

TRAKM8 HOLDINGS PLC

("Trakm8" or the "Group")

Half Year Results and Director Change

Trakm8 Holdings plc (AIM: TRAK), the global telematics and data insight provider, announces its unaudited results for the six months ended 30 September 2021:

Financial Highlights

	6 months to 30 Sept 2021	6 months to 30 Sept 2020	Year to 31 March 2021	Change
	Unaudited	Unaudited	Audited	
	£000	£000	£000	
Revenue	9,021	7,321	15,961	+23%
of which, recurring revenue ¹	4,806	4,635	9,379	+4%
Profit/(Loss) before tax	47	(845)	(1,867)	+106%
Adjusted Profit/(Loss) before tax ²	444	(314)	(342)	+241%
Profit/(Loss) after tax	273	(732)	(1,237)	+137%
Cash generated from operations	868	2,055	4,737	-58%
Net Debt ³	6,157	5,574	4,887	+10%
Basic earnings per share	0.13p	(1.46p)	(2.47p)	+108%
Adjusted basic earnings per share	0.81p	(0.56p)	0.07p	+244%

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

Operational Overview

- H1 2021 results:
 - 23% growth in revenues
 - Return to profitability
 - Gross margins improved due to higher proportion of software revenues
 - Underlying overheads benefitting from previous years' actions
 - Reduced cash generation from operations despite significant reduction in losses, as PAYE & VAT time to pay arrangements were met
- Continuation of new contract wins:
 - New telematics contract awards with a wide range of smaller Fleet and Insurance customers
 - Approximately 255,000 connections (March 2021: 254,000 connections), an increase of 1,000 connections, (0.4%) in the six month period since last year end.
- Continuation of contract renewals:
 - Strong period of contract renewals in the Fleet business.
- H2 and FY2023 outlook:
 - Insurance telematics policy sales plateau due to high backlog of driving tests and cost of second hand cars only modestly improving due to new insurance clients' launches
 - Several new Insurance customers launching during H2 but mainly impact FY2023 and beyond
 - Backlog of driving tests expected to diminish in FY2023, improving demand
 - Strong level of orders, post period, from existing and new Fleet customers

Outlook

Despite additional costs associated with mitigating supply chain challenges and expected significant component price increases, the Board remains confident that for the full year ending 31st March 2022, the Group will be slightly ahead of current market expectations on all profit measures. It is expected that this will be achieved on lower than previously expected revenues of circa £18m due to softening of the telematics insurance market.

- Ends -

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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 255,000 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, Parts Alliance, Direct Line Group, ByMiles and Ingenie.

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 results for the six months ended 30 September 2021.

The first half of the financial year was a significant improvement on the previous year and ahead of recent Company guidance. Revenues for the six months ending 30 September 2021 increased by 23% over the corresponding period of the previous year to £9.02m.

There was an increase of £1.29m (29%) in Fleet and Optimisation revenues to £5.7m and an increase in Insurance and Automotive revenues of £0.41m (14%) to £3.31m.

The Group is reporting a significant improvement in trading with a return to profitability with Group adjusted profit of £0.44m (2020: loss £0.31m), Profit before Tax of £0.05m (2020: Loss £0.85) and Profit after Tax of £0.27m (2020: loss £0.73m).

During the period, connections increased by 0.5% to 255,000 (31.3.2021: 254,000). Fleet connections were static at 70,000 (31.3.21: 70,000), Insurance & Automotive connections increased 0.7% to 185,000 (31.3.21: 184,000).

In the last few months of the period we saw a recovery in the fleet numbers but there has been little recovery in the insurance market as difficulties with new drivers taking tests and the increased cost of second hand cars.

The Recurring Revenues in the period increased over the previous year by 4% to £4.81m and represent 53% of Group revenues. In addition, the Group generated £0.98m of software revenues (H1 2020: £0.30m), which represent 11% of Group revenues.

The Group has incurred £0.13m in additional costs to mitigate the impact of Covid-19 on the electronic component supply chain but has maintained supplies to customers without significant interruptions. In the last few months we have seen significant price increases in certain components and we expect this to continue for the balance of the year. We have worked hard to avoid disruption of our supply chain but there remains an ever present risk.

Gross profit margin has improved to 65% (2020: 62%). This is despite the higher hardware revenues as a percentage of sales and the impact of Covid-19. The improvement in margin is due to higher software sales during the period.

