9 December 2019

TRAKM8 HOLDINGS PLC

("Trakm8" or the "Group")

Half Year Results

Trakm8 Holdings plc (AIM: TRAK), the global telematics and data insight provider, announces its unaudited results for the six months ended 30 September 2019:

Financial Highlights

	6 months to 30 Sept 2019	6 months to 30 Sept 2018	Year to 31 March 2019	Change
	Unaudited	Unaudited	Audited	
	£000	£000	£000	
Revenue	**8,867**	8,839	19,145	+0.3%
of which, recurring revenue[1]	**4,885**	5,117	10,087	-5%
Operating loss	**(2,030)**	(2,815)	(3,340)	+28%
Loss before tax	**(2,197)**	(2,926)	(3,563)	+25%
Adjusted operating loss before tax[2]	**(1,583)**	(2,454)	(1,452)	+35%
Loss after tax	**(1,787)**	(2,183)	(2,506)	+18%
Cash generated from operations	**1,432**	(421)	(1,752)	+440%
Net Debt[3]	**(6,095)**	(5,730)	(5,629)	-6%
Basic earnings per share	**(3.57p)**	(6.08p)	(6.20p)	+41%
Adjusted basic earnings per share	**(2.53p)**	(4.94p)	(1.89p)	+49%

1 Recurring revenues are generated from ongoing service and maintenance fees
2 Before exceptional costs and share based payments
3. Total borrowings less cash excluding IFRS 16 adjustment for leased property and motor vehicles

Operating highlights

- H1 2019 results improved year-on-year due to:
  - Improved levels of new orders leading to slightly higher revenues
  - Significantly improved gross margins due to lower hardware, labour, communication and installation costs
  - Reduced overheads despite a £270k increase in non-cash amortisation and depreciation (net of IFRS16 impact) as a result of efficiency improvements implemented in FY2019
  - Significantly improved cash generation from operations due to significant reduction in losses and strong working capital actions, despite £1.01m R&D tax credit cash not received in the period due to HMRC delays

- Continuation of new contract wins:
  - New contract awards with major clients By Miles, Altrad, and a number of other Fleet and Vehicle Leasing clients, all deployments commenced in H1 and continue into H2.
  - Installed base continues to grow in Fleet from existing and new customers offset by Insurance reductions:
    - Approximately 240,000 connections (Sept 2018: 250,000 connections), a decrease of 3,000 connections (1%) in the six month period since last year end.

- Stronger H2 and FY2021 outlook:
  - Major automotive customer committed to a minimum of 45,000 units over next 12 months
  - Ingenie deployment commenced in November
  - Lexis Nexis expected to start deployment in January
  - Strong level of orders, post period, from existing and new Fleet customers
  - Additional significant efficiency savings implemented

Outlook

The Board is confident that the second half of the year will be sufficiently improved over the first half to end the year meeting full year market expectations of increased revenues and modest adjusted profit before tax.

- Ends -

For further information:

Trakm8 Holdings plc

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About Trakm8

Trakm8 is a UK based technology leader in fleet management, insurance telematics, connected car, and optimisation. Through IP owned technology, the Group analyses data collected by its installed base of telematics units to fine tune the algorithms that are used to produce its solutions; these monitor driver behaviour, identify crash events and monitor vehicle health to provide actionable insights to continuously improve the security and operational efficiency of both company fleets and private drivers.

The Group's product portfolio includes the latest data and reporting portal (Trakm8 Insight), integrated telematics/cameras, self-installed telematics units and one of the widest ranges of installed telematics devices. Trakm8 has over 240,000 connections.

Headquartered in Coleshill near Birmingham alongside its manufacturing facility, the Group supplies to the Fleet, Optimisation, Insurance and Automotive sectors to many well-known customers in the UK and internationally including the AA, Saint Gobain, EON, Iceland Foods, Direct Line Group and Young Marmalade.

Trakm8 has been listed on the AIM market of the London Stock Exchange since 2005.

www.trakm8.com / @Trakm8

Executive Chairman's Statement

Results

I am pleased to report Trakm8's results for the six months ended 30 September 2019.

