Tracsis plc

('Tracsis', 'the Company' or 'the Group')

Unaudited final results for the year ended 31 July 2020

Tracsis, a leading provider of software, hardware and services for the rail, traffic data and wider transport industries, is pleased to announce its unaudited final results for the year ended 31 July 2020. The Group will make a further announcement when the audited Annual Report for the year ended 31 July 2020 has been published, which is expected to be sent to shareholders in early December.

Financial Highlights:

- Revenue of £48.0m (2019: £49.2m)
- Adjusted EBITDA* of £10.5m (£9.6m excluding IFRS 16) (2019: £10.5m)
- Operating profit before exceptional items of £4.3m (2019: £6.7m)
- Statutory Profit before Tax of £4.1m (2019: £6.6m)
- Cash balances of £17.9m (2019: £24.1m) with no Covid-19 deferrals due to be paid. Cash conversion rates remain high
- Fully diluted adjusted Earnings Per Share of 23.66p (2019: 27.42p)

Strategic and Operational Highlights:

- Strong trading from our Rail Technology & Services Division, outperforming budget expectations and generally unaffected by the pandemic
  - 17% revenue growth, and 33% EBITDA growth
  - Continued high levels of recurring revenue across all of our software products
  - Strong trading in our rail infrastructure businesses – MPEC (Remote Condition Monitoring Hardware and Software) and Ontrac (Safety and Risk Management Software)
  - Further large multi-year contract secured with a major Train Operator for our TRACS Enterprise product
- Covid-19 impacted Traffic & Data Services Division by an estimated £10m of revenue versus budgeted expectations, but action taken to reduce cost base and to mitigate the impact. Some loss of revenue offset at Group level by outperformance in Rail Technology & Services Division
- Completion of the acquisition of iBlocks Limited which offers exciting opportunities in Smart Ticketing

Post year end Highlights:

- Q1 trading has been in line with Board's expectations
- Two major rail contracts in latter stages of negotiation
- Renewal and extension of several large multi-year agreements for Traffic Data and Event contracts
- All software licence renewals secured
- Implementation of Groupwide shared services model to accelerate integration

Chris Barnes, Chief Executive Officer, commented:

"After a strong H1, I am pleased that the business was able to robustly navigate itself through the H2 challenges linked to Covid-19. The team did a great job in proactively responding to these challenges whilst protecting the health and wellbeing of all our employees.

We continue to see strong demand and growth across our Rail Technology & Services division and in our data & analytics capabilities. These continue to underpin our growth strategy and improving EBITDA margins. Whilst we believe we have successfully navigated the first phase of the Covid-19 crisis, and are well positioned for the future, we continue to closely monitor short term trading conditions in our Events and Traffic Data business units within the Traffic & Data Services Division.

We are confident that the medium to long term growth prospects for all parts of the Group are unchanged and we therefore remain committed to our overall strategic growth and investment plans. We will continue to proactively manage costs for as long as Covid-19 continues to impact the Group whilst maintaining the skills and capacity required to quickly respond post the end of the pandemic."

* *Calculation unchanged from previous years and in line with broker forecasts and research coverage on Tracsis. Full definition and reconciliation in Note 6.*

Presentations and Overview video

Tracsis is hosting an investor webinar today, Thursday 26th November, at 1300 hrs GMT. If you would like to attend please register here: http://bit.ly/Tracsis_FY20_piworld_webinar

A video overview of the results from the CEO, Chris Barnes, and CFO, Max Cawthra, is available to watch here: https://bit.ly/TRCS_FY20_overview_video

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Chairman & Chief Executive Officer's Report

Introduction

The year ended 31 July 2020 was on the whole a satisfactory year, with a strong performance from the Rail Technology & Services Division compensating for evident challenges caused by Covid-19, primarily in respect of the Traffic & Data Services Division. As we reflect on the previous twelve months, having completed the acquisition of iBlocks Limited, navigated the early phases of Covid-19, generated revenues of £48m, whilst maintaining EBITDA margin, and ended the year with almost £18m of cash, the Board is pleased with the resilient performance.

Business Overview

Tracsis specialises in providing a wide range of products and services to clients within the transport and traffic sector. The Group's market offering can be broadly categorised into two distinct strands:

1. **Rail Technology & Services:**

- **Operational Software**: A suite of software products covering timetabling, resource and rolling stock planning and optimisation, real time performance and control, service recovery, retail services, delay attribution and delay repay;
- **Infrastructure Software**: A range of software products that are used to collect, manage, visualise and analyse rail asset information. They deliver improvements in safety, productivity and communication by automating heavily regulated business processes and reducing risk;
- **Remote Condition Monitoring**: Rail approved data loggers and sensors to monitor asset performance and predict failure modes (level crossings, interlockings, switch machines, bus-bars etc.) supported by our own data acquisition software platform;
- **Consultancy**: Rail operations consultancy expertise and training covering operational planning and modelling, franchise and concession support, data capture and evaluation and innovative bespoke software tool development; and
- **Transit and Ticketing solutions**: the provision of Smart Ticketing software and TIS accredited Account Based Back Office capable of performing the full cycle from tap capture through to fare generation, payment collection and revenue settlement.

2. **Traffic & Data Services**:

- **Traffic Surveys**: Traditional and advanced transport data collection for all travel modes using ANPR, video and mobile network data, manual survey methods, big data sources and, increasingly, AI technology;
- **Transport Insights**: Provision of innovative and effective transport related advice, saving time and cost and generating increased efficiencies through the provision of sustainable transport solutions supported by data hosting and visualisation tools;
- **Passenger Analytics**: Software-delivered passenger research and statistical analysis for transport operators using our skilled market research staff and digital data collection tools (activities include passenger counting, ticket audits, mystery shopping and market research);
- **Location Analytics**: Software, mobile app and analytical platform development combining Geographic Information Systems (GIS), location technologies, data analytics and field computing across different industrial sectors (rail, automotive, bus, utilities, environmental etc.); and
- **Event Transport Management**: covering planning, control, consultancy, signage, CSAS/PATO and car parking. Technologies like Tracsis Live Technology (TLT) are also offered to improve traffic monitoring and traffic flow in and out of major event venues.

Covid-19

The Board estimates that Covid-19 had an impact on Group revenues of around £10m when compared against the Group's internal budget for the year, taking account of acquisitions made in the previous year. The majority of this was felt within the Traffic & Data Services Division within which large Events and Transport Data Collection projects were either cancelled or postponed. The Group's cost base in respect this part of the Group consists of a number of casual workers who it was not necessary to utilise given the circumstances. Accordingly, some of the loss of revenue from this part of the Group was offset by the reduced cost base.

