPG	**153,506**	180,613
	Tonnes CO_2e	Tonnes CO_2e
Scope 1 emissions in metric tonnes CO_2e		
Natural gas	**12,747.99**	12,357.62
Refrigerant emissions	**497.37**	179.90
Diesel	**37.69**	93.00
LPG	**32.96**	38.74
Company owned/leased vehicles	**10.43**	18.85
Scope 2 emissions in metric tonnes CO_2e		
Purchase of electricity	**7,463.49**	9,025.88
Scope 3 emissions in metric tonnes CO_2e		
Private vehicles on Company business	**30.89**	85.28
Total gross emissions in metric tonnes CO_2e	**20,820.82**	21,799.27
Intensity ratio tonnes CO_2e per tonne produced	**0.19**	0.18
Electricity purchased through supplier REGO cert.	**2,160.00**	-
Total net emissions in metric tonnes CO_2e	**18,660.82**	21,799.27
Intensity ratio tonnes CO_2e per tonne produced	**0.17**	0.18

Emission factors are based on Government published 2020 GHG conversion factors.

Directors' and Officers' Liability Insurance

The Company maintains a Directors' and Officers' liability insurance policy that has been in force throughout the year and at the year end.

Financial Instruments

The Group's financial instruments comprise a revolving credit facility, cash and liquid resources, and various items arising directly from its operations, such as trade creditors. The main purpose of these financial instruments is to finance the Group's acquisitions and operations. It is the Group's policy that no trading in financial instruments shall be undertaken.

The bank facility is a £55.0 million revolving credit facility provided by a club of three banks – HSBC, Rabo Bank and RBS. The facility is available until February 2023 and also includes scope for the facility to be increased by up to a further £35.0 million.

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange and liquidity risk. The Board reviews and agrees policies for managing these risks, which have remained substantially unchanged for the year under review. The policies are summarised below:

Interest Rate Risk

The facility totalling £55.0 million available of which £22.4 million was drawn at 26 June 2021 leaving a headroom of £32.6 million plus a cash balance of £9.3 million with a further approved accordion facility of £35.0 million. The interest rate risk is managed through interest rate swap transactions. The Group has two interest rate swaps. A five-year swap from 3 July 2017 with a coverage of £20.0 million fixed at a rate of 0.455% and a three-year swap from 28 March 2019 with a coverage of £5.0 million fixed at a rate of 1.002%.

The counterparty to these transactions is HSBC Bank Plc.