Revenues increased by 0.3% in the period to £8.87m (H1 2018: £8.84m). There was a reduction of £0.05m in Insurance and Automotive revenues and an increase in Fleet and Optimisation revenues of £0.08m. Only one of the 4 new insurance customers deployed during the period and the recurring revenue decline from our major insurance customer was not quite offset by the growth in new device sales. Our major automotive customer did not require any further devices from us during the period, however they have made a commitment of 45,000 units over the next twelve months. The Board is encouraged that the decline in revenue has been arrested and the first two months of H2 are significantly ahead of last year.

Total recurring revenues decreased by 5% during the period to £4.89m (H1 2018: £5.17m), as a result of the decline in the revenue per unit in the insurance market and decline in install base of our largest insurance customer. Recurring revenues represent 55% of Group revenues (2018: 58%). There is an ongoing trend of lower service fees per unit for the same functionality. At the period end we had approximately 240,000 units (Sept 2018: 250,000 units) reporting to our servers, being a decrease of 4% over the last twelve months. This is a decrease of 3,000 units (1%) since 31 March 2019.

Despite the market continuing to be adversely effected by the current uncertainty over Brexit and the economy in general Fleet units installed have increased by 1,000 units to 77,000 (1%) since March 2019. This is due to improved level of performance from our Channel and Direct Fleet sales teams resulting in an increase in new orders especially in the mid-market.

Our largest insurance customer has continued to experience a decline in young driver policies and as a result the level of new policies written has been less than those not renewed or cancelled. By Miles, one of our newly secured customers has deployed a number of units but not sufficient to cover the decline elsewhere. In addition our major automotive customer has waited to start its marketing campaign into the current period. One major new insurance customer has now deployed in the current period and the other is expected to do so in January. Our volume automotive customer has committed to a minimum of 45,000 units over the current period and the first six months of FY2021. As a result, Insurance & Automotive connections reduced by 4,000 since March 2019, to 163,000 (-2%).

Gross profit margin has increased to 53% (2018: 43%), with cost of sales reducing by £0.82m to £4.17m (H1 2018 £5.00m), despite marginal increase in revenue. This is due to the vigorous actions taken over the past 12 months to introduce hardware with lower costs, reduce the direct labour costs and to reduce the cost of communications and installations. This trend is expected to continue as further efficiency actions are taken.

Total overhead costs, excluding exceptional costs reduced by £0.17m to £6.44m (H1 2018: £6.61m). Excluding a £0.27m increase (net of IFRS16 impact) in depreciation and amortisation to £1.32m (H1 2018: £1.05m), overheads reduced by £0.44m year on year. This is the result of the cost actions taken over the last 12 months. In addition to this £0.44m reduction in overheads the level of R&D expenditure capitalised has reduced by £0.21m. Exceptional costs in the period include £0.23m associated with a headcount reduction activity undertaken at period end. This is part of preparing the Company for improved profitability going forward.

Financial position

Net cash inflow from operating activities was £1.43m (H1 2018: outflow of £0.42m), this is despite the R&D tax credit receipts of £1.01m failing to be received before period end due to HMRC delays (H1 2018: £0.97m received in August 2018). This good result, despite the losses incurred, is as a consequence of strong working capital management including a £0.62m reduction in inventory.

Our net debt as at September 2019 excluding the impact of the IFRS16 lease recognition was £6.10m (H1 2018: £5.73m) (31.3.2019: £5.63m) including £0.69m of cash (H1 2018: £2.00m). In addition, the Group at 30 September 2019 held an undrawn credit facility of £0.15m at HSBC. With the changes in the Net Debt as result of IFRS 16, Net Debt is £8.42m.

Strategy

The Group has been following the strategy outlined in the 2019 Annual Report. Our focus is to provide ever more meaningful insights to our customers using the data generated by our installed devices and other connections so that they can run their operations more efficiently and safely.

Our primary strategy going forward is to return to growth of our business through more connections, increased device sales and higher service fees. The long awaited deployment, in volume, with our insurance and automotive customers has now commenced. The Fleet teams are delivering new contract wins significantly ahead of the previous year and the pipeline for new opportunities is strong.

Trakm8 has focused on delivering market leading technology and ensuring that the solutions are generating the best possible ROI's for our customers. We have reduced the levels of expenditure in R&D but believe we have appropriate levels of resource to continue to invest heavily to meet the demands of the market and customers. We will continue to own the majority of IP in our value chain.

