

VERNA GROUP INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Going concern (continued)

The financial resilience of our balance sheet, the extent of our cash resources and the quality of our customer receivables meant that we have not needed to draw on emergency Government lending.

The diversity of our product offer across the Group has proved an invaluable asset during the pandemic and this was expanded via strategic acquisitions in the year. It meant during the lockdowns, and the decline in elective medical procedures, our vast range of infection control products, including single-use disposable products to IPA wipes which help prevent the spread of the coronavirus, and the Group's innovative Low Dead Space injecting solutions, which reduce vaccine waste to help maximise the vaccinated population, helped to mitigate any decline.

As a consequence, the financial statements have been prepared on a going concern basis as the directors confirm they have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements.

Streamline Energy and Carbon Reporting

The SECR disclosure covers our United Kingdom greenhouse gas emissions (scope 1 and 2), an appropriate intensity ratio, the total energy usage of gas, electricity, fuel for transport and production, and a summary of energy efficiency improvements carried out during the financial year.

	31 March 2021	<i>31 March 2020</i>
Energy consumption used to calculate emissions (kWh)	36,739,700	39,267,957
Emissions from combustion of natural gas tCO ₂ e (Scope 1)	5,220	5,658
Emissions from purchased electricity tCO ₂ e (Scope 2, location-based)	1,844	1,945
Emissions from combustion of fuel for transport purposes tCO ₂ e (Scope 1)	90	150
Emissions from combustion of fuel for production purposes tCO ₂ e (Scope 1)	16	14
Emissions from aircon refrigerants tCO ₂ e (Scope 1)	2	-
Total greenhouse gas emissions based on above (tCO ₂ e)	7,172	7,767
Intensity ratio: tonnes of CO ₂ e emitted per £1m sales revenue	114.68	200.42

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Energy Efficiency Action Summary for the year ended 31 March 2021

During the financial year ending 31 March 2021, Vernacare Limited implemented the following energy efficiency projects:

1. Replaced 129 light fittings at the Bolton site throughout the year with energy efficient LED's.
2. Implemented a 2019 ESOS Phase 2 energy survey recommendation to replace over 400 light fittings at our Chorley site with energy efficient LED lighting.
3. Completed a project at our Bolton site to replace five large process vacuum pumps and motors with energy efficient versions which has reduced Scope 2 emissions from Oct 2020 onwards.

During financial year ending 31 March 2022 we will implement a further recommendation from our 2019 ESOS Phase 2 energy survey of replacing the 800kW chiller unit at our Chorley site with seven smaller energy efficient air-sourced heat pumps. At our Bolton site we will replace a further 110 conventional light fittings in post-Covid high use office areas with energy efficient LED's as well as carry out a feasibility study to reclaim and re-use wasted heat exhausted from our gas fired product drying tunnels in order to reduce our Scope 1 emissions. We will also commission another full energy survey of the Bolton and Chorley sites under the upcoming ESOS Phase 3 regulations.

Methodology Notes

Reporting Period	1st April 2020 to 31st March 2021
Alignment with financial reporting	SECR disclosure has been prepared in line with Vernacare Limited's annual accounts for the year ending 31 March 2021
Reporting method	GHG Emissions reporting are in line with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard
Emissions factor source	DEFRA, 2020 for all greenhouse gas emission conversion factors:- https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020
Calculation method	Activity Data x Emission Factor = GHG emissions
Other relevant information on calculation	Natural Gas and Electricity consumption is obtained from several meters and collated as part of our monthly reporting process. Fuel used for transport and production is obtained from monthly invoices.
Reason for the intensity measurement choice	The chosen intensity ratio: ' tonnes of CO₂e emitted per £1m sales revenue ' expresses the performance of our business compared with our energy consumption and associated emissions, it also follows the recommendations of the SECR legislation.