The Rail Technology & Services Division was generally unaffected by the pandemic other than a reduction in delay-repay related revenues given the significant reduction in rail passenger numbers that occurred post the implementation of the March lockdown in the UK.

Our key priority during these unprecedented times was the health and wellbeing of our employees, our clients and their families. As such, the vast majority of staff immediately transitioned to working at home which on the whole was deemed to be a success. The Company also placed a number of staff on furlough but ensured that they retained their full remuneration until July 2020.

The business has also taken actions to reduce its fixed cost base which have now all been fully implemented. All our offices are open and have been signed off as 'Covid secure'. The majority of staff continue to work from home although small numbers of staff have returned to the office.

Financial Summary

Group revenues of £48.0m (2019: £49.2m) were slightly less than the previous year, due to the challenges of Covid-19. This was mitigated to some extent by a full year contribution from acquisitions made in the previous year which were not impacted by Covid-19 (Bellvedi and Compass Informatics), and also the acquisition of iBlocks Limited in the year. Overperformance versus budget in our Rail Technology & Services Division was an important contributor to the overall results.

The Group has also adopted IFRS 16 in the year which brought 'Right of Use Assets' on to the Balance Sheet and a corresponding "Lease Liability". At 31 July 2020 the impact of the transition was a Right of Use asset recognised of £1.4m and a 'Lease Liability' of £1.7m. The impact on EBITDA was £0.8m, with a corresponding reduction in overheads and so had no significant impact on Profit before Tax.

Adjusted EBITDA* of £10.5m (£9.6m excluding the impact of IFRS 16) was adverse compared to the previous year on a like for like basis (2019: £10.5m) due to the impact of Covid-19 on the Traffic & Data Services Division. Adjusted Profit** was £8.6m, less than the previous year (2019: £9.7m). Statutory Profit before Tax was £4.1m (2019: £6.6m) after taking account of large charges in respect of amortisation, share based payment charges, and a share of results of associated undertakings. In addition, the Group has recognised a net credit of £0.1m relating to exceptional items. This credit includes an exceptional credit adjustment to fair value of contingent consideration payable at year end of £1.5m, offset by exceptional deal costs of £0.2m, plus impairments against the Citi Logik investment and TCS acquisition of £1.2m in total.

At 31 July 2020, the Group's cash balances were £17.9m (2019: £24.1m), and cash generation continues to be strong. Cash balances are reduced compared to the previous year due to the acquisition of iBlocks Limited. All contingent consideration due in the year has been paid. The Group has also paid all VAT, PAYE and Corporation Tax due and has not taken advantage of any Government Support in respect of taxes, but has claimed grant money in respect of furloughed staff in the year with support to the Income Statement of c. £0.7m.

* Earnings before finance income, tax, depreciation, amortisation, exceptional items, other operating income, and share-based payment charges and share of result of equity accounted investees – see note 6 for reconciliation. 2020 prepared under IFRS 16, 2019 prepared under IAS 17

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Trading Progress and Prospects

<u>Rail Technology & Services</u>

Summary segment results:

Revenue	£25.6m (2019: £21.9m)
Adjusted EBITDA *	£9.2m (2019: £6.9m)
Adjusted Profit before Tax	£8.6m (2019: £6.7m)

After making significant investment in our products and people, overall EBITDA margin within the Rail Technology & Services Division was an improvement on the previous year, which was pleasing.

Software

Sales of Operational Software and Infrastructure software, excluding current year acquisitions, increased to £17.7m (2019: £15.2m) which represents strong growth. This takes account of the various revenue streams from our TRACS, ATTUne, Ontrac, COMPASS, Retail & Operations, and Delay-Repay product suites. As always, all software products continue to benefit from high renewal rates from existing clients.

Work continues on implementing our TRACS Enterprise product at two major TOCs which were secured in previous years and we were delighted to have secured a third major Operator during the year where work on the implementation started in the year. There remains a significant market opportunity for this offering, which we hope to be able to further tap into.

Our Bellvedi business has traded very well during the year and the ATTUne product forms an integral part of the overall TRACS Enterprise solution. Bellvedi also secured a significant RSSB grant to develop innovative dynamic train planning software over the next two years which was very pleasing.

Ontrac traded well in the year and secured a number of good bespoke software development contracts, and remains supported by high levels of recurring revenue. The business also secured an important initial contract win which is expected to result in a multi-year enterprise wide licence deployment in due course. Work on the 'Discovery' and 'Design' commenced in the year, and remains ongoing with the target of securing a major multi year licence and support contract. Ontrac's software product offering focuses on driving improvements in risk management and safety for rail infrastructure operators which continues to be a high priority area of interest across the rail industry.

Our Delay Repay business traded well prior to the start of Covid-19 but naturally suffered an adverse impact due to significantly reduced passenger journeys. Even in spite of this, revenues were still ahead of the previous year and the business continues to operate from a modest cost base. Tracsis as a Group processed over 70% of all industry delay repay claims during the reporting period.

Remote Condition Monitoring (RCM)

Revenues of £4.8m compare very well against the previous year (2019: £4.9m), which was a very strong comparative period due to the end of Network Rail's 'Control Period 5' in March 2019. The Group did not expect such a strong year but naturally was delighted to be able to support its key customer in the first year of the new 'Control Period 6' that runs to 31 March 2024. During the year we received formal approval for the Busbar units, and have now begun to ship the first of these units. This remains a key growth area for the future. MPEC's product offering focuses on driving improvements in asset performance for rail infrastructure owners which is a key factor in improving overall rail performance and reducing maintenance costs.

We announced a major order in May 2020 and this was largely fulfilled by the end of the financial year.

Consultancy

Consultancy and professional services revenue was £2.2m (2019: £1.8m) which was a very good performance and shows the continued resilience in this part of the Group as it transitions away from a historical reliance on franchise bid work. We have been pleased to secure work with various government bodies, infrastructure providers, a range of other train operating companies (TOCs), and multi-disciplinary engineering companies.

Acquisitions: iBlocks Limited

In the three months post acquisition, iBlocks contributed revenue of £0.9m which was in line with expectations for the short period. We are seeing good levels of interest in iBlocks' smart ticketing product offering which in a post Covid world is well aligned to future rail passenger requirements. Integration into the wider Tracsis Group is going well and iBlocks forms part of a wider Customer Experience product offering.