Our third strategy has been to improve the efficiencies of our business in every possible way. We have been extremely successful in delivering the £2m reduction on all costs year-on-year promised last year. We have continued to focus on this and have implemented a further £1.5m of annualised cost reductions at the end of the period. We will continue to seek efficiencies as we go forward. The next phase of these efficiencies will be as a result of investment in new lower cost hardware devices and, provided volumes increase as expected, in improved manufacturing and test equipment.

JOHN WATKINS

Executive Chairman

Unaudited Consolidated Statement of Comprehensive Income for the six months to 30 September 2019

	Note	**Six months to 30 September 2019 Unaudited £'000**	Six months to 30 September 2018 Unaudited £'000	Year to 31 March 2019 Audited £'000
Revenue	3	**8,867**	8,839	19,145
Cost of sales		**(4,174)**	(4,995)	(8,890)
Gross profit		**4,693**	3,844	10,255
Other income	4	**213**	278	436
Administrative expenses excluding exceptional costs		**(6,435)**	(6,614)	(12,101)
Exceptional administrative costs	7	**(501)**	(323)	(1,930)
Total administrative costs		**(6,936)**	(6,937)	(14,031)
Operating loss		**(2,030)**	(2,815)	(3,340)
Finance income		**3**	6	10
Finance costs	8	**(170)**	(117)	(233)
Loss before taxation		**(2,197)**	(2,926)	(3,563)
Income tax		**410**	743	1,057
Loss for the period		**(1,787)**	(2,183)	(2,506)
Other Comprehensive Income				
Items that may be subsequently reclassified to profit or loss:				
Exchange differences on translation of foreign operations		**1**	**(3)**	(5)
Total other comprehensive income		**1**	**(3)**	(5)
Total Comprehensive Loss for the period attributable to owners of the parent	5	**(1,786)**	(2,186)	(2,511)
Adjusted operating loss before tax	6	**(1,583)**	(2,454)	(1,452)
Loss before taxation		**(2,197)**	(2,926)	(3,563)
Exceptional administrative costs		**501**	323	1,930
IFRS2 Share based payments charge		**113**	149	181
Earnings per ordinary share (pence) attributable to owners of the Parent				
Basic	9	**(3.57)**	(6.08)	(6.20)
Diluted	9	**(3.57)**	(6.08)	(6.20)
Adjusted basic loss per share (pence)	9	**(2.53)**	**(4.94)**	**(1.89)**
Adjusted diluted loss per share (pence)	9	**(2.53)**	**(4.94)**	**(1.89)**

The results relate to continuing operations.

Unaudited Consolidated Statement of Changes in Equity for the six months to 30 September 2019

	Share capital £'000	Share premium £'000	Merger reserve £'000	Translation reserve £'000	Treasury reserve £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 April 2018	**359**	**11,750**	**1,138**	**208**	**(4)**	**7,929**	**21,380**
Comprehensive income							
Loss for the period	-	-	-	-	-	(2,183)	(2,183)
Other comprehensive income							
Exchange differences on translation of overseas operations	-	-	-	(3)	-	-	(3)
Total comprehensive income	**-**	**-**	**-**	**(3)**	**-**	**(2,183)**	**(2,186)**
Transactions with owners							
Shares issued	2	50	-	-	-	-	52
IFRS 2 Share-based payments	-	-	-	-	-	149	149
Transactions with owners	**2**	**50**	**-**	**-**	**-**	**149**	**201**
Balance as at 30 Sept 2018	**361**	**11,800**	**1,138**	**205**	**(4)**	**5,895**	**19,395**
Comprehensive income							
Loss for the period	-	-	-	-	-	(323)	(323)
Other comprehensive income							
Exchange differences on translation of overseas operations	-	-	-	(2)	-	-	(2)
Total comprehensive income	**-**	**-**	**-**	**(2)**	**-**	**(323)**	**(325)**
Transactions with owners							
Shares issued	139	2,891	-	-	-	-	3,030
IFRS2 Share-based payments	-	-	-	-	-	32	32
Tax recognised directly in equity	-	-	-	-	-	(38)	(38)
Transactions with owners	**139**	**2,891**	**-**	**-**	**-**	**(6)**	**3,024**
Balance as at 31 March 2019	**500**	**14,691**	**1,138**	**203**	**(4)**	**5,566**	**22,094**
Comprehensive income							
Loss for the period	-	-	-	-	-	(1,787)	(1,787)
Other comprehensive income							
Exchange differences on translation of overseas operations	-	-	-	1	-	-	1
Total comprehensive income	**-**	**-**	**-**	**1**	**-**	**(1,787)**	**(1,786)**
Transactions with owners							
Shares issued	-	-	-	-	-	-	-
IFRS2 Share based payments	-	-	-	-	-	113	113
Transactions with owners	**-**	**-**	**-**	**-**	**-**	**113**	**113**
Balance as at 30 Sept 2019	**500**	**14,691**	**1,138**	**204**	**(4)**	**3,892**	**20,421**

