

Strategic report (continued)

Covid-19

Like all businesses around the world the Company has been managing the impact of the global pandemic caused by the spread of the COVID-19 virus. The company identified the risks at an early stage and established robust processes to manage and monitor the pandemic including the establishment of a pandemic response team. The pandemic response team is formed of senior leaders within the Company and meets to consider the latest government guidance and information coming from the business in relation to staffing, the welfare of our people and any financial consequences of the pandemic. Communication is issued to the wider business when necessary to ensure all staff members adopt the latest information and guidance. There has been a change in some working practices aided by the investments the Company has made in its technology infrastructure. The majority of the company's branches have remained open throughout the pandemic. As a result of the actions taken, the pandemic has not materially impacted the Company's future prospects.

Environment and Sustainability

The Company provides flexible workplace solutions to industrial, driving and warehouse and distribution markets across the UK and therefore recognises that it is important that the Company acts in an environmentally responsible manner.

Our organisation has engaged with external consultants to help create and implement a comprehensive energy and environmental policy during 2021 which set sustained and achievable targets to reduce our carbon emissions year on year. The policy has been agreed and signed off at board level and will be implemented across the organisation. There will be an action plan and an embedded strategy in place in which progress will be reviewed on a regular basis. During the past year we have continued with lighting upgrades replacing traditional lighting with modern efficient LED technology at many of our offices and this program will continue as we refurbish our sites. We have also upgraded many heating and air conditioning systems for more efficient units and again this program will continue. We have also replaced our vehicle fleet with hybrid where appropriate. The Group has been and will continue to explore several measures that were discovered from our ESOS phase 1 and 2 assessments which include AC optimisation, more LED upgrades and controls, secondary metering and monitoring and targeting software, power management, renewable sources, hybrid vehicles and better practices.

The following tables show the Company's energy usage for the year in relation to the Company's properties and fleet of owned vehicles. The greenhouse emissions have been calculated based on conversion factors published on the 2019 version of the 'UK Government GHG Conversion Factors for Company Reporting'. This is the first year of reporting this data which will enable the Company's management to focus on identifying ways to reduce the Company's carbon footprint. The emission intensity ratio for the year was 2,455 KG CO₂e per £M turnover.

Energy Type	Company's Energy Use in the year ended 30 November 2020
Electricity (kWh)	1,811,023
Gas (kWh)	865,743
Transport (kWh)	719,367
Associated greenhouse gas emissions (GHG)	
Electricity (kg of CO ₂ e)	422,222
Gas (kg of CO ₂ e)	159,184
Transport (kg of CO ₂ e)	168,968

Financial Key Performance Indicators

The main financial KPI's are Gross Margin and Net Profit before tax. The company's Gross Margin for the year was £36,334,736 (2019: £40,952,773). The company's Net Profit before tax for the year was £1,158,526 (2019: loss £679,079).

Other Key Performance Indicators

The Directors believe a significant factor to growing the business is efficiency improvements measured through, Temporary Worker Hours per Headcount which for the year was 33,960, an improvement on prior year of 32,330.