<u>Traffic & Data Services</u>

Summary segment results:

Revenue	£22.4m	(2019: £27.3m)
Adjusted EBITDA*	£1.3m	(2019: £3.6m)
Adjusted Profit before Tax	£nil	(2019: £2.9m)

Traffic Surveys, Transport Insights and Passenger Analytics

Revenues of £10.0m were delivered in the year (2019: £14.7m), which were adverse to the previous year due to the impact of Covid-19 which had an immediate and severe impact with much work either being cancelled or postponed. The business was trading well prior to the Covid-19 pandemic and had a strong order book as it entered the crisis, but this naturally did not materialise. However, a huge amount of credit must be given to the entire team as it delivered the Spring and Summer work as part of the major National Road Traffic Census in spite of Covid-19 which was a major achievement and a valuable source of revenue during challenging times. Cost reduction measures have been implemented in this part of the Group to ensure that it is well placed to weather the challenging market conditions that inevitably lie ahead. We are still waiting for postponed work to be rescheduled which we now expect to be workable in Spring 2021.

Our Passenger Analytics team performed its traditional manual count work during the Autumn but the Spring counts did not take place due to Covid-19 meaning that revenues were adverse to the previous year. However, the business was supported by the software product that it had developed in previous years for automatic train loading data, which is expected to be a key technology platform for potential future growth.

Location Analytics

This was the first full year contribution from Compass Informatics since its acquisition in 2019 and it has performed very well during the year, with work also continuing regardless of Covid-19. Most of the work was derived from its existing customer base in Ireland, across a wide range of bodies and clients, but the business also delivered some major UK based projects for a range of utility companies. Overall revenues of £5.5m (2019: £2.4m) were pleasing.

The Group sought to launch a full UK Analytics and GIS offering though due to challenges caused by Covid-19, this has been placed on hold given the current economic climate.

Event Transport Management

Revenues in this part of the Group were naturally significantly impacted by Covid-19 with total revenues of £6.9m (2019: £10.2m) which was the same as the previous year given the cancellation and postponement of many of the events that were scheduled to take place across the Spring and Summer and had already been booked in. Revenues should have been much higher given the full year contribution from CTM that was expected in this year following its acquisition in January 2019.

Despite the pandemic, the business continued to secure some new work, and also has been supported by the work that takes place at its fixed venue clients.

Cost reduction measures have been implemented in this part of the Group to ensure that we proactively manage the cost base whilst maintaining sufficient operational expertise so that we can mobilise the teams to quickly respond to the post Covid return to normal.

EBITDA margin was less than the previous year due to the impact of Covid-19.

Dividends

In February 2012, the Board implemented a progressive dividend policy. In view of the challenges and uncertainty caused by Covid-19, the Group decided not to pay an interim dividend for the six months ended 31 January 2020 and committed to reviewing it at the full year stage. The Board does not consider it appropriate to pay a final dividend this year. The impact on cash of not paying the dividend is around £0.6m. The Board is committed to restoring the progressive dividend policy in the future and will review this at the earliest appropriate opportunity.

Acquisitions

We were pleased to have completed the acquisition of iBlocks Limited (iBlocks) in the year, which is a business that we have known for a number of years now. We believe the unique technology offering that iBlocks has developed along with long established client relationships will open up an exciting new area of opportunity for Tracsis. The smart/account based ticketing market in particular is an area of the rail industry that is expected to see future industry change and growth.

Established in 2000, iBlocks is a UK based software company that specialises in the provision of smart ticketing solutions, automated delay repay and the development of mission critical back office systems that are used by the Rail Delivery Group, the wider community of train operating companies (TOCs) and the rail supply chain. This acquisition strategically aligns with our objective of strengthening our rail product portfolio in areas where we can offer a unique market proposition, gain access to strategically important partnerships and leverage the cross-selling opportunities that exist across our Rail Technology division.

The Directors believe that smart/account based ticketing and automated delay repay is a sizeable and natural growth area for the rail industry and that iBlocks is well placed to help facilitate the move towards a paperless ticketing environment. The acquisition will enhance Tracsis Group's overall technology and software offering and should be significantly earnings enhancing.

The acquisition consideration comprised an initial cash payment of £12.5m which was funded out of Tracsis cash reserves and the issue of 192,926 new ordinary shares in Tracsis with a value of £1.5m. An additional payment of £3m was made on a pound for pound basis to reflect the net current asset position of the business at completion. Additional contingent consideration of up to £8.5m is payable subject to iBlocks achieving certain stretched profit financial targets in the three years post acquisition. An amount of £3.3m has been included in the Balance Sheet as the best estimate of the amount payable at the year end date.

The UK's decision to leave the European Union

The Group does not expect to be impacted by Brexit. Current sales to European Union customers represent around 12% of overall Group sales, and there continues to be no significant reliance on a supply chain involving European Union suppliers or workforce.

People

As always, the Group is thankful to the whole team for their hard work during the year, especially during the unprecedented times which have been challenging for many members of the team. It has been pleasing to see the business come together to support colleagues.

In September 2020 we announced that Max Cawthra would be standing down as Chief Financial Officer in 2021 and that Andy Kelly would be joining the business. The Board would like to thank Max for the contribution he has made since joining Tracsis in 2010, since then the Group has grown significantly, both organically and by acquisition, which Max has played a key part in achieving. We look forward to Andy joining us, who the Board believe is a very strong replacement.

Revised Group Structure

From 1 August 2020 onwards, the Group has been reorganised into a new structure in order to align with key areas of future transport industry growth. This will be adopted for future external reporting purposes too.

Rail Technology & Services:

- Rail Operations (includes core Operational Planning Software and Bellvedi)
- Customer Experience (includes iBlocks, Travel Compensation Services and Tracsis Passenger Analytics)
- Rail Infrastructure (includes MPEC and Ontrac)

Data, Analytics Consultancy and Events:

- Traffic Data
- Events (includes SEP and CTM)
- Analytics/GIS (includes Compass Informatics)
- Transport Consultancy

Our GIS business Compass Informatics and Consultancy offering will be expanded to be 'Groupwide' offerings and will operate across the whole of the Group but will be reported within the Data, Analytics Consultancy and Events sector.

In addition, on 1 August 2020 the Group implemented a central shared services model covering HR, IT, Quality, Health and Safety and Risk with the objective of implementing best practice across the Group and accelerating the integration of the different business units.