Unaudited Consolidated Statement of Financial Position as at 30 September 2019

	Note	**As at 30 September 2019 Unaudited £'000**	As at 30 September 2018 Unaudited £'000	As at 31 March 2019 Audited £'000
Non-current assets				
Intangible assets	10	**21,490**	20,282	21,165
Plant, property and equipment	13	**3,636**	1,823	1,432
Deferred income tax asset		**39**	122	-
Amounts receivable under finance leases		**65**	238	139
		25,230	22,465	22,736
Current assets				
Inventories		**2,119**	2,529	2,736
Trade and other receivables		**6,710**	6,789	8,345
Corporation tax receivable		**1,320**	576	1,050
Cash and cash equivalents		**692**	1,995	1,205
		10,841	11,889	13,336
Current liabilities				
Trade and other payables		**(5,750)**	(6,604)	(6,307)
Borrowings	13	**(1,652)**	(1,221)	(1,237)
Provisions		**(26)**	-	(27)
		(7,428)	(7,825)	(7,571)
Current assets less current liabilities		**3,413**	4,064	5,765
Total assets less current liabilities		**28,643**	26,529	28,501
Non-current liabilities				
Trade and other payables		**(630)**	(630)	(607)
Borrowings	13	**(7,455)**	(6,504)	(5,597)
Provisions		**(137)**	-	(115)
Deferred income tax liability		**-**	-	(88)
		(8,222)	(7,134)	(6,407)
Net assets		**20,421**	19,395	22,094
Equity				
Share capital	11	**500**	361	500
Share premium		**14,691**	11,800	14,691
Merger reserve		**1,138**	1,138	1,138
Translation reserve		**204**	205	203
Treasury reserve		**(4)**	(4)	(4)
Retained earnings		**3,892**	5,895	5,566
Total equity attributable to owners of the parent		**20,421**	19,395	22,094

Unaudited Consolidated Cash Flow Statement for the six months to 30 September 2019

	Note	**Six months to 30 September 2019 Unaudited £'000**	Six months to 30 September 2018 Unaudited £'000	Year to 31 March 2019 Audited £'000
Net cash generated from operating activities	12	**1,432**	(421)	(1,752)
Cashflows from investing activities				
Purchases of property, plant and equipment		-	(2)	(103)
Purchases of software		**(1)**	(4)	(158)
Proceeds from sale of property		-	-	495
Capitalised Development costs		**(1,488)**	(1,713)	(3,413)
Net cash used in investing activities		**(1,489)**	(1,719)	(3,179)
Cashflows from financing activities				
Issue of new shares		**-**	52	3,082
New bank loan		**500**	1,350	2,000
Repayment of bank loans		**(505)**	(537)	(2,026)
Repayment of obligations under hire purchase agreements		**(281)**	(85)	(187)
Interest paid		**(170)**	(117)	(205)
Net cash generated from financing activities		**(456)**	663	2,664
Net decrease in cash and cash equivalents		**(513)**	(1,477)	(2,267)
Cash and cash equivalents at beginning of period		**1,205**	3,472	3,472
Cash and cash equivalents at end of period		**692**	1,995	1,205

Notes To The Unaudited Consolidated Financial Statements

1. Basis of preparation

The Group's interim results for the 6 months to 30 September 2019 (prior year 30 September 2018) were approved by the Board of Directors on 6 December 2019.

As permitted this Interim Report has been prepared in accordance with UK AIM Rules for Companies and not in accordance with IAS 34 "Interim Financial Reporting" and therefore is not fully in compliance with IFRS.

