

24 November 2023

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 2023:

Financial Highlights

	6 months to 30 Sept 2023	6 months to 30 Sept 2022	Year to 31 March 2023
	Unaudited	Unaudited	Audited
	£000	£000	£000
Revenue	8,537	9,012	20,197
of which, recurring revenue ¹	5,234	5,076	10,466
Profit/(Loss) before tax	13	(2,413)	(1,243)
Adjusted Profit/(Loss) before tax ²	119	(1,077)	306
Profit/(Loss) after tax	94	(1,775)	(774)
Cash generated from operations	2,349	1,435	4,314
Net Bank Debt ³	5,570	6,243	5,618
Basic earnings/(loss) per share	0.22p	(3.55p)	(1.57p)
Adjusted basic earnings/(loss) per share	0.38p	(1.37p)	0.95p

¹ Recurring revenues are generated from 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

Operational Overview

- H1 2023 results:
 - Revenues modestly lower due to significant insurance capacity driven reduction in demand
 - Gross margins significantly improved
 - Overheads significantly reduced
 - Losses eliminated with a shift towards profitability
 - Improved cash generation from operations – c. 63 per cent increase on the comparable period
- H2 2023/24 and FY2025 outlook:
 - Insurance capacity not expected to return significantly this year; however new customers improving demand for H2 2023/24 and capacity is expected to recover for FY25
 - Major automotive customer demand expected to positively impact FY25
 - Substantial investment in second Data Centre to reduce operation costs by £0.6m per annum
 - Large Optimisation software contract sale still expected to conclude in FY24

Outlook

The Board expects to meet market expectations, provided a significant software sale is secured late in FY24. In this respect, discussions are ongoing to secure a large optimisation software sales contract, and while there can be no certainty, the Board remains confident of the prospects of concluding such discussions in FY24.

- Ends -

For further information:

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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 uses AI data analytics collected from 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 analytics and reporting portal (Trakm8 Insight), integrated telematics/cameras/optimisation, self-installed telematics units and one of the widest ranges of installed telematics devices. Trakm8 has over 324,000 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, Stark Building Materials, EON, Iceland Foods, GSF Car Parts, Direct Line Group, and Freedom Group.

Trakm8 has been listed on the AIM market of the London Stock Exchange since 2005. Trakm8 is also recognised with the LSE Green Economy Mark.

www.trakm8.com / @Trakm8

Executive Chairman's Statement

Results

I am pleased to report Trakm8's unaudited results for the six months ended 30 September 2023 ("H1 2023").

The first half of the financial year was in line with recent Company guidance. Revenues for the unaudited six-month period ended 30 September 2023 were modestly lower in comparison to the corresponding period of the previous financial year at £8.54m (H1 2022: £9.01m).

In H1 2023, there was a 2% increase in Fleet & Optimisation revenues to £4.90m and a reduction of 13% in Insurance revenues to £3.63m. We have reported previously on the dreadful current state of the UK motor insurance market, and this has had a significant impact on us. We estimate that the loss of insurance capacity has reduced revenues in the financial period concerned by £1.6m with overall connections reducing by 7% to 324,000 (FY ending 31.3.2023: 348,000). Notwithstanding this deterioration, there are some positives with a 14% uplift in our Automotive revenues during the financial period as a result of the success of our customers' service, maintenance and repair activities.

The Group is pleased to report a significant improvement in the profitability of the Group with an Adjusted Profit of £0.10m (H1 2022: loss £1.08m), Profit before Tax of £13k (H1 2022: loss £2.41m) and Profit after Tax of £0.10m (H1 2022: loss £1.78m).

During the period, material increases in motor insurance premiums and capacity constraints caused Insurance unit sales to reduce by 31% to 66,000 and Insurance & Automotive connections to decrease by 7% to 259,000 (FY ending 31.3.23: 279,000). Notwithstanding this, we do believe that new policies written will exceed cancelled policies going forward.