Summary and Outlook

Q1 trading has been in line with the Board's expectations. As we look to the remainder of the financial year, we are aspiring to achieve modest revenue growth and EBITDA margin improvement despite the ongoing challenges of Covid-19, and we expect our cash position to remain equally as strong.

These are unprecedented times and whilst the Board believes it has successfully navigated the first phase of the Covid-19 crisis, and is well structured for the future, it is vigilant about short term trading conditions in particular with regards to its Traffic & Data Services Division. At the time of writing, the impact on the Rail Technology & Services Division has not been significant but the Board continues to monitor the situation and will respond should challenges arise.

We are confident that the medium to long term growth prospects for all parts of the Group are unchanged and we therefore remain committed to our overall strategic growth and investment plans. We will continue to proactively manage costs whilst the Covid-19 pandemic continues to impact the Group whilst maintaining the skills and capacity required to respond post the pandemic.

Chris Cole, Chairman **Chris Barnes, Chief Executive Officer**

26 November 2020

Consolidated Statement of Comprehensive Income for the year ended 31 July 2020

		2020			2019
		Group excluding in-year acquisitions	Acquisitions in-year	**Total**	Total
	Note	£000	£000	**£000**	£000
Revenue	3	47,115	883	**47,998**	49,219
Cost of sales		(16,669)	(127)	**(16,796)**	(20,163)
Gross profit		30,446	756	**31,202**	29,056
Administrative costs		(26,162)	(617)	**(26,779)**	(22,360)
Adjusted EBITDA*	3,6	10,250	213	**10,463**	10,514
Depreciation		(1,819)	(63)	**(1,882)**	(831)
Adjusted profit **	6	8,431	150	**8,581**	9,683
Amortisation of intangible assets		(3,176)	(423)	**(3,599)**	(2,251)
Other operating income		353	23	**376**	260
Share-based payment charges		(1,050)	-	**(1,050)**	(1,034)
Operating profit before exceptional items		4,558	(250)	**4,308**	6,658
Exceptional items:	9				
Impairment losses		(1,155)	-	**(1,155)**	(623)
Other		881	389	**1,270**	661
Operating profit		4,284	139	**4,423**	6,696
Finance income		76	-	**76**	58
Finance expense		(75)	(4)	**(79)**	(21)
Share of result of equity accounted investees		(309)	-	**(309)**	(174)
Profit before tax	3	3,976	135	**4,111**	6,559
Taxation		(1,201)	(33)	**(1,234)**	(1,488)
Profit after tax		2,775	102	**2,877**	5,071
Other comprehensive income/(expense)					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences		21	-	**21**	17
Total recognised income for the year		2,796	102	**2,898**	5,088
Earnings per ordinary share					
Basic	4			9.95p	17.78p
Diluted	4			9.67p	17.26p

Consolidated Balance Sheet as at 31 July 2020

	Note	**2020**	2019
		£000	£000
Non-current assets			
Property, plant and equipment		**3,581**	2,678
Intangible assets		**54,376**	38,812
Investments – equity		**50**	350
Loans due from associated undertakings		**-**	250
Investments in equity accounted investees		**1,039**	1,098
Deferred tax assets		**877**	667
		59,923	43,855
Current assets			
Inventories		**430**	381
Trade and other receivables		**6,382**	9,729
Cash and cash equivalents		**17,920**	24,104
		24,732	34,214
Total assets		**84,655**	78,069
Non-current liabilities			
Lease Liabilities		**986**	285
Contingent consideration payable	8	**5,587**	5,304
Deferred tax liabilities		**8,234**	5,942
		14,807	11,531
Current liabilities			
Lease liabilities		**1,128**	277
Trade and other payables		**13,509**	16,936
Contingent consideration payable	8	**1,747**	879
Current tax liabilities		**439**	505
		16,823	18,597
Total liabilities		**31,630**	30,128
Net assets		**53,025**	47,941
Equity attributable to equity holders of the company			
Called up share capital		**116**	115
Share premium reserve		**6,373**	6,343
Merger reserve		**5,420**	3,921
Retained earnings		**41,078**	37,545
Translation reserve		**38**	17
Total equity		**53,025**	47,941

Consolidated Statement of Changes in Equity

	Share Capital £'000	Share Premium £'000	Merger reserve £'000	Retained Earnings £'000	Translation reserve £'000	Total £'000
At 1 August 2018	113	6,243	3,160	32,593	-	42,109
Adjustment on initial application of IFRS 15	-	-	-	(667)	-	(667)
Profit for the year	-	-	-	5,071	-	5,071
Other comprehensive income	-	-	-	-	17	17
Total comprehensive income	-	-	-	5,071	17	5,088
Transactions with owners:						
Dividends	-	-	-	(486)	-	(486)
Share based payment charges	-	-	-	1,034	-	1,034
Exercise of share options	1	100	-	-	-	101
Shares issued as consideration for business combinations	1	-	761	-	-	762
At 31 July 2019	**115**	**6,343**	**3,921**	**37,545**	**17**	**47,941**

	Share Capital £'000	Share Premium £'000	Merger reserve £'000	Retained Earnings £'000	Translation reserve £'000	Total £'000
At 1 August 2019	115	6,343	3,921	37,545	17	47,941
Adjustment on initial application of IFRS 16	-	-	-	(106)	-	(106)
Profit for the year	-	-	-	2,877	-	2,877
Other comprehensive income	-	-	-	-	21	21
Total comprehensive income	-	-	-	2,877	21	2,898
Transactions with owners:						
Dividends	-	-	-	(288)	-	(288)
Share based payment charges	-	-	-	1,050	-	1,050
Exercise of share options	-	30	-	-	-	30
Shares issued as consideration for business combinations	1	-	1,499	-	-	1,500
At 31 July 2020	**116**	**6,373**	**5,420**	**41,078**	**38**	**53,025**

