

5 December 2022

Induction Healthcare Group PLC
(“Induction”, the “Company”, or the “Group”)

Unaudited Interim Results
for the six months ended 30 September 2022

Induction Healthcare (AIM: INHC), a leading digital health platform driving transformation of healthcare systems, announces its unaudited interim results for the six months ended 30 September 2022, a period of continued revenue growth driven by the Company’s leading position providing products to support the digitization of healthcare delivery.

Induction’s products power remote consultations, capture patient reported data and empower patients to self-manage their care pathway. They are designed around the needs of the patient and deliver cost and efficiency benefits to hospitals, regional care systems and governments. Used at scale by national and regional healthcare systems, Induction’s applications are relied upon by hundreds of thousands of clinicians and millions of patients across almost every hospital in the British Isles.

Financial Highlights

- Recorded Revenues up 54% to £7.1m (H1 2021: £4.6m) with organic growth across key products
 - *Induction Attend Anywhere revenues £5.6m (H1 2021: £3.6m)*
 - *Induction Zesty revenue £1.1m (H1 2021: £0.6m)*
- Adjusted EBITDA loss of £0.9m (H1 2021: £0.7m)
- Annual Recurring Revenues (“ARR”) at period end of £14.5m up from £13.5m at the start of H1 2022
- Cash position as at 30 September 2022 of £9.0m (31 March 2022: £7.5m)

Operational Highlights

- Strong start to the financial year with better-than-expected Induction Attend Anywhere renewals across NHS England
- Value Added Reseller agreement signed with System C for Induction Zesty
- Induction Zesty contracts with 8 further hospitals in England, building on the previously announced contract win with 4 hospitals in South West London
- Christopher Samler appointed as Non-Executive Chairman

James Balmain, CEO of Induction, said: *“We are confident that the business is well-positioned to deliver continued revenue growth from its core products, Induction Attend Anywhere and Induction Zesty. It is however apparent that the rate of growth this year will be impacted by the delays we’ve seen in the implementation of centrally funded digitisation programmes and the general political turmoil of recent months. We don’t expect to see these opportunities drop away, rather they are now more likely to conclude next financial year.*

Despite these headwinds, we remain confident that overall year end revenues will show an improvement of at least 75% against our year end 31 March 2022 recognised revenues of £7.9m and we expect to grow our recurring revenues by at least 23% year on year. Both of these key metrics, whilst encouraging, are lower than our expectation and as a result the business is heavily focussed on underlying profitability and cash. We have initiated programmes internally to ensure our business is sized correctly to capture growth and to ensure that we do not have to raise further working capital pending reaching our objective of cash-flow breakeven by the fourth quarter of next financial year.

Nothing has changed in terms of the critical need to further advance the digital transformation of the NHS, and in particular to drive efficiencies and support the reduction of extended waiting times. The strategic pillars for growth, as described in our recently published Annual Report remain as relevant as before and we remain confident about the future prospects of the Group.”

Investor Presentation

The Company will be hosting a live online presentation via the Investor Meet Company platform at 4pm (GMT) today. The presentation is open to all existing and potential shareholders.

Investors can sign up to Investor Meet Company for free and register for the presentation here:

<https://www.investormeetcompany.com/induction-healthcare-group-plc/register-investor>.

A recording of the presentation, a PDF of the slides used, and responses to the Q&A session will be available on the Investor Meet Company platform and the Company's investor website afterwards.

ENQUIRIES

Induction

James Balmain, Chief Executive Officer
Christopher Samler, Chair

Via Walbrook PR Ltd: induction@walbrookpr.com

Singer Capital Markets (Nominated Adviser and Broker)
Philip Davies / Kailey Aliyar

+44 (0)20 7496 3000

Walbrook PR Ltd

Paul McManus / Alice Woodings

induction@walbrookpr.com
Mob: +44 (0)7980 541 893 / +44 (0)7407 804 654

About Induction - www.inductionhealthcare.com

Induction (AIM: INHC) Induction delivers a suite of software solutions through a single integrated platform that transforms care delivery. Our system-wide applications help healthcare providers and administrators to deliver care at any stage remotely as well as face-to-face – giving the communities they serve greater flexibility, control and ease of access. Purpose-built for integration with leading Electronic Medical Record (EMR) platforms, our products offer immediate stand-alone value that becomes even greater when integrated with pre-existing systems.

Used at scale by national and regional healthcare systems, as well non-health government services, our applications are relied upon by hundreds of thousands of clinicians and millions of patients across almost every hospital in the British Isles.

CEO REVIEW

Overview

Over the last six months we have seen continued year-on-year revenue growth from our Induction Zesty patient engagement platform and maintained strong annually recurring revenue from our Induction Attend Anywhere video consultation platform, building on a successful renewal of key NHS England contracts at the start of the year.

The need to continue the digital transformation of the NHS remains as strong as ever. Despite recent political and economic turmoil in the UK, delivering this transformation is still very much a key focus for the Government and NHS bodies across the UK. There is committed funding to support the roll-out of software that will help reduce NHS waiting lists.

However, the allocation of this central capital to fund key digital programmes has been slower than expected. Central funding and policy guidance is now in place to drive all hospitals in England to have suitable patient engagement platforms in place by the end of March 2023. This has had the net effect of deferring some expected contract wins and their associated revenue into next financial year.

Induction is well positioned to receive new contracts as a result of this funding:

- Induction Attend Anywhere is the leading hospital video consultation platform throughout NHS England
- Induction Zesty's selected as one of the first four patient engagement platforms to be directly integrated into the NHS App
- To qualify for central funding NHS Trusts have been strongly encouraged to procure those platforms that have integrated into the NHS App
- Induction's unique Value Added Reseller Agreements with both Oracle Cerner and System C for Induction Zesty allows Induction to exclusively capture separate funding made available for upgrades to hospital EMR systems.

H1 performance

Overall recorded revenues for the first half showed an improvement of just over 54% to £7.1m (H1 2021: £4.6m).

We continue to work closely with NHS Wales, NHS Scotland and the Scottish government in ensuring Induction Attend Anywhere continues to deliver a high quality service to the millions of users it serves. Looking ahead to the second half of this year, we remain confident in key H2 contract renewals with these customers.

We have seen some delays in the roll-out of Induction Attend Anywhere in relation to the Department of Work and Pensions (DWP) contract announced in November 2021 as we seek to meet changing platform requirements from the DWP. Completion of these platform updates will be required before the DWP can make the platform available to a wider range of departments, a key driver of increased revenue.

As announced in April, the South West London ICS, comprising four NHS Acute Trusts, signed up to deploy Induction Zesty to support their outpatient transformation programme. Building on this, eight further hospitals have been signed as at 30 September. Induction Zesty revenues nearly doubled to £1.1m (H1 2021: £0.6m) and, for the reasons described above, we believe we will see further significant sales growth in Induction Zesty sales in the second half and through into the next financial year, albeit at a slower rate than originally anticipated.

Other Induction products (our clinical apps Induction Guidance and Induction Switch) delivered revenues of £0.4m (H1 2021: £0.3m). As we've stated in our Annual Report, given the relatively minor contribution of these clinical apps to overall group revenues, as well as their cost base, we are considering the future role of clinical apps within the group.

At the period end, the Group recorded £14.5m of annual recurring revenue (compared to £13.5m at the start of H1 2022) with recurring revenue for the period accounting for over 90% of total revenues.

In the first half we recorded an adjusted EBITDA loss of £0.9m (H1 2021: £0.7m).

Cash position

The Group ended the first half with cash on hand of £9.0m (31 March 2022: £7.5m).

We currently expect revenue for the full year to be approximately £3m lower than forecast. In addition, we expect cost escalations of £0.9m relating to increased hosting costs (AWS) and adverse foreign exchange movements versus the US Dollar which is the payment currency of many of our IT services. To offset this, the business is conducting an immediate review of its expenditure to align with the current and expected future growth of our public sector customer base. These and other related savings will be material and are to be initiated forthwith, although the benefits are not expected to fully flow through until the first half of next financial year.

The majority, by value, of our main Induction Attend Anywhere contracts renew at the end of March. We therefore receive significant cash inflows during April and May. A notable feature of the recent upheaval across public sector finance is a move towards fewer advance payments and a trend towards quarterly payments. These two trends further underline the need to tightly manage our expenditure, enforce our contractual payment terms more rigorously and drive the business towards profitability. The Group considers that it should give more prominence to adjusted operating income (free cash flow) which will provide investors with a clearer view of cash generation from operations.

Whilst we currently do not foresee a need for further working capital, it is not yet possible to fully quantify the value and timing of our major contracts or the cadence of their cash inflows. The Group intends to update its guidance on this metric, providing investors with additional clarity in due course. In the meantime, we recognise the need to take a conservative approach to cash and cash management.

Board Changes

During the first half we announced a number of Board changes as part of the natural evolution of the business. In May 2022 Dr Hugo Stephenson returned to the Non-executive Director role he originally held on admission to AIM in May 2019, and in July 2022 we announced the appointment of Christopher Samler as Non-Executive Chairman and the executive team are delighted to benefit from their combined experience and support as we drive the business forward.

Ian Johnson has been appointed to the Board as the Senior Independent Director ('SID') replacing Leslie-Ann Reed who will be stepping down following completion of her three-year term. Ian brings over 30 years of Board experience working with quoted and private companies in the Life Sciences space, having spent a career providing strategic direction and business development expertise. He has a proven track record of overseeing business growth and providing commercial advice through scale-up, organic growth and M&A activity.

More recently, Guy Mitchell has stepped down as the company CFO and is replaced by John McIntosh as Interim CFO. The board will commence a process to recruit a permanent CFO.

James Balmain
Chief Executive Officer

Condensed Income Statement (Unaudited)
For the six months ended 30 September 2022

		30 September 2022	30 September 2021
		Unaudited	Unaudited
	Note	£'000	£'000
Revenue from contracts with customers	2	7,118	4,593
Cost of sales		(2,414)	(997)
Gross Profit		4,704	3,596
Sales and marketing expenses	3	(821)	(514)
Development expenses	3	(4,159)	(2,711)
Administrative expenses	3	(4,237)	(5,959)
Operating loss		(4,513)	(5,588)
Finance Costs		(4)	(12)
Finance Income		-	-
Loss before tax		(4,517)	(5,600)
Taxation		(311)	(404)
Loss for the financial period		(4,828)	(6,004)
Attributable to:			
Equity holders of the parent		(4,828)	(6,004)
		(4,828)	(6,004)
Loss per share from operations			
- Basic	4	(0.06)	(0.08)
- Diluted	4	(0.06)	(0.08)

Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the six months ended 30 September 2022

		30 September 2022	30 September 2021
	Note	Unaudited £'000	Unaudited £'000
Loss for the period		(4,828)	(6,004)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation differences		457	(59)
Reclassified to profit and loss during the period		(801)	9
Other comprehensive income for the financial period		(344)	50
Total comprehensive loss for the financial period		(5,172)	(6,054)
Attributable to:			
Equity holders of the parent		(5,172)	(6,054)
		(5,172)	(6,054)
Loss per share:			
Basic loss per share (£)	4	(0.06)	(0.08)
Diluted loss per share (£)	4	(0.06)	(0.08)

Unaudited Condensed Consolidated Statement of Financial Position
As at 30 September 2022

		30 September 2022	31 March 2022
	Note	Unaudited £'000	Unaudited £'000
Non-current assets			
Goodwill	6	19,758	19,758
Intangible Assets	6	20,213	20,962
Property, Plant and Equipment		213	244
Deferred tax assets		1,549	1,540
		41,733	42,504
Current assets			
Trade and other receivables	7	3,543	3,349
Contract Assets	2	2,090	787
Current tax receivable		1,208	1,240
Cash and cash equivalents	7	8,978	7,495
		15,819	12,872
Total assets		57,552	55,376
Non-current liabilities			
Contract liabilities	2	(310)	(326)
Deferred tax liabilities	2	(5,833)	(5,851)
Other financial liabilities	2	(170)	(128)
		(6,313)	(6,305)
Current liabilities			
Trade and other payables	8	(4,316)	(3,365)
Contract liabilities		(8,944)	(2,580)
Current tax payable		(833)	(789)
Other financial liabilities		-	(73)
		(14,093)	(6,806)
Total liabilities		(20,406)	(13,111)
Net assets/(liabilities)		37,146	42,265
Equity attributable to equity holders of the parent			
Share capital	9	471	460
Share premium	9	41,665	41,665
Translation reserve	9	457	801
Other reserves	9	1,447	1,405
Merger reserve	9	20,206	20,206
Accumulated deficit		(27,100)	(22,272)
Total equity		37,146	42,265

Unaudited Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 September 2022

	Share Capital £'000	Share Premium £'000	Translation reserve £'000	Other reserve £'000	Merger reserve £'000	Accumulated deficit £'000	Total equity £'000
Balance at 1 April 2022	460	41,665	801	1,405	20,206	(22,272)	42,265
Total comprehensive loss for the period							
Loss for the period	-	-	-	-	-	(4,828)	(4,828)
Other comprehensive loss for the period	-	-	(344)	-	-	-	(344)
Total comprehensive loss for the period	-	-	(344)	-	-	(4,828)	(5,172)
Transactions with owners, in their capacity as owners							
Issue of ordinary shares	11	-	-	(204)	-	-	(193)
Issue of ordinary shares as consideration for a business combination	-	-	-	-	-	-	-
Equity-settled share-based payments	-	-	-	246	-	-	246
Total contributions by and distributions to owners	11	-	-	42	-	-	53
Balance at 30 September 2022	471	41,665	457	1,447	20,206	(27,100)	37,146

Unaudited Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 September 2022

	Share Capital £'000	Share Premium £'000	Translation reserve £'000	Other reserve £'000	Merger reserve £'000	Accumulated deficit £'000	Total equity £'000
Balance at 1 April 2021	210	18,432	(9)	792	10,879	(13,838)	16,466
Total comprehensive loss for the period							
Loss for the period	-	-	-	-	-	(6,004)	(6,004)
Other comprehensive loss for the period	-	-	(50)	-	-	-	37
Total comprehensive loss for the period	-	-	(50)	-	-	(6,004)	(6,004)
Transactions with owners, in their capacity as owners							
Issue of ordinary shares	179	24,821	-	-	-	-	25,000
Issue of ordinary shares as consideration for a business combination	71	-	-	-	8,928	-	9,000
Equity-settled share-based payments	-	-	-	332	-	-	332
Total contributions by and distributions to owners	250	28,821	-	332	8,928	-	34,332
Balance at 30 September 2021	460	43,253	(59)	1,124	19,807	(19,842)	44,747

Unaudited Condensed Consolidated Statement of Cash Flows
For the six months ended 30 September 2022

	For the period ended 30 September 2022 £'000	For the period ended 30 September 2021 £'000
Cash flows from operating activities		
Loss for the financial period	(4,828)	(6,004)
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	39	4
Amortisation and impairment of intangible assets	2,363	1,569
Finance costs	4	12