In Fleet & Optimisation, our focus on Enterprise and higher margin business has resulted in connections decreasing by 6% to 65,000 (FY Ending 31.3.23: 69,000), with higher attrition in the small fleet sector, but revenues continuing to grow as previously reported. Fleet unit sales also decreased by 38% to 5,000 but with corresponding device revenues up 20% as more complex solutions continued to be delivered to new and existing customers.

Pleasingly, Recurring Revenues in the period increased over the previous year by 3% to £5.23m and represent 61% of the Group's overall revenues. In addition, the Group generated £0.20m of software revenues (H1 2022: £0.12m), which represent 2% of the Group's overall revenues. Software contract revenues are again weighted to the second half of the financial year, as was the case in previous financial years, from both new and existing customers who rely on our solutions for their fleet operations.

The supply chain challenges of the previous year are largely behind us. We have designed all new hardware products with the latest components that are more expensive than those they replaced, but we expect that these new components will start to reduce in cost next year. Despite this material cost impact, gross profit margin has improved to 67% (H1 2022: 58%). This is due in part to improved factory efficiencies but also the higher recurring revenues as a percentage of sales. Despite the insurance demand reduction, commitments to suppliers for components have not commensurately been deferred and inventory has accordingly continued to increase. It is expected that this increase in inventory will be reduced somewhat this financial year, with further reductions taking place in the next financial year.

In 2018, we launched the RH600, the first 4G live streaming integrated telematics camera, which has since received multiple industry awards. This year we have launched the RH800, which has core technology based on the RH600 but is capable of being used in the five camera solutions which are increasingly common. We expect that the RH800 will be the same leap forward in technology for the market that the RH600 was.

At the end of H1 2022, the Company embarked on a refocus of business activities and as a result was able to significantly reduce overheads. Overall, overheads have reduced by £913k compared to the previous financial period.

Financial position

Cash generation from operations was £2.35m (H1 2022: £1.44m) and as at 30 September 2023, the Group's net bank debt, excluding the impact of the IFRS16 lease liability, was £5.57m (H1 2022 £6.24m), representing a reduction of £0.05m compared to the end the previous financial year. The capital investment project for our second data centre of £0.5m increased debt by £0.2m in the financial period concerned. Further capital investment is anticipated to be committed in early H2 2023. The Board believes that this capital investment should generate significant return on investment over the coming months and will ensure that we continue to deliver cutting edge solutions to our customers. As at 30 September 2023, the Group had £0.87m of cash on hand and a further £0.50m of available funds under an existing overdraft facility.

The overall cash outflow for the financial period was £0.25m (H1 2022: inflow of £0.29m).

Strategy

The Group has been following the strategy outlined in its final results for the year ended 31 March 2023, which was announced on 4 July 2023. 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 continuing to grow the business through more connections, increased device sales and higher service fees. However, there have been serious headwinds in the motor insurance market with material policy price increases and a reduction in capacity. Although we have secured a number of additional customers, there has been a reduction in total connections. Despite this, we believe that the point has come that growth in connections will now restart. We are also expecting our Optimisation business to expand further into the home delivery space.

Trakm8 has focused on delivering market leading technology and ensures that the solutions are generating the best possible returns for our customers. We have reduced the levels of expenditure in R&D as we now have the latest technology in all our devices and our Insight platform is mostly feature complete. The launch of the RH800 for multicamera applications is a significant step forward in the Fleet market. We continue to own the majority of intellectual property in our value chain. We have been building out greater functionality of existing solutions. As a result, going forward we will meet our objectives of remaining a leading-edge technology company but at a lower investment cost.

Our third strategy has been to improve the efficiencies of our business in every possible way. We have been successful in significantly reducing our future overhead costs by £2.1m per annum and have implemented the investment in a second data centre, which will reduce our hosting costs by £0.6m per annum. We will continue to seek out further external cost reductions.