Consolidated Cash Flow Statement

	Notes	**2020 £000**	2019 £000
Operating activities			
Profit for the year		**2,877**	5,071
Finance income		**(76)**	(58)
Finance expense		**79**	21
Depreciation		**1,882**	831
(Profit) / loss on disposal of plant and equipment		**(12)**	12
Non cash exceptional items		**(320)**	(99)
Other operating income		**(376)**	(260)
Amortisation of intangible assets		**3,599**	2,251
Effect of foreign exchange adjustments		**21**	17
Share of result of equity accounted investees		**309**	174
Income tax charge		**1,234**	1,488
Share based payment charges		**1,050**	1,034
Operating cash inflow before changes in working capital		**10,267**	10,482
Movement in inventories		**(49)**	(128)
Movement in trade and other receivables		**5,121**	(1,349)
Movement in trade and other payables		**(3,875)**	4,877
Cash generated from operations		**11,464**	13,882
Interest received		**76**	58
Interest paid		**(79)**	(21)
Income tax paid		**(908)**	(1,545)
Net cash flow from operating activities		**10,553**	12,374
Investing activities			
Purchase of plant and equipment		**(387)**	(731)
Proceeds from disposal of plant and equipment		**66**	165
Acquisition of subsidiaries (net of cash acquired)	7	**(13,852)**	(6,757)
Payment of contingent consideration	8	**(1,228)**	(2,149)
Equity investments and loans to investments		**-**	(400)
Net cash flow used in investing activities		**(15,401)**	(9,872)
Financing activities			
Dividends paid	5	**(288)**	(486)
Proceeds from exercise of share options		**30**	101
Lease liability payments		**(1,089)**	(342)
Lease receivable receipts		**11**	-
Net cash flow used in financing activities		**(1,336)**	(727)
Net (decrease)/increase in cash and cash equivalents		**(6,184)**	1,775
Cash and cash equivalents at the beginning of the year		**24,104**	22,329
Cash and cash equivalents at the end of the year		**17,920**	24,104

Notes to the Consolidated Financial Statements

1 Financial information

The financial information set out herein does not constitute the Group's statutory accounts for the 12 months 31 July 2020 or the year ended 31 July 2019 within the meaning of sections 434 of the Companies Act 2006. The financial information set out herein has not been audited or reviewed by the auditors. The 2020 statutory accounts have not been finalised but this preliminary announcement has been prepared by the Directors based on the results and position which they expect will be reflected in the statutory accounts. The comparative information in respect of the year ended 31 July 2019 has been derived from the audited statutory accounts for the year ended on that date upon which an unmodified audit opinion was expressed and which did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The audited accounts will be posted to all shareholders in due course and will be available on the Group's website. A further announcement will be made at that time.

2 Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards ('IFRSs') as adopted by the EU and applicable law.

(b) Basis of measurement

The Accounts have been prepared under the historical cost convention, with the exception of the valuation of investments and contingent consideration which are included on a fair value basis.

(c) Functional and presentation currency

These consolidated financial statements are presented in sterling, which is the Group and Company's functional currency. All financial information presented in sterling has been rounded to the nearest thousand.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

(e) Accounting Developments

The Group and Company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). The accounting policies have been applied consistently to all periods presented in the consolidated financial statements, unless otherwise stated.

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting period beginning on or after 1 August 2019. The following new standards and amendments to standards are mandatory and have been adopted for the first time for the financial year beginning 1 August 2019:

- IFRS 16 Leases
- IFRIC 23 Uncertainty over Income Tax Treatments
- IAS 28 Long-term interests in Associates and Joint Ventures (Amendments to IAS 28)

- Annual Improvements to IFRS 2015-2017 Cycle

These standards have not had a material impact on the Consolidated Financial Statements with the exception of the adoption of IFRS 16.

The Group has adopted IFRS 16 “Leases” from 1 August 2019. It has brought more leases on to the Balance Sheet eliminating the distinction between operating leases and finance leases, and recognising a right-of-use asset and a corresponding lease liability, except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application. Rentals on operating leases which were previously charged to the income statement, have been replaced by depreciation charge on the asset and interest expense on the lease liability.

The Group has adopted IFRS 16 using the modified retrospective approach with the cumulative effect of initially adopting IFRS 16 recognised as an adjustment to retained earnings at 1 August 2019 with no restatement of comparative information. The Group has applied the practical expedient to grandfather the definition of a lease on transition. This means that it has applied IFRS 16 to all contracts entered into before 1 August 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historical assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under IAS 17 immediately before the date of initial application.

The following new or revised standards and interpretations issued by the International Accounting Standards Board (IASB) have not been applied in preparing these accounts as their effective dates fall in periods beginning on or after 1 August 2020. These standards are not expected to have a significant impact on adoption.

- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Conceptual Framework for Financial Reporting

For the year ended 31 July 2020, cash flows relating to the settlement of contingent consideration are included within investing activities in the Statement of Cash flows. For the year ended 31 July 2019, it was included within financing activities in the Statement of Cash Flows.

(f) Going concern

The Group is debt free and has substantial cash resources. At 31 July 2020 the Group had net cash and cash equivalents totalling £17.9m. The Board has prepared cash flow forecasts for the forthcoming year based upon assumptions for trading and the requirements for cash resources, these forecasts take into account reasonably possible changes in trading financial performance and have also factored in a continued reduced contribution from its Traffic & Data Services Division which has been impacted the most by Covid-19.

Based upon this analysis, the Board has concluded that the Group has adequate working capital resources and that it is appropriate to use the going concern basis for the preparation of the consolidated financial statements.

3 Revenue and Segmental analysis

a) Revenue

Sales revenue is summarised below

	2020	2019
	£000	£000
Rail Technology & Services	**25,595**	21,934
Traffic & Data Services	**22,403**	27,285
Total revenue	**47,998**	49,219

Revenue can also be analysed as follows:

	2020	2019
	£000	£000
Software and related services	**18,840**	14,839
Other	**29,158**	34,380
Total	**47,998**	49,219

Major customers
Transactions with the Group's largest customer represent 21% of the Group's total revenues (2019: 18%).

Geographic split of revenue
A geographical analysis of revenue is provided below:

	2020	2019
	£000	£000
United Kingdom	**41,529**	45,511
Europe	**6,127**	3,437
North America	**57**	106
Rest of the World	**285**	165
Total	**47,998**	49,219

b) Segmental analysis

The Group has divided its results into two segments being 'Rail Technology and Services' and 'Traffic & Data Services'. iBlocks Limited is included in 'Rail Technology and Services'.

The Group has a wide range of products and services and products and services for the rail industry, such as software, hosting services, consultancy and remote condition monitoring, and these have been included within the Rail Technology & Services segment as they have similar customer bases (such as Train Operating Companies and Infrastructure Providers), whereas traffic data collection and event planning & traffic management have similar economic characteristics and distribution methods and so have been included within the Traffic & Data Services segment.