Total overhead costs, excluding exceptional costs, increased by £0.47m to £5.27m (H1 2020: £4.80m). This is the result of £0.16m increase in depreciation & amortisation, a £0.15m increase in marketing spend and reduced furlough support of £0.38m. Underlying payroll costs further reduced overall by £0.16m. Exceptional costs reduced significantly during the period to £0.30m, and included furloughed employees costs of £0.20m net of £0.18m Government payments and £0.11m of other costs. Share based payments remained consistent compared to the previous year at £0.91m (H1 2020: £0.89m)

Financial position

Cash generation from operations has been £0.87m (H1 FY-2020: £2.06m) and at 30 September 2021 the Group net debt excluding the impact of the IFRS16 lease liability was £6.16m (£7.88m including IFRS 16 liability) which is £1.27m higher than as at 31 March 2021. The HMRC time to pay liability reduced by £0.94m. H1 FY21 benefitted from agreeing with the Revenue authorities to delay payments of £0.7m into FY22 and FY23. At the 30 September 2021 the Group had £0.89m of cash on hand and a further £0.50m of available funds under an overdraft facility.

The overall cash outflow for the period was £1.48m (H1 2020: outflow of £0.12m).

Strategy

The Group has been following the strategy outlined in the 2021 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 the growth of our business through more connections, increased device sales and higher service fees. Due to the high level of new contract wins across the business and reduced rates of attrition in Fleet, the number of connections have increased overall by 0.8% in the past 12 months and by 0.4% in past 6 months. The number of devices sold has increased by 30% to 64,000 (H1 2020: 49,000).

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 maintained the levels of expenditure in R&D. We will continue to own the majority of IP in our value chain. We have focused on building out greater functionality of existing solutions rather than a wider range. We have focused on using AI to maximise value in our algorithms in risk, crash and video analysis. We have obtained very exciting results from this and are receiving positive interest from customers as a result.

Our third strategy has been to improve the efficiencies of our business in every possible way. We have been successful in maintaining similar operating overheads level like for like before the impact of the furlough support, despite salary inflation and higher marketing costs. We will continue to seek efficiencies as we go forward.

Director Resignation

Peter Mansfield, Trakm8 Group Sales and Marketing Director, has resigned from the Board of Directors with immediate effect. Paul Wilson who had previously been Group Sales and Marketing Director will be assuming responsibilities for Fleet Sales and Marketing.

JOHN WATKINS

Executive Chairman

Unaudited Consolidated Statement of Comprehensive Income for the six months to 30 September 2021

		Six months to 30 September 2021 Unaudited £'000	Six months to 30 September 2020 Unaudited £'000	Year to 31 March 2021 Audited £'000
	Note			
Revenue	3	9,021	7,321	15,961
Cost of sales		(3,177)	(2,804)	(6,643)
Gross profit		5,844	4,517	9,318
Other income	4	13	103	194
Administrative expenses excluding exceptional costs		(5,262)	(4,800)	(9,585)
Exceptional administrative costs	7	(306)	(442)	(1,342)
Total administrative costs		(5,568)	(5,242)	(10,927)
Operating profit/(loss)		289	(622)	(1,415)
Finance income		32	39	78
Finance costs	8	(274)	(262)	(530)
Profit/(Loss) before taxation		47	(845)	(1,867)
Income tax		226	113	630
Profit/(Loss) for the period		273	(732)	(1,237)
Other Comprehensive Income				
Items that may be subsequently reclassified to profit or loss:				
Exchange differences on translation of foreign operations		4	5	(3)
Total other comprehensive income		4	5	(3)
Total Comprehensive Profit/(Loss) for the period attributable to owners of the parent				
	5	277	(727)	(1,240)
Profit/(Loss) before taxation	6	47	(845)	(1,867)
Exceptional administrative costs		306	442	1,342
IFRS2 Share based payments charge		91	89	183
Adjusted profit/(loss) before tax		444	(314)	(342)
Earnings per ordinary share (pence) attributable to owners of the Parent				
Basic	9	0.55	(1.46)	(2.47)
Diluted	9	0.55	(1.46)	(2.47)

The results relate to continuing operations.