JOHN WATKINS

Executive Chairman

Unaudited Consolidated Statement of Comprehensive Income for the six months to 30 September 2023

		Six months to 30 September 2023 Unaudited £'000	Six months to 30 September 2022 Unaudited £'000	Year to 31 March 2023 Audited £'000
	Note			
Revenue	3	8,537	9,012	20,197
Cost of sales		(2,817)	(3,786)	(7,445)
Exceptional cost of sales		-	-	(261)
Gross profit		5,720	5,226	12,491
Other income	4	-	16	16
Administrative expenses excluding exceptional costs		(5,184)	(6,097)	(11,860)
Exceptional administrative costs	7	(94)	(1,319)	(1,272)
Total administrative costs		(5,278)	(7,416)	(13,132)
Operating profit/(loss)		442	(2,174)	(625)
Finance income		13	29	50
Finance costs	8	(442)	(268)	(668)
Profit/(Loss) before taxation		13	(2,413)	(1,243)
Income tax		96	636	460
Profit/(Loss) for the period		109	(1,777)	(783)
Other Comprehensive Income				
Items that may be subsequently reclassified to profit or loss:				
Exchange differences on translation of foreign operations		(15)	2	9
Total other comprehensive income		(15)	2	9
Total Comprehensive Profit/(Loss) for the period attributable to owners of the parent				
	5	94	(1,775)	(774)
Profit/(Loss) before taxation	6	13	(2,413)	(1,243)
Exceptional cost of sales		-	-	261
Exceptional administrative costs		94	1,319	1,272
IFRS2 Share based payments charge		12	17	16
Adjusted profit/(loss) before tax		119	(1,077)	306
Earnings per ordinary share (pence) attributable to owners of the Parent				
Basic	9	0.22	(3.55)	(1.57)
Diluted	9	0.22	(3.55)	(1.57)

The results relate to continuing operations.

Unaudited Consolidated Statement of Changes in Equity for the six months to 30 September 2023

	Share capital £'000	Share premium £'000	Merger reserve £'000	Translation reserve £'000	Treasury reserve £'000	Convertible loan reserve £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 April 2022	500	14,691	1,138	203	(4)	-	3,348	19,876
Comprehensive income								
Loss for the period	-	-	-	-	-	-	(1,777)	(1,777)
Other comprehensive income								
Exchange differences on translation of overseas operations	-	-	-	2	-	-	-	2
Total comprehensive income	-	-	-	2	-	-	(1,777)	(1,775)
Transactions with owners								
IFRS 2 Share-based payments	-	-	-	-	-	-	17	17
Convertible Loan	-	-	-	-	-	11	-	11
Transactions with owners	-	-	-	-	-	11	17	28
Balance as at 30 Sept 2022	500	14,691	1,138	205	(4)	11	1,588	18,129
Comprehensive income								
Profit for the period	-	-	-	-	-	-	994	994
Other comprehensive income								
Exchange differences on translation of overseas operations	-	-	-	7	-	-	-	7
Total comprehensive income	-	-	-	7	-	-	994	1,001
Transactions with owners								
IFRS2 Share-based payments	-	-	-	-	-	-	(1)	(1)
Transactions with owners	-	-	-	-	-	-	(1)	(1)
Balance as at 31 March 2023	500	14,691	1,138	212	(4)	11	2,581	19,129
Comprehensive income								
Profit for the period	-	-	-	-	-	-	109	109
Other comprehensive income								
Exchange differences on translation of overseas operations	-	-	-	(15)	-	-	-	(15)
Total comprehensive income	-	-	-	(15)	-	-	109	94
Transactions with owners								
IFRS2 Share based payments	-	-	-	-	-	-	12	12
Convertible loan	-	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	12	12
Balance as at 30 Sept 2023	500	14,691	1,138	197	(4)	11	2,702	19,235