In accordance with IFRS 8 'Operating Segments', the Group has made the following considerations to arrive at the disclosure made in these financial statements. IFRS 8 requires consideration of the Chief Operating Decision Maker ("CODM") within the Group. In line with the Group's internal reporting framework and management structure, the key strategic and operating decisions are made by the Board of Directors, who review internal monthly management reports, budgets and forecast information as part of this. Accordingly, the Board of Directors are deemed to be the CODM.

Operating segments have then been identified based on the internal reporting information and management structures within the Group. From such information it has been noted that the CODM reviews the business as two operating segments, receiving internal information on that basis. The management structure and allocation of key resources, such as operational and administrative resources, are arranged on a centralised basis.

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

Information regarding the results of the reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Board of Directors. Segment profit is used to measure performance. There are no material inter-segment transactions, however, when they do occur, pricing between segments is determined on an arm's length basis. Revenues disclosed below materially represent revenues to external customers.

	2020			
	Rail Technology & Services	**Traffic & Data Services**	**Unallocated**	**Total**
	£000	**£000**	**£000**	**£000**
Revenues				
Total revenue for reportable segments	**25,595**	**22,403**	**-**	**47,998**
Consolidated revenue	**25,595**	**22,403**	**-**	**47,998**
Profit or loss				
EBITDA for reportable segments	**9,170**	**1,293**	**-**	**10,463**
Amortisation of intangible assets	**-**	**-**	**(3,599)**	**(3,599)**
Depreciation	**(648)**	**(1,234)**	**-**	**(1,882)**
Exceptional items (net)	**-**	**-**	**115**	**115**
Other operating income	**-**	**-**	**376**	**376**
Share-based payment charges	**-**	**-**	**(1,050)**	**(1,050)**
Interest receivable/payable(net)	**31**	**(34)**	**-**	**(3)**
Share of result of equity accounted investees	**-**	**-**	**(309)**	**(309)**
Consolidated profit before tax	**8,553**	**25**	**(4,467)**	**4,111**

	2019			
	Rail Technology & Services	Traffic & Data Services	Unallocated	Total
	£000	£000	£000	£000
Revenues				
Total revenue for reportable segments	21,934	27,285	-	49,219
Consolidated revenue	21,934	27,285	-	49,219
Profit or loss				
EBITDA for reportable segments	6,932	3,582	-	10,514
Amortisation of intangible assets	-	-	(2,251)	(2,251)
Depreciation	(166)	(665)	-	(831)
Exceptional items (net)	(60)	(1)	99	38
Other operating income	-	-	260	260
Share-based payment charges	-	-	(1,034)	(1,034)
Interest receivable/payable(net)	-	-	37	37
Share of result of equity accounted investees	-	-	(174)	(174)
Consolidated profit before tax	6,706	2,916	(3,063)	6,559

	2020			
	Rail Technology & Services £'000	**Traffic & Data Services £000**	**Unallocated £000**	**Total £000**
Assets				
Total assets for reportable segments (exc. cash)	**5,551**	**4,842**	**-**	**10,393**
Intangible assets and investments	**-**	**-**	**55,465**	**55,465**
Deferred tax assets	**-**	**-**	**877**	**877**
Cash and cash equivalents	**11,254**	**4,676**	**1,990**	**17,920**
Consolidated total assets	**16,805**	**9,518**	**58,332**	**84,655**
Liabilities				
Total liabilities for reportable segments	**12,102**	**3,960**	**-**	**16,062**
Deferred tax liabilities	**-**	**-**	**8,234**	**8,234**
Contingent consideration	**-**	**-**	**7,334**	**7,334**
Consolidated total liabilities	**12,102**	**3,960**	**15,568**	**31,630**

	2019			
	Rail Technology & Services £'000	Traffic & Data Services £000	Unallocated £000	Total £000
Assets				
Total assets for reportable segments (exc. cash)	3,257	9,531	-	12,788
Intangible assets and investments	-	-	40,510	40,510
Deferred tax assets	-	-	667	667
Cash and cash equivalents	12,866	5,817	5,421	24,104
Consolidated total assets	16,123	15,348	46,598	78,069
Liabilities				
Total liabilities for reportable segments	(10,568)	(7,435)	-	(18,003)
Deferred tax	-	-	(5,942)	(5,942)
Contingent consideration	-	-	(6,183)	(6,183)
Consolidated total liabilities	(10,568)	(7,435)	(12,125)	(30,128)

4 Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 31 July 2020 was based on the profit attributable to ordinary shareholders of £2,877,000 (2019: £5,071,000) and a weighted average number of ordinary shares in issue of 28,919,000 (2019: 28,521,000), calculated as follows:

Weighted average number of ordinary shares

In thousands of shares

	2020	2019
Issued ordinary shares at 1 August	**28,749**	28,334
Effect of shares issued related to business combinations	**76**	54
Effect of shares issued for cash	**94**	133
Weighted average number of shares at 31 July	**28,919**	28,521

Diluted earnings per share

The calculation of diluted earnings per share at 31 July 2020 was based on profit attributable to ordinary shareholders of £2,877,000 (2019: £5,071,000) and a weighted average number of ordinary shares in issue after adjustment for the effects of all dilutive potential ordinary shares of 29,740,000 (2019: 29,387,000):

Adjusted EPS

In addition, Adjusted Profit EPS is shown below on the grounds that it is a common metric used by the market in monitoring similar businesses. These figures are relevant to the Group and are provided to provide a comparison to similar businesses and are metrics used by Equities Analysts who cover the Group. The largest components of the adjusting items, being amortisation, and share based payment charges are deemed to be 'non cash' in nature, and therefore excluded in order to assist with the understanding of underlying trading. A reconciliation of this figure is provided below. The Group has also presented an 'adjusted Profit' metric as detailed in note 6, with the key difference between the numbers presented below, and those disclosed in note 6 being the income tax charge.

