Strategic Report (continued)

Social responsibility (continued)

Through the Charities Aid Foundation, MVFers are able to donate a portion of their salary to the registered charity of their choice. Whatever amount they nominate is then matched by the Group, doubling their donation. MVF also matches employees' personal fundraising efforts towards a registered charity, up to the value of £500 per employee.

The Group has several networks which promote Diversity and Inclusion for all our employees, and each of our networks this year partnered with a Charity that aligns with their values and objectives. Fundraising campaigns for these charities were all virtual this year but generated a great deal of engagement from our MVFers. As an engagement driver we set charity donation targets around our company targets so that the better the business performed, the more we donated to charities.

The Group's UK office has been working with and supporting Fareshare, the UK's largest food redistribution charity and our Austin based team have partnered with Central Texas Foodbank, who lead the way in fighting hunger in the Texas community with their mobile food pantries, community gardens and social outreach programs. Our Austin team also ran a foodbank drive to generate donations to deliver straight to those in need.

For the second year running, at Christmas, instead of sending our clients gifts/hampers, we chose to make a donation to each of our partner charities and sent an ecard to all clients so they could see first-hand the valuable work they do and how the donation would be supporting charities over the festive period.

MVF strives to be a responsible business and positively impact the communities we're part of. To do this we've partnered with "Business in the Community", who help businesses to deliver change that is needed for society and the planet – focusing on the United Nations Sustainable Development Global Goals such as diversity & inclusion, sustainability, health & wellbeing and inclusive education

The Group has an Environmental, Social and Governance ('ESG') policy which includes monitoring key performance indicators to provide the directors with greater visibility of relevant ESG matters.

Greenhouse Gas ("GHG") emissions

The Group has an Environmental, Social and Governance ('ESG') policy which includes monitoring key performance indicators to provide the directors with greater visibility of relevant ESG matters. The Group wants to deliver shared value for community and environment by doing its part to tackle structural and lasting environmental, social and economic changes responsibly in line with the Sustainable Development Goals (SDG) developed by the United Nations. Being a Responsible Business is the right thing to do; it helps us to manage risk, realise higher value creation and find shared value for communities and our environment using the SDG framework with ESG subsets.

The Group GHG emissions reporting calculation is undertaken in line with our obligations under the Streamlined Energy & Carbon Reporting regulations, March 2019.

The Group's GHG emissions are expected to arise primarily from Utilities and Travel and below we have provided some detail and a rationale as to how we have calculated these figures.

Utilities

The Group occupied three offices in London, one office in Austin, Texas and one in the Netherlands during the year. As noted in the Strategic Report, we have consolidated our London office portfolio into one new Head Office near Old Street which opened after the balance sheet date. The GHG reporting is for the UK members of the group and therefore covers the London premises. We used the bills we receive on a monthly basis to collate the relevant units.

Travel

In general, employees of the Group travel both nationally and internationally in order to fulfil their roles. However, during the year, as a result of the pandemic, our employees have not conducted any business travel and have instead utilised online video conferencing facilities.

In future years, the Group does expect travel will recommence and we will collate data for GHG emissions from Travel from various sources, including information provided from our travel agents and through expenses claims.

Strategic Report (continued)

Greenhouse Gas ("GHG") emissions (continued)

	Year ended 31 March 2021
Scope 1 emissions - Generated from the gas used in buildings where the Group operates *323,642 kWh multiplied by 0.18387 UK Government Conversion Factor converted to tCO2e*	60 tCO_2e
Scope 2 emissions - Generated from the use of electricity in buildings from which the Group operates *262,277 kWh multiplied by 0.23314 UK Government Conversion Factor converted to tCO2e*	61 tCO_2e
Intensity ratio - Emissions per employee	0.24 tCO_2e

Despite energy efficient efforts taken by the Group - the new property is in a Grade A energy efficient office building, has LED lighting and new heating, ventilation and air conditioning (HVAC) systems - we expect these figures to increase in the year to 31 March 2022, as the energy usage in offices was lower than usual as a result of lockdowns and in future there will be employee travel to consider which was not possible in the year.

Principal risks and uncertainties

1. Financial Risks

The Group's activities expose it to certain financial risks including credit risk, liquidity risk, foreign exchange risk, and interest rate risk.

- Credit risk. The Group's credit risk is attributable primarily to its trade receivables which in the balance sheet are presented net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in recoverability. The Group maintains a credit policy and procedures and has no significant concentration of credit risk, with exposure spread over a large number of customers.

- Liquidity risk. In order to ensure that sufficient funds are available for operations and investment, the Group actively monitors and manages its cash balances. The Group's policy is to pay suppliers in accordance with agreed credit terms. Cash at year end was £11,314,000 (2020: £30,619,000). The Group was not overdrawn at any time during the year. The Group can draw upon a Revolving Credit Facility of £2,000,000, if required.

- Foreign exchange risk. The Group operates internationally and is exposed to foreign exchange risk relating primarily to US dollar and Euro receivables and payables. The Group actively monitors and manages its foreign currency exposures. Post year end the Group drew down further agreed bank loans in a combination of Sterling, US dollar and Euro.

- Interest rate risk. Bank loans are LIBOR-linked and hence an increase in prevailing interest rates would increase the interest payable under loan facilities. However, the Group has an Interest Rate Cap in place and so significant interest rate increases are therefore unlikely to have a material impact on the Group, and the directors continue to monitor this exposure.

2. Covid-19

The global response to the Covid-19 pandemic has had a wide ranging and significant impact on local and global economies, which is unpredictable. The Group expects digital advertising spend to remain resilient in the future and for clients to continue to rely on our services in helping them find new customers. In the short term, there could be further volatility, however, we expect both client and buyer demand to remain robust and the Group has sufficient cash reserves to manage any short-term impacts.

3. Brexit

The UK has now left the European Union ("Brexit"). We have considered a number of areas related to Brexit and believe that most will have no material impact. The following risks have been identified as having a potential impact on our business:

- Foreign exchange: If the ongoing impacts of Brexit were to cause a significant devaluation in GBP, then our overseas gross profit would rise, while the majority of our operating expenses would be unaffected.