Trakm8 Holdings PLC ("Trakm8") is a public limited company incorporated in the United Kingdom under the Companies Act 2006. Trakm8 is domiciled in the United Kingdom and its ordinary shares are traded on AIM, the market operated by the London Stock Exchange plc.

The accounting policies adopted in the preparation of the interim financial statement are the same as those set out in the Group's annual financial statements for the year ended 31 March 2019, except for the adoption of IFRS 16 (Leases) for the first time for the interim reporting period commencing 1 April 2019. The Group adopted IFRS16 on a modified retrospective basis, this is disclosed in note 13. The financial statements have been prepared on the historical cost basis except for certain liabilities and share based payment liabilities which are measured at fair value.

The interim financial statements have not been audited or reviewed by Group's auditors pursuant to the Auditing Practice Board guidance on 'Review of Interim Financial Information' and do not include all of the information required for full annual financial statements.

The financial information contained in this report is condensed and does not constitute statutory accounts of the Group within the meaning of Section 434(3) of the Companies Act 2006. Statutory accounts for the year ended 31 March 2019 have been delivered to the Registrar of Companies. The audit report of those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

Going concern

The consolidated interim financial statements are prepared on a going concern basis. The directors report that, having reviewed current performance and projections of its working capital and long term funding requirements, including assessments against the covenants agreed with our bank and downward sensitivity analysis, they are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

2. Risks and uncertainties

The Board has considered the principal risks and uncertainties for the remaining half of the financial year and determined that the risk presented in the 31 March 2019 Annual Report, described as follows, also remain relevant to the rest of the financial year: Significant operational system failure; Cyber-attack and data security; Brexit and a deteriorating economic climate; Operating in a fast-moving technology industry where we will always be at risk from new products; Adverse mobile network changes; Attracting and maintaining high-quality employees; Access to long term and working capital; Electronic supply chain under constraint. These are detailed on pages 20 to 21 of the 2019 Annual Report, a copy of which is available on the Group's website at www.trakm8.com.

3. Segmental Analysis

The chief operating decision maker ("CODM") is identified as the Board. It continued to define all the Group's trading under the single Integrated Telematics Technology segment and therefore review the results of the group as a whole. Consequently all of the Group's revenue, expenses, results, assets and liabilities are in respect of one Integrated Telematics Technology segment, Solutions. Solutions represents the sale of the Group's full vehicle telematics and optimisation services, engineering services, professional services and mapping solutions to customers.

4. Other income

	Six months to 30 September 2019 Unaudited £'000	Six months to 30 September 2018 Unaudited £'000	Year to 31 March 2019 Audited £'000
Grant income	**213**	278	449
R&D tax credit	**-**	-	5
R&D tax credit adjustment in respect of prior periods	**-**	-	(18)
	213	278	436

5. Loss per ordinary share attributable to the owners of the parent

	Six months to 30 September 2019 Unaudited £'000	Six months to 30 September 2018 Unaudited £'000	Year to 31 March 2019 Audited £'000
Loss attributable to the owners of the parent	**(1,786)**	(2,186)	(2,511)

6. Adjusted loss before tax

Adjusted Loss Before Tax is monitored by the Board and measured as follows:

Loss Before Tax	**(2,197)**	(2,926)	(3,563)
Exceptional administrative costs	**501**	323	1,930
Share based payments*	**113**	149	181
Adjusted loss before tax	**(1,583)**	(2,454)	(1,452)

*Number restated for six months to 30 September 2018 from £147,000 to £149,000 as a result of a rounding adjustment.

7. Exceptional costs

	Six months to 30 September 2019 Unaudited £'000	Six months to 30 September 2018 Unaudited £'000	Year to 31 March 2019 Audited £'000
Acquisition costs	**41**	37	102
Integration and restructuring costs	**227**	7	707
Iranian bad debt	**-**	279	293
New product component refit costs	**233**	-	453
Exceptional communication correction costs	**-**	-	375
	501	323	1,930

The acquisition costs incurred in 2020 and 2019 relate to non-underlying charges under two separate agreements linked to the acquisition in 2017. The costs incurred are directly linked to the acquisition and not as part of the underlying business. One agreement terminated on 31 July 2019, and the second agreement terminated on 31 March 2019.

The integration and restructuring costs in the current year relate to an ongoing project to streamline and rationalise the operations of the business.