Unaudited Consolidated Statement of Financial Position as at 30 September 2023

		As at 30 September 2023	As at 30 September 2022	As at 31 March 2023
	Note	Unaudited £'000	Unaudited £'000	Audited £'000
Non-current assets				
Intangible assets	10	23,397	23,277	23,382
Plant, property and equipment		1,125	1,034	1,103
Right of use assets	11	1,994	1,751	1,711
Deferred income tax asset		-	-	-
Amounts receivable under finance leases		-	39	4
		26,516	26,101	26,200
Current assets				
Inventories		2,813	1,352	2,426
Trade and other receivables		6,362	7,158	7,948
Corporation tax receivable		861	1,150	856
Cash and cash equivalents		874	1,174	1,119
		10,910	10,834	12,349
Current liabilities				
Trade and other payables		(8,532)	(8,806)	(9,196)
Borrowings	12	(5,847)	(897)	(1,031)
Right of use liability	12	(557)	(487)	(466)
Provisions		-	-	(74)
		(14,936)	(10,190)	(10,767)
Current assets less current liabilities		(4,026)	644	1,582
Total assets less current liabilities		22,490	26,745	27,782
Non-current liabilities				
Trade and other payables		(474)	(474)	(828)
Borrowings	12	(213)	(6,176)	(5,435)
Right of use liability	12	(1,273)	(1,258)	(1,113)
Provisions		(261)	(160)	(166)
Deferred income tax liability		(1,034)	(548)	(1,111)
		(3,255)	(8,616)	(8,653)
Net assets		19,235	18,129	19,129
Equity				
Share capital	13	500	500	500
Share premium		14,691	14,691	14,691
Merger reserve		1,138	1,138	1,138
Translation reserve		197	205	212
Treasury reserve		(4)	(4)	(4)
Convertible loan reserve		11	11	11
Retained earnings		2,702	1,588	2,581
Total equity attributable to owners of the parent		19,235	18,129	19,129

Unaudited Consolidated Cash Flow Statement for the six months to 30 September 2023

		Six months to 30 September 2023	Six months to 30 September 2022	Year to 31 March 2023
	Note	Unaudited £'000	Unaudited £'000	Audited £'000
Net cash generated from operating activities	14	2,349	1,435	4,314
Cash flows from investing activities				
Purchases of property, plant and equipment		(373)	(332)	(749)
Proceeds from sale of property, plant and equipment		-	-	-
Purchases of software		-	(8)	(12)
Capitalised Development costs		(1,102)	(1,447)	(2,658)
Net cash used in investing activities		(1,475)	(1,787)	(3,419)
Cash flows from financing activities				
New convertible loan note		-	1,580	1,580
Loan arrangement fees		(42)	(13)	(36)
Repayment of bank loans		(469)	(512)	(1,095)
Repayment of obligations under lease agreements		(229)	(324)	(619)
Interest paid		(379)	(209)	(610)
Net cash generated from financing activities		(1,119)	522	(780)
Net (decrease)/increase in cash and cash equivalents		(245)	170	115
Cash and cash equivalents at beginning of period		1,119	1,004	1,004
Cash and cash equivalents at end of period		874	1,174	1,119

1. Basis of preparation

The Group's interim results for the 6 months to 30 September 2023 (prior year 30 September 2022) were approved by the Board of Directors on 23 November 2023.

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 2023. 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 2023 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 risks presented in the 31 March 2023 Annual Report, described as follows, also remain relevant to the rest of the financial year: Deteriorating economic climate; Cyber-attack and data security; Attracting and maintaining high quality employees; Operating in a fast moving technology industry where we will always be at risk from new products being launched; Significant operational failure; Adverse mobile network changes; Access to long term and working capital; Electronics supply chain under constraint; Business disruption from communicable diseases. These are detailed on pages 20 to 22 of the 2023 of the 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 continues 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, assets and liabilities are in respect of one Integrated Telematics Technology segment.

The Board as the CODM review the revenue streams of Integrated Fleet, Optimisation, Insurance and Automotive Solutions (Solutions) as part of their internal reporting. Solutions represents the sale of the Group’s full vehicle telematics and optimisation services, engineering services, professional services and mapping solutions to customers.