	2020 **£'000**	2019 £'000
Profit attributable to ordinary shareholders	**2,877**	5,071
Amortisation of intangible assets	**3,599**	2,251
Share-based payment charges	**1,050**	1,034
Exceptional items (net)	**(115)**	(38)
Other operating income	**(376)**	(260)
Adjusted profit for EPS purposes	**7,035**	8,058

Weighted average number of ordinary shares

In thousands of shares

For the purposes of calculating Basic earnings per share	**28,919**	28,521
Adjustment for the effects of all dilutive potential ordinary shares	**821**	866
For the purposes of calculating Dilutive earnings per share	**29,740**	29,387

Basic adjusted earnings per share	**24.33p**	28.25p
Diluted adjusted earnings per share	**23.66p**	27.42p

5 Dividends

The Group introduced a progressive dividend policy during previous years. The cash cost of the dividend payments is below:

	2020	2019
	£000	£000
Final dividend for 2017/18 of 0.9p per share paid	-	257
Interim dividend for 2018/19 of 0.8p per share paid	-	229
Final dividend for 2018/19 of 1.0p per share paid	288	-
Total dividends paid	288	486

In February 2012, the Board implemented a progressive dividend policy. In view of the challenges and uncertainty caused by Covid-19, the Group decided not to pay an interim dividend for the six months ended 31 January 2020 and committed to reviewing it at the full year stage. The Board does not consider it appropriate to pay a final dividend this year. The impact on cash of not paying the dividend is around £0.6m. The Board is committed to restoring the progressive dividend policy in the future and will review this at the earliest appropriate opportunity.

6 Reconciliation of adjusted profit metrics

In addition to the statutory profit measures of Operating profit and profit before tax, the Group quotes Adjusted EBITDA and Adjusted profit. These figures are relevant to the Group and are provided to provide a comparison to similar businesses and are metrics used by Equities Analysts who cover the Group as they better reflect the underlying performance of the Group, and its ability to generate cash. The largest components of the adjusting items, being depreciation, amortisation, share based payments, and share of associates are 'non cash' items and so separately analysed in order to assist with the understanding of underlying trading. Adjusted EBITDA is defined as Earnings before finance income, tax, depreciation, amortisation, exceptional items, other operating income, and share-based payment charges and share of result of equity accounted investees. Adjusted EBITDA can be reconciled to statutory profit before tax as set out below:

	2020	2019
	£000	£000
Profit before tax	4,111	6,559
Finance income / expense – net	3	(37)
Share-based payment charges	1,050	1,034
Exceptional items - net	(115)	(38)
Other operating income	(376)	(260)
Amortisation of intangible assets	3,599	2,251
Depreciation	1,882	831
Share of result of equity accounted investees	309	174
Adjusted EBITDA	10,463	10,514

Adjusted profit is defined as Earnings before finance income, tax, amortisation, exceptional items, other operating income, share-based payment charges, and share of result of equity accounted investees. Adjusted profit can be reconciled to statutory profit before tax as set out below:

	2020	2019
	£000	£000
Profit before tax	4,111	6,559
Finance income / expense – net	3	(37)
Share-based payment charges	1,050	1,034
Exceptional items - net	(115)	(38)
Other operating income	(376)	(260)
Amortisation of intangible assets	3,599	2,251
Share of result of equity accounted investees	309	174
Adjusted profit	8,581	9,683

Adjusted EBITDA reconciles to adjusted profit as set out below:

	2020	2019
	£000	£000
Adjusted EBITDA	**10,463**	10,514
Depreciation	**(1,882)**	(831)
Adjusted profit	**8,581**	9,683

7 Acquisitions in the current year

On 10 March 2020 the Group acquired iBlocks, a UK based software company that specialises in the provision of smart ticketing solutions, automated delay repay and the development of mission critical back office systems that are used by the Rail Delivery Group, the wider community of train operating companies (TOCs) and the rail supply chain. This acquisition strategically aligns with our objective of strengthening our rail product portfolio in areas where we can offer a unique market proposition, gain access to strategically important partnerships and leverage the cross-selling opportunities that exist across our Rail Technology division. The Group believes that smart/account based ticketing and automated delay repay is a significant and natural growth area for the rail industry and that iBlocks are uniquely placed to help facilitate the move towards a paperless ticketing environment. The acquisition will enhance Tracsis Group's overall technology and software offering and should be significantly earnings enhancing.

The acquisition consideration comprised an initial cash payment of £12.5m which was funded out of Tracsis cash reserves and the issue of shares in Tracsis to a value of £1.5m. An additional payment of £3.0m was also made on a pound for pound basis to reflect the net current asset position of the business, alongside additional contingent consideration of up to £8.5m is payable subject to iBlocks achieving certain stretched profit financial targets in the three years post acquisition.

In the period to 9 March 2020, iBlocks generated revenue of £3.0m, Profit before Tax of £1.1m, and had net assets of £3.5m. The business is highly cash generative, debt free and benefits from an excellent reputation within its retained customer base and wider UK rail industry. Under the terms of the acquisition there is a three year earn out period during which Tracsis expects the business to achieve growth.

The contingent consideration could range from £nil to £8.5m depending on the financial performance over the three years since acquisition and the Directors concluded that £3.9m was the fair value of the contingent consideration payable at the acquisition date and £3.3m at the year end date.

In the period to 31 July 2020 iBlocks contributed revenue of £0.9m and pre tax profit of £0.2m to the Group's results, before amortisation of associated intangible assets and exceptional deal costs. If the acquisition had occurred on 1 August 2019, management estimates that the contribution to Group revenue would have been £2.7m and Group pre tax profit for the period of £0.8m. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 August 2019. The fair value of intangible assets will be assessed throughout the measurement period up to 12 months from the date of acquisition.

Pre-acquisition carrying amounts were determined based on applicable IFRSs, immediately prior to the acquisition. The values of assets and liabilities recognised on acquisition are the estimated fair values. The gross contractual amounts receivable for acquired receivables is consistent with fair value. Acquired receivables are expected to be collected in full following acquisition. The goodwill that arose on acquisition can be attributed to a multitude of assets that cannot readily be separately identified for the purposes of fair value accounting and includes the workforce of iBlocks.

The fair value adjustments arise in accordance with the requirements of IFRSs to recognise intangible assets acquired. In determining the fair values of intangible assets the Group has used discounted cash flow forecasts. The fair value of shares issued was based on market value at the date of issue. The Group incurred acquisition related costs of £0.2m which are included within administrative expenses.