Unaudited Consolidated Statement of Changes in Equity for the six months to 30 September 2021

	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 2020	500	14,691	1,138	196	(4)	4,658	21,179
Comprehensive income							
Loss for the period	-	-	-	-	-	(732)	(732)
Other comprehensive income							
Exchange differences on translation of overseas operations	-	-	-	5	-	-	5
Total comprehensive income	-	-	-	5	-	(732)	(727)
Transactions with owners							
IFRS 2 Share-based payments	-	-	-	-	-	89	89
Transactions with owners	-	-	-	-	-	89	89
Balance as at 30 Sept 2020	500	14,691	1,138	201	(4)	4,015	20,541
Comprehensive income							
Loss for the period	-	-	-	-	-	(505)	(505)
Other comprehensive income							
Exchange differences on translation of overseas operations	-	-	-	(8)	-	-	(8)
Total comprehensive income	-	-	-	(8)	-	(505)	(513)
Transactions with owners							
IFRS2 Share-based payments	-	-	-	-	-	94	94
Transactions with owners	-	-	-	-	-	94	94
Balance as at 31 March 2021	500	14,691	1,138	193	(4)	3,604	20,122
Comprehensive income							
Profit for the period	-	-	-	-	-	273	273
Other comprehensive income							
Exchange differences on translation of overseas operations	-	-	-	4	-	-	4
Total comprehensive income	-	-	-	4	-	273	277
Transactions with owners							
IFRS2 Share based payments	-	-	-	-	-	91	91
Transactions with owners	-	-	-	-	-	91	91
Balance as at 30 Sept 2021	500	14,691	1,138	197	(4)	3,968	20,490

Unaudited Consolidated Statement of Financial Position as at 30 September 2021

	Note	As at 30 September 2021 Unaudited £'000	As at 30 September 2020 Unaudited £'000	As at 31 March 2021 Audited £'000
Non-current assets				
Intangible assets	10	22,568	22,230	22,187
Plant, property and equipment		911	831	891
Right of use assets	11	2,187	2,838	2,512
Deferred income tax asset		-	-	-
Amounts receivable under finance leases		39	65	50
		25,705	25,964	25,640
Current assets				
Inventories		1,368	1,701	1,409
Trade and other receivables		7,301	7,171	6,679
Corporation tax receivable		1	317	690
Cash and cash equivalents		888	1,541	2,370
		9,558	10,730	11,148
Current liabilities				
Trade and other payables		(5,339)	(5,574)	(5,417)
Borrowings	12	(1,140)	(5,417)	(855)
Right of use liability	12	(708)	(679)	(680)
Provisions		-	(26)	(27)
		(7,187)	(11,696)	(6,979)
Current assets less current liabilities		2,371	(966)	4,169
Total assets less current liabilities		28,076	24,998	29,809
Non-current liabilities				
Trade and other payables		(474)	(593)	(1,546)
Borrowings	12	(5,386)	(1,231)	(5,815)
Right of use liability	12	(1,459)	(1,941)	(1,767)
Provisions		(151)	(179)	(190)
Deferred income tax liability		(116)	(513)	(369)
		(7,586)	(4,457)	(9,687)
Net assets		20,490	20,541	20,122
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	201	193
Treasury reserve		(4)	(4)	(4)
Retained earnings		3,968	4,015	3,604
Total equity attributable to owners of the parent		20,490	20,541	20,122

Unaudited Consolidated Cash Flow Statement for the six months to 30 September 2021

		Six months to 30 September 2021 Unaudited £'000	Six months to 30 September 2020 Unaudited £'000	Year to 31 March 2021 Audited £'000
Net cash generated from operating activities	14	868	2,055	4,737
Cash flows from investing activities				
Purchases of property, plant and equipment		(230)	(183)	(330)
Purchases of software		(2)	(24)	(47)
Capitalised Development costs		(1,396)	(1,220)	(2,290)
Net cash used in investing activities		(1,628)	(1,427)	(2,667)
Cash flows from financing activities				
New bank loan		-	-	5,300
Loan arrangement fees		-	-	(86)
Repayment of bank loans		(168)	(171)	(5,379)
Repayment of obligations under lease agreements		(280)	(344)	(670)
Interest paid		(274)	(237)	(530)
Net cash generated from financing activities		(722)	(752)	(1,365)
Net (decrease)/increase in cash and cash equivalents		(1,482)	(124)	705
Cash and cash equivalents at beginning of period		2,370	1,665	1,665
Cash and cash equivalents at end of period		888	1,541	2,370

1. Basis of preparation

The Group's interim results for the 6 months to 30 September 2021 (prior year 30 September 2020) were approved by the Board of Directors on 15 November 2021.