A breakdown of revenue within these streams are as follows:

	Six months to 30 September 2023 Unaudited £'000	Six months to 30 September 2022 Unaudited £'000	Year to 31 March 2023 Audited £'000
Solutions:	8,537	9,012	20,197
Fleet and optimisation	4,908	4,828	11,475
Insurance and automotive	3,629	4,184	8,722

Notes To The Unaudited Consolidated Financial Statements

4. Other income

	Six months to 30 September 2023 Unaudited £'000	Six months to 30 September 2022 Unaudited £'000	Year to 31 March 2023 Audited £'000
Grant income	-	16	16
	-	16	16

5. Profit/(Loss) per ordinary share attributable to the owners of the parent

	Six months to 30 September 2023 Unaudited £'000	Six months to 30 September 2022 Unaudited £'000	Year to 31 March 2023 Audited £'000
Profit/(Loss) attributable to the owners of the parent	94	(1,775)	(774)

6. Adjusted profit/(loss) before tax

Adjusted Profit/(Loss) Before Tax is monitored by the Board and measured as follows:

Profit/(Loss) Before Tax	13	(2,413)	(1,243)
Exceptional costs	94	1,319	1,533
Share based payments	12	17	16
Adjusted profit/(loss) before tax	119	(1,077)	306

7. Exceptional costs

	Six months to 30 September 2023 Unaudited £'000	Six months to 30 September 2022 Unaudited £'000	Year to 31 March 2023 Audited £'000
<i>Exceptional cost of sales</i>			
Covid-19 - component acquisition	-	-	261
	-	-	261
<i>Exceptional administrative costs</i>			
Integration and restructuring costs	94	902	234
Covid-19 costs	-	417	1,038
	94	1,319	1,272
	94	1,319	1,533

The integration and restructuring costs in the current year relate to the Group's decision last year to implement a change in strategy to focus on the Insurance, Automotive and Optimisation sectors. These costs include final amounts implementing various cost reductions including professional fees.

Detailed explanation of prior year exceptional costs are detailed on page 66 of the 2023 Annual Report, a copy of which is available on the Group's website at www.trakm8.com.

Notes To The Unaudited Consolidated Financial Statements

8. Finance costs

	Six months to 30 September 2023 Unaudited £'000	Six months to 30 September 2022 Unaudited £'000	Year to 31 March 2023 Audited £'000
Interest on bank loans	339	200	510
Amortisation of debts issue costs	52	30	58
Interest on Hire Purchase and similar agreements	51	38	100
	442	268	668

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 2023 Unaudited	Six months to 30 September 2022 Unaudited	Year to 31 March 2023 Audited
Profit/(Loss) the year after taxation	109	(1,777)	(783)
Exceptional administrative costs	94	1,319	1,533
Share based payments	12	17	16
Tax effect of adjustments	(24)	(251)	(291)
Adjusted Profit/(Loss) after taxation	191	(692)	475
	No. '000	No. '000	No. '000
Number of Ordinary shares of 1p each	50,004	50,004	50,004
Basic weighted average number of Ordinary shares of 1p each	50,004	50,004	50,004
Diluted weighted average number of Ordinary shares of 1p each	50,004	50,004	50,004
Basic earnings/(loss) per share	0.22p	(3.55p)	(1.57p)
Diluted earnings/(loss) per share	0.22p	(3.55p)	(1.57p)
Adjust for effects of:			
Exceptional costs	0.14p	2.14p	2.48p
Share based payments	0.02p	0.03p	0.03p
Adjusted basic earnings/(loss) per share	0.38p	(1.37p)	0.95p
Adjusted diluted earnings/(loss) per share	0.38p	(1.37p)	0.95p