The acquisition had the following effect on the Group's assets and liabilities on the acquisition date:

	Pre-acquisition carrying amount £000	Fair value adjustments £000	Recognised value on acquisition £000
Intangible assets: Technology assets	-	8,919	8,919
Intangible assets: Customer related intangibles	-	3,990	3,990
Tangible fixed assets	33	459	492
Cash and cash equivalents	1,603	-	1,603
Trade and other receivables	1,980	(275)	1,705
Trade and other payables	(484)	-	(484)
Income tax receivable	185	-	185
Lease liabilities	-	(459)	(459)
Deferred tax asset/(liability)	202	(2,453)	(2,251)
Net identified assets and liabilities	3,519	10,181	13,700
Goodwill on acquisition			7,109
			20,809
Consideration paid in cash			15,455
Consideration paid: fair value of shares issued			1,500
Fair value of contingent consideration payable			3,854
Total consideration			20,809

8 Contingent consideration

During the financial year, the Group acquired iBlocks Limited. Under the share purchase agreement in place for this acquisition, contingent consideration is payable which is linked to the profitability of the acquired businesses for a three year period post acquisition. The maximum amount payable is £8.5m, and the fair value of the amount payable was assessed at £3.9m at the acquisition date and £3.3m at the year end date.

During the previous financial year, the Group acquired Cash & Traffic Management Limited, Compass Informatics Limited and Bellvedi Limited. Under the share purchase agreements for each of these companies, contingent consideration is payable which is linked to the profitability of the acquired businesses over a two to four year period post acquisition. The maximum amount payable is £750,000 for Cash & Traffic Management Limited, €2,000,000 for Compass Informatics Limited and £7,900,000 for Bellvedi Limited. The fair value of the amount payable was assessed at £112,000 for Cash & Traffic Management Limited, £681,000 for Compass Informatics Limited and £3,193,000 for Bellvedi Limited.

During the financial year, contingent consideration of £348,000 was paid in respect of the Tracsis Travel Compensation Services Limited acquisition which was made in year ended 31 July 2018 (2019: £84,000), £491,000 in respect of the Cash & Traffic Management Limited acquisition which was made in year ended 31 July 2019 (2019: £nil), £332,000 in respect of the Compass Informatics Limited acquisition which was made in the year ended 31 July 2019 (2019: £nil), and £57,000 in respect of the Bellvedi Limited acquisition which was made in the year ended 31 July 2019 (2019: £nil)

At the balance sheet date, the Directors assessed the fair value of the remaining amounts payable which were deemed to be as follows.

	2020 £000	2019 £000
Tracsis Travel Compensation Services Limited & Delay Repay Sniper Ltd	**88**	394
Cash & Travel Management Limited	**112**	600
Compass Informatics Limited	**681**	1,132
Bellvedi Limited	**3,193**	4,057
iBlocks Limited	**3,260**	-
	7,334	6,183

The Group has made numerous acquisitions over the past few years and carries contingent consideration payable in respect of them, which is considered to be a 'Level 3 financial liability' as defined by IFRS 13. These are carried at fair value, which is based on the estimated amounts payable based on the provisions of the Share Purchase Agreements which specify the specific arrangements and calculations relating to each acquisition. This involves assumptions about future profit forecasts, which results from assumptions about revenues and costs, and is discounted back to the present value using an appropriate discount rate and an estimate of when it is expected to be payable. A range of outcomes is considered, and a probability/likelihood weighting is applied to each of them in order to produce a weighted assessment of the amount payable.

The Group has considered multiple profit related scenarios in estimating the fair value of contingent consideration payable in the future. In all cases, contingent consideration payable could range from zero to the maximum amount included in the Share Purchase Agreements. Each Share Purchase Agreement contains different provisions for calculating contingent consideration, timeframes over which it is calculated and payable, and therefore sensitivities regarding the total amount to be paid. The movement on contingent consideration can be summarised as follows:

	2020	2019
	£000	£000
At the start of the year	**6,183**	3,265
Arising on acquisition	**3,854**	5,789
Cash payment	**(1,228)**	(2,149)
Fair value adjustment to Statement of Comprehensive Income	**(1,475)**	(722)
At the end of the year	**7,334**	6,183

The ageing profile of the remaining liabilities can be summarised as follows:

	2020	2019
	£000	£000
Payable in less than one year	**1,747**	879
Payable in more than one year	**5,587**	5,304
Total	**7,334**	6,183

9 Exceptional items

The Group incurred a number of exceptional items in 2020 and 2019 which are analysed as follows:

	2020	2019
	£000	£000
Impairment losses		
Non cash:		
Goodwill and investment impairment	**1,155**	623
Total impairment losses	**1,155**	623
Other		
Non cash:		
Contingent consideration fair value adjustment	**(1,475)**	(722)
Cash:		
Disposal of non core data capture operation	**-**	(179)
Legal and professional fees in respect of acquisitions	**205**	240
Total other	**(1,270)**	(661)
Total exceptional items	**(115)**	(38)

	2020	2019
Split	**£000**	£000
Non cash	**(320)**	(99)
Cash	**205**	61
Total	**(115)**	(38)

2020

During 2020, the Group acquired iBlocks Limited and incurred £205,000 of exceptional deal related costs as a result. In addition, the Group reviewed the carrying value of the investment in Citi Logik Limited and concluded it was impaired, and as such a loss of £300,000 was recognised. A further impairment charge of £855,000 was also made against the remaining intangible assets of Tracsis Travel Compensation Services Limited. An exercise has additionally been completed to assess the fair value of contingent consideration payable at the year end date across recent acquisitions. An exceptional credit has been recognised in the year totalling £1,475,000 as a result of this exercise. These are all deemed to be exceptional items due to the size and volatility of the items which can vary significantly from year to year.

2019

During 2019, the Group acquired Compass Informatics Limited, Cash & Traffic Management Limited and Bellvedi Limited, and incurred £240,000 of exceptional deal related costs as a result. The Group also disposed of a small, non core data capture business with a net profit on disposal of £179,000. This operation had revenue in the period prior to its disposal of £0.3m and a profit/loss of £nil. The Group conducted a review of the remaining intangible assets which arose on the acquisition of Travel Compensation Services Limited (renamed Tracsis Travel Compensation Services Limited) and Delay Repay Sniper Limited. Following this review, the Group has determined that an impairment of £623,000 existed in goodwill. The contingent consideration related to this acquisition was also re-assessed, resulting in an exceptional credit to the Statement of Comprehensive Income of £722,000.

10 Annual Report and Annual General Meeting

The Company anticipates dispatching a copy of its annual report and accounts to all shareholders in early December 2020. A copy will also be available on the Company's website www.tracsis.com.

The Annual General Meeting of the Company will be held at Nexus, Discovery Way, Leeds, LS2 3AA on 19 January 2021 at 1pm. In view of the current situation regarding Covid-19, it is unlikely that shareholders will be able to attend in person. Further details will be provided in due course.