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 2021. 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 2021 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 2021 Annual Report, described as follows, also remain relevant to the rest of the financial year: Significant operational system failure; Cyber-attack and data security; Operating in a fast-moving technology industry where we will always be at risk from new products being launched; Adverse mobile network changes; Attracting and maintaining high-quality employees; Access to long term and working capital; Electronic supply chain materially impacted by Covid-19 and Rate of economic recovery post Covid-19. These are detailed on pages 18 to 20 of the 2021 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 2021 Unaudited £'000	Six months to 30 September 2020 Unaudited £'000	Year to 31 March 2021 Audited £'000
Solutions:	9,021	7,321	15,961
Fleet and optimisation	5,712	4,419	9,520
Insurance and automotive	3,309	2,902	6,441

Notes To The Unaudited Consolidated Financial Statements

4. Other income

	Six months to 30 September 2021 Unaudited £'000	Six months to 30 September 2020 Unaudited £'000	Year to 31 March 2021 Audited £'000
Grant income	13	103	194
	13	103	194

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

	Six months to 30 September 2021 Unaudited £'000	Six months to 30 September 2020 Unaudited £'000	Year to 31 March 2021 Audited £'000
Profit/(Loss) attributable to the owners of the parent	277	(727)	(1,240)

6. Adjusted profit/(loss) before tax

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

Profit/(Loss) Before Tax	47	(845)	(1,867)
Exceptional administrative costs	306	442	1,342
Share based payments	91	89	183
Adjusted profit/(loss) before tax	444	(314)	(342)

7. Exceptional costs

	Six months to 30 September 2021 Unaudited £'000	Six months to 30 September 2020 Unaudited £'000	Year to 31 March 2021 Audited £'000
Integration and restructuring costs	45	97	168
Covid-19 costs	446	891	2,109
Furlough grant income	(185)	(546)	(935)
	306	442	1,342

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

The Group has also incurred exceptional costs relating to the Covid-19 pandemic. These costs mainly relate to the cost of employees whilst on furlough £385,000 (Mar-21: £1,607,000, Sep-20: £767,000).

Furlough grant income relates to other income received from the Coronavirus Job Retention Scheme for employees furloughed as a result of Covid-19.

Detailed explanation of prior year exceptional costs are detailed on page 60 of the 2021 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 2021 Unaudited £'000	Six months to 30 September 2020 Unaudited £'000	Year to 31 March 2021 Audited £'000
Interest on bank loans	198	191	373
Amortisation of debts issue costs	24	21	37
Interest on Hire Purchase and similar agreements	52	50	120
	274	262	530

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 2021 Unaudited	Six months to 30 September 2020 Unaudited	Year to 31 March 2021 Audited
Profit/(Loss) the year after taxation	273	(732)	(1,237)
Exceptional administrative costs	306	442	1,342
Share based payments	91	89	183
Tax effect of adjustments	(58)	(84)	(255)
Adjusted profit/(loss) after taxation	612	(285)	33
	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	50,079	50,004	50,004
Basic earnings/(loss) per share	0.55p	(1.46p)	(2.47p)
Diluted earnings/(loss) per share	0.55p	(1.46p)	(2.47p)
Adjust for effects of:			
Exceptional costs	0.50p	0.72p	2.17p
Share based payments	0.18p	0.18p	0.37p
Adjusted basic earnings/(loss) per share	1.22p	(0.56p)	0.07p
Adjusted diluted earnings/(loss) per share	1.22p	(0.56p)	0.07p

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 2020	10,417	1,920	100	17,190	1,903	31,530
Additions - Internal development	-	-	-	1,200	-	1,200
Additions - External purchases	-	-	-	20	24	44
As at 30 September 2020	10,417	1,920	100	18,410	1,927	32,774
Additions - Internal development	-	-	-	919	-	919
Additions - External purchases	-	-	-	151	23	174
Impairments	-	-	-	-	(155)	(155)
Disposals	-	-	-	(238)	(36)	(274)
As at 31 March 2021	10,417	1,920	100	19,242	1,759	33,438
Additions - Internal development	-	-	-	1,214	-	1,214
Additions - External purchases	-	-	-	182	2	184
As at 30 September 2021	10,417	1,920	100	20,638	1,761	34,836
Amortisation						
As at 31 March 2020	-	1,910	100	6,479	1,044	9,533
Charge for period	-	10	-	867	134	1,011
As at 30 September 2020	-	1,920	100	7,346	1,178	10,544
Charge for period	-	-	-	866	115	981
Disposals	-	-	-	(238)	(36)	(274)
As at 31 March 2021	-	1,920	100	7,974	1,257	11,251
Charge for period	-	-	-	924	93	1,017
As at 30 September 2021	-	1,920	100	8,898	1,350	12,268
Net book amount						
As at 30 September 2021	10,417	-	-	11,740	411	22,568
As at 31 March 2021	10,417	-	-	11,268	502	22,187
As at 30 September 2020	10,417	-	-	11,064	749	22,230
As at 31 March 2020	10,417	10	-	10,711	859	21,997