Notes To The Unaudited Consolidated Financial Statements

10. Intangible assets

	Goodwill	Intellectual property	Customer Relationships	Development Costs	Software	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
As at 31 March 2022	10,417	1,920	100	22,153	1,807	36,397
Additions - Internal development	-	-	-	1,282	-	1,282
Additions - External purchases	-	-	-	165	8	173
As at 30 September 2022	10,417	1,920	100	23,600	1,815	37,852
Additions - Internal development	-	-	-	1,038	-	1,038
Additions - External purchases	-	-	-	173	4	177
As at 31 March 2023	10,417	1,920	100	24,811	1,819	39,067
Additions - Internal development	-	-	-	1,011	-	1,011
Additions - External purchases	-	-	-	91	-	91
As at 30 September 2023	10,417	1,920	100	25,913	1,819	40,169
Amortisation						
As at 31 March 2022	-	1,920	100	9,917	1,448	13,385
Charge for period	-	-	-	1,085	105	1,190
As at 30 September 2022	-	1,920	100	11,002	1,553	14,575
Charge for period	-	-	-	1,040	70	1,110
As at 31 March 2023	-	1,920	100	12,042	1,623	15,685
Charge for period	-	-	-	1,053	34	1,087
As at 30 September 2023	-	1,920	100	13,095	1,657	16,772
Net book amount						
As at 30 September 2023	10,417	-	-	12,818	162	23,397
As at 31 March 2023	10,417	-	-	12,769	196	23,382
As at 30 September 2022	10,417	-	-	12,598	262	23,277
As at 31 March 2022	10,417	-	-	12,236	359	23,012

Notes To The Unaudited Consolidated Financial Statements

11. Right of use assets

	Leased buildings	Furniture, fixtures and equipment	Computer equipment	Motor vehicles	Software	Total
COST	£'000	£'000	£'000	£'000	£'000	£'000
As at 31 March 2022	2,098	551	406	612	-	3,667
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at 30 September 2022	2,098	551	406	612	-	3,667
Additions	-	32	96	91	-	219
Disposals	-	-	-	(96)	-	(96)
As at 31 March 2023	2,098	583	502	607	-	3,790
Additions	-	-	214	308	-	522
Disposals	-	-	-	(358)	-	(358)
As at 30 September 2023	2,098	583	716	557	-	3,954
AMORTISATION						
As at 31 March 2022	794	194	234	413	-	1,635
Charge for period	133	35	36	77	-	281
Disposals	-	-	-	-	-	-
As at 30 September 2022	927	229	270	490	-	1,916
Charge for period	132	35	37	55	-	259
Disposals	-	-	-	(96)	-	(96)
As at 31 March 2023	1,059	264	307	449	-	2,079
Charge for period	115	36	40	48	-	239
Disposals	-	-	-	(358)	-	(358)
As at 30 September 2023	1,174	300	347	139	-	1,960
Net book amount						
As at 30 September 2023	924	283	369	418	-	1,994
As at 31 March 2023	1,039	319	195	158	-	1,711
As at 30 September 2022	1,171	322	136	122	-	1,751
As at 31 March 2022	1,304	357	172	199	-	2,032

Notes To The Unaudited Consolidated Financial Statements

12. Borrowings

	As at 30 September 2023		As at September 2022		As at 31 March 2023	
	Current	Non-current	Current	Non-current	Current	Non-Current
	£'000	£'000	£'000	£'000	£'000	£'000
Borrowings	4,273	213	897	4,602	1,031	3,861
Convertible unsecured loan note	1,574	-	-	1,574	-	1,574
Right of use liability	557	1,273	487	1,258	466	1,113
Totals	6,404	1,486	1,384	7,434	1,497	6,548

All borrowings are held in sterling and the Directors consider their carrying amount approximates to their fair values. Borrowings comprise of the following loans:

A £5.3m term loan with HSBC. The loan is secured by a fixed and floating charge on all the assets of the Group. It is repayable by 17 monthly instalments from 30 March 2023 of £86,000 and a final repayment of the outstanding balance on 31 July 2024 and bears interest at a floating rate of 5.1% over base rate. As at 30 September 2023 the Group owed £3.9m (March-23: £4.1m).

