

MBNI Holdings Ltd

Directors' report (continued) For the 13 month period ended 31 December 2020

Liquidity risk

The group actively maintains a mixture of medium-term and short-term debt finance that is designed to ensure the group has sufficient available funds for operations and planned expansions.

Interest rate risk

The group has interest bearing liabilities in the form of bank overdrafts, bank loans and preference shares classified as financial liabilities. The group has a policy of maintaining debt at a competitive rate to ensure a reasonable degree of certainty over future interest cash flows. The directors will revisit the appropriateness of this policy should the group's operations change in size or nature.

Brexit risk

The group continued to review all potential Brexit risks throughout 2020, given the uncertainty about the final arrangements. Following the signing of the Trade and Cooperation Agreement between the UK and the EU in December 2020, the group is in the process of implementing all necessary changes to its processes to minimise any residual impact. The group continues to adapt to the new post Brexit trading environment and has not been adversely impacted following the new pronouncements.

Engagement with suppliers and customers

Please refer to the Section 172(1) statement within the Strategic report.

Streamlined Energy and Carbon Reporting ('SECR')

In line with the Companies (Directors' report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (the 2018 Regulations) and accompanying government guidance 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting requirements: March 2019' the group presents details on its carbon and energy use.

Energy and emissions report

	Energy consumption (units)	Carbon emissions (kCO₂e)	Intensity ratio (Emission per £'000 turnover)
Diesel (litres)	317,895	809,370	11.805
Gas (Kwh)	1,459,307	268,323	3.914
Water (m3)	8,313	2,860	0.042
Electricity (Kwh)	527,017	122,869	1.792
Total	2,312,532	1,203,422	17.55

Methodology

To determine emissions for the year ended 31 December 2020, the group used a methodology compliant with the Greenhouse Gas ('GHG') Protocol and incorporated the 2020 UK Government GHG conversion factors for greenhouse gas reporting.

Electricity, gas, water and diesel consumption was based on actual data, obtained from supplier invoices, meter readings, fuel logs, employee expense claims and supplier account statements. The collected consumption data was then converted to greenhouse gas emissions associated with each activity using annually updated emission/ conversion factors provided by the UK Government.