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 1 April 2020	2,098	509	175	619	153	3,554
Additions	-	-	76	79	-	155
Disposals	-	-	-	(10)	-	(10)
As at 30 September 2020	2,098	509	251	688	153	3,699
Additions	-	42	99	-	-	141
Impairments	-	-	-	-	(153)	(153)
Disposals	-	-	-	(73)	-	(73)
As at 31 March 2021	2,098	551	350	615	-	3,614
Additions	-	-	-	-	-	-
Disposals	-	-	-	(25)	-	(25)
As at 30 September 2021	2,098	551	350	590	-	3,589
AMORTISATION						
As at 1 April 2020	264	49	62	175	-	550
Charge for period	132	46	16	117	-	311
Disposals	-	-	-	-	-	-
As at 30 September 2020	396	95	78	292	-	861
Charge for period	133	29	42	110	-	314
Disposals	-	-	-	(73)	-	(73)
As at 31 March 2021	529	124	120	329	-	1,102
Charge for period	133	35	57	100	-	325
Disposals	-	-	-	(25)	-	(25)
As at 30 September 2021	662	159	177	404	-	1,402
Net book amount						
As at 30 September 2021	1,436	392	173	186	-	2,187
As at 31 March 2021	1,569	427	230	286	-	2,512
As at 30 September 2020	1,702	414	173	396	153	2,838
As at 31 March 2020	1,834	460	113	444	153	3,004

Notes To The Unaudited Consolidated Financial Statements

12. Borrowings

	As at 30 September 2021		As at 30 September 2020		As at 31 March 2021	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
	£'000	£'000	£'000	£'000	£'000	£'000
Borrowings	1,140	5,386	5,417	1,231	855	5,815
Right of use liability	708	1,459	679	1,941	680	1,767
Totals	1,848	6,845	6,096	3,172	1,535	7,582

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 22 monthly instalments from 30 September 2021 of £86,000 and a final repayment of the outstanding balance on 31 October 2023 and bears interest at a floating rate of 5.1% over base rate. As at 30 September 2021 the Group owed £5.2m (March-21: £5.3m).

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 2021 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 2021 the Group owed £1.4m (March-21: £1.5m).

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 2021 were as follows:

	Freehold property £'000	Furniture, fixtures and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Software £'000	Total £'000
Current	296	90	109	147	66	708
Non-current	1,235	70	85	42	27	1,459
Total	1,531	160	194	189	93	2,167

The maturity of obligations under right of use assets as at 30 September 2021 were as follows:

	Freehold property £'000	Furniture, fixtures and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Software £'000	Total £'000
Within 1 year	296	90	109	147	66	708
1 to 2 years	280	66	63	42	27	478
2 to 5 years	750	4	22	0	-	776
More than 5 years	205	-	-	-	-	205
Total	1,531	160	194	189	93	2,167

Notes To The Unaudited Consolidated Financial Statements

13. Share Capital

	As at 30 September 2021		As at 30 September 2020		As at 31 March 2021	
	No's 000's	£'000	No's 000's	£'000	No's 000's	£'000
Authorised:						
Ordinary shares of 1p each Allotted, issued and fully paid:	200,000	200,000	200,000	200,000	200,000	200,000
Ordinary shares of 1p each	50,004	500	50,004	500	50,004	500
Movement in share capital:						£'000
As at 1 April 2020						500
As at 30 September 2020						500
As at 31 March 2021						500
As at 30 September 2021						500

The Company currently holds 29,000 Ordinary shares in treasury representing 0.06% (Mar-21: 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.

14. Cash Generated from Operations

	Six months to 30 September 2021 Unaudited £'000	Six months to September 2020 Unaudited £'000	Year to 31 March 2021 Audited £'000
Net profit/(loss) before taxation	47	(845)	(1,867)
Depreciation	535	380	781
Loss on disposal of fixed assets	-	-	318
Amortisation of intangible assets	1,017	1,011	1,992
Exchange movements	4	-	(3)
Interest received	(32)	(39)	(78)
Bank and other interest charges	298	262	565
Share based payments	91	89	183
Operating cash flows before movement in working capital	1,960	858	1,891
Movement in inventories	41	342	634
Movement in trade and other receivables	(611)	659	1,166
Movement in trade and other payables	(1,150)	(726)	70
Movement in provisions	(66)	21	33
Cash generated from operations	174	1,154	3,794
Interest received	32	39	78
Income taxes received	662	862	865
Net cash-inflow from operating activities	868	2,055	4,737

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: 4 Roman Park, Roman Way, Coleshill, North Warwickshire, B46 1HG.