A £0.5m overdraft facility with HSBC. The overdraft facility bears an interest rate of 5.3% over LIBOR on the drawn amount. As at 30 September 2023 the Group had not used this overdraft facility.

A £1.5m growth capital loan with MEIF WM Debt LP. The loan bears a fixed interest rate of 8% per annum and is repayable in 15 quarterly instalments commencing 30 September 2021. The loan is secured by a secondary fixed and floating charge on all the assets of the Group. As at 30 September 2023 the Group owed £590K (March-23: £975K).

A £1.6m convertible unsecured loan note. The loan bears a fixed interest rate of 12% per annum, with a two-year term from its issue date 14 September 2022. The interest is payable quarterly from issue date until repayment on 13 September 2024. The Loan Note is convertible at a conversion price of 17.10p, a ten percent discount to the closing mid-market price of a Trakm8 ordinary share on 13 September 2022, the last practicable date prior to its completion.

The Group's obligations under right of use assets are secured by the lessors' title to the leased assets. Obligations under right of use assets by category at 30 September 2023 were as follows:

	Freehold property	Furniture, fixtures and equipment	Computer equipment	Motor vehicles	Software	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current	238	25	143	146	7	559
Non-current	791	13	195	272	0	1,271
Total	1,029	38	338	418	7	1,830

The maturity of obligations under right of use assets as at 30 September 2023 were as follows:

	Freehold property	Furniture, fixtures and equipment	Computer equipment	Motor vehicles	Software	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Within 1 year	238	25	143	146	7	559
1 to 2 years	246	9	96	147	-	498
2 to 5 years	380	4	99	125	-	608
More than 5 years	165	-	-	-	-	165
Total	1,029	38	338	418	7	1,830

Notes To The Unaudited Consolidated Financial Statements

13. Share Capital

	As at September 2023		As at 30 September 2022		As at 31 March 2023	
	No's 000's	£'000	No's 000's	£'000	No's 000's	£'000
Authorised:						
Ordinary shares of 1p each	200,000	2,000	200,000	2,000	200,000	2,000
Allotted, issued and fully paid:						
Ordinary shares of 1p each	50,004	500	50,004	500	50,004	500
Movement in share capital:						£'000
As at 1 April 2022						500
As at 30 September 2022						500
As at 31 March 2023						500
As at 30 September 2023						500

The Company currently holds 29,000 Ordinary shares in treasury representing 0.06% (March-22: 0.06%) 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.

Notes To The Unaudited Consolidated Financial Statements

14. Cash Generated from Operations

	Six months to 30 September 2023 Unaudited £'000	Six months to 30 September 2022 Unaudited £'000	Year to 31 March 2023 Audited £'000
Net profit/(loss) before taxation	13	(2,413)	(1,243)
Depreciation	381	384	767
(Profit)/Loss on disposal of fixed assets	209	88	222
Net bank and other interest	429	239	618
Exceptional costs	94	1,319	1,533
Amortisation of intangible asset	1,087	1,190	2,300
Exchange movements	(15)	2	9
Share based payments	12	17	16
Operating cash flows before movement in working capital	2,210	826	4,222
Movement in inventories	(387)	(30)	(1,104)
Movement in trade and other receivables	1,590	774	19
Movement in trade and other payables	(1,018)	1,133	1,877
Movement in provisions	21	21	101
Cash generated from operations before exceptional costs	2,416	2,724	5,115
Cash outflow from exceptional costs	(94)	(1,319)	(1,533)
Cash generated from operations	2,322	1,405	3,582
Interest received	13	29	50
Income taxes received	14	1	682
Net cash-inflow from operating activities	2,349	1,435	4,314

Income taxes received are in relation to funds received in relation to Research and Development activities.

15. 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.