The New product component refit costs relate to re-visit and material costs that have been incurred as we complete the project to remedy the issues that arose and were fixed in the previous financial year relating to significant component and software issues on a recently launched product.

Detailed explanation of prior year exceptional costs are detailed on page 58 of the 2019 Annual Report, a copy of which is available on the Group's website at www.trakm8.com.

8. Finance costs

	Six months to 30 September 2019 Unaudited £'000	Six months to 30 September 2018 Unaudited £'000	Year to 31 March 2019 Audited £'000
Interest on bank loans	**106**	88	172
Amortisation of debts issue costs	**14**	14	28
Interest on Hire Purchase and similar agreements	**50**	15	33
	170	117	233

9. Earnings Per Ordinary Share

The earnings per Ordinary share have been calculated in accordance with IAS 33 using the profit for the period and the weighted average number of Ordinary shares in issue during the period as follow:

	Six months to 30 September 2019 Unaudited	Six months to 30 September 2018 Unaudited	Year to 31 March 2019 Audited
Loss the year after taxation	**(1,787)**	(2,183)	(2,506)
Exceptional administrative costs	**501**	323	1,930
Share based payments	**113**	149	181
Tax effect of adjustments	**(95)**	(61)	(367)
Adjusted loss after taxation	**(1,268)**	(1,772)	(762)
	No. ’000	No. ’000	No. ’000
Number of Ordinary shares of 1p each	**50,004**	36,073	50,004
Basic weighted average number of Ordinary shares of 1p each	**50,004**	35,921	40,397
Diluted weighted average number of Ordinary shares of 1p each	**50,004**	35,921	40,397
Basic loss per share	**(3.57p)**	(6.08p)	(6.20p)
Diluted loss per share	**(3.57p)**	(6.08p)	(6.20p)
Adjust for effects of:			
Exceptional costs	**0.81p**	0.73p	3.87p
Share based payments	**0.23p**	0.41p	0.45p
Adjusted loss earnings per share	**(2.53p)**	(4.94p)	(1.89p)
Adjusted diluted loss per share	**(2.53p)**	(4.94p)	(1.89p)

10. Intangible Assets

	Goodwill	Intellectual property	Customer Relationships	Development costs	Software	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cost						
As at 31 March 2018	10,417	1,920	100	10,621	1,875	24,933
Additions - Internal development	-	-	-	1,422	4	1,426
Additions - External purchases	-	-	-	291	-	291
Disposals	-	-	-	-	-	-
As at 30 September 2018	10,417	1,920	100	12,334	1,879	26,650
Additions - Internal development	-	-	-	1,422	140	1,562
Additions - External purchases	-	-	-	278	14	292
Disposals	-	-	-	-	-	-
As at 31 March 2019	10,417	1,920	100	14,034	2,033	28,504
Additions - Internal development	-	-	-	1,378	-	1,378
Additions - External purchases	-	-	-	110	23	133
Disposals	-	-	-	-	-	-
As at 30 September 2019	**10,417**	**1,920**	**100**	**15,522**	**2,056**	**30,015**
Amortisation						
As at 1 April 2018	-	1,788	56	3,101	528	5,473
Charge for period	-	30	17	730	118	895
Depreciation on disposals	-	-	-	-	-	-
As at 30 September 2018	-	1,818	73	3,831	646	6,368
Charge for period	-	31	16	801	123	971
Depreciation on disposals	-	-	-	-	-	-
As at 31 March 2019	-	1,849	89	4,632	769	7,339
Charge for period	-	30	11	1,007	138	1,186
Depreciation on disposals	-	-	-	-	-	-
As at 30 September 2019	**-**	**1,879**	**100**	**5,639**	**907**	**8,525**
Net book amount						
As at 30 September 2019	**10,417**	**41**	**-**	**9,883**	**1,149**	**21,490**
As at 31 March 2019	10,417	71	11	9,402	1,264	21,165
As at 30 September 2018	10,417	102	27	8,503	1,233	20,282
As at 31 March 2018	10,417	132	44	7,520	1,347	19,460

11. Share Capital

	As at 30 September 2019		As at 30 September 2018		As at 31 March 2019	
	No's 000's	**£'000**	No's 000's	£'000	No's 000's	£'000
Authorised:						
Ordinary shares of 1p each	**200,000**	**200,000**	200,000	200,000	200,000	200,000
Allotted, issued and fully paid:						
Ordinary shares of 1p each	**50,004**	**500**	36,073	361	50,004	500

Movement in share capital:	£'000
As at 1 April 2018	359
New shares issued	2
As at 30 September 2018	361
New shares issued	139
As at 31 March 2019	500
New shares issued	-
As at 30 September 2019	**500**

The Company currently holds 29,000 Ordinary shares in treasury representing 0.06% (2018: 0.08%) of the Company's issued share capital. The number of 1 pence Ordinary shares that the Company has in issue less the total number of Treasury shares is 49,975,002.

12. Reconciliation of cash flows from operating activities

	Six months to 30 September 2019 Unaudited £'000	Six months to 30 September 2018 Unaudited £'000	Year to 31 March 2019 Audited £'000
Loss before taxation	**(2,197)**	(2,926)	(3,563)
Adjustments for:			
Depreciation	**334**	157	313
Loss on disposal of fixed assets	**-**	-	(106)
Amortisation of intangible assets	**1,186**	895	1,866
Interest received	**(3)**	(6)	-
Bank and other interest charges	**170**	117	223
Share based payments	**113**	149	181
Operating cashflows before movement in working capital	**(397)**	(1,614)	(1,086)
Movement in inventories	**617**	27	(180)
Movement in trade and other receivables	**1,750**	4,261	1,732
Movement in trade and other payables	**(573)**	(3,985)	(3,214)
Movement in provisions	**21**	(85)	1
Cash generated from operations	**1,418**	(1,396)	(2,747)
Interest received	**3**	6	10
Income taxes received	**11**	969	985
Net cashflows from operating activities	**1,432**	(421)	(1,752)

13. IFRS 16 Leases

Previously leases of property, plant and equipment were classified as either finance or operating leases under IAS 17. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

Under IFRS 16 which the Group has adopted effective for the period starting 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Group has applied IFRS 16 on a modified retrospective basis with practical expedients from the date of initial application (1 April 2019).

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The accounting for short term operating leases under IAS 17, for leases with a remaining term of less than twelve months as at the initial application date.
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
- The application of IFRS 16 to only those operating leases accounted for under IAS 17 as at the initial application date.

Upon transition, a lease liability has been recognised based on future lease payments discounted at an appropriate borrowing rate. Additionally, a right of use asset has been recognised along with a related lease liability. Within the income statement, the operating lease charge (£219,000) has been replaced by depreciation (£209,000) and interest expense (£29,000). This has resulted in a decrease in administrative expenses and an increase in finance costs.

	Six months to 30 September 2019 Unaudited £’000	Six months to 30 September 2018 Unaudited £'000	Year to 31 March 2019 Audited £’000
Non-current assets			
Property, plant and equipment - consistent with 2018 presentation and accounting policy	1,334	1,823	1,432
Changes due to new accounting policy - IFRS 16 - Right of use asset	2,302	-	-
Property, plant and equipment - consistent with 2019 presentation and accounting policy	3,636	1,823	1,432
Current liabilities			
Borrowings - consistent with 2018 presentation and accounting policy	(1,242)	(1,221)	(1,237)
Changes due to new accounting policy - IFRS 16 - Short term leases	(410)	-	-
Borrowings - consistent with 2019 presentation and accounting policy	(1,652)	(1,221)	(1,237)

13. IFRS 16 Leases (continued)

Non-current liabilities			
Borrowings - consistent with 2018 presentation and accounting policy	(5,545)	(6,504)	(5,597)
Changes due to new accounting policy - IFRS 16 - Long term leases	(1,910)	-	-
Borrowings - consistent with 2019 presentation and accounting policy	(7,455)	(6,504)	(5,597)

The adjustments above reflect the impact of IFRS 16 on the property leases for the Shaftesbury offices, Coleshill offices, Czech offices and leased cars. All new leases will be treated accordingly. A discount rate of 2.45% has been applied.

14. Further Copies

This statement, full text of the Stock Exchange announcement and the results presentation can be found on the Group's website www.trakm8.com and also from the registered office of Trakm8 Holdings PLC. The address of the registered office is: Roman Way, Roman Park, Coleshill, North Warwickshire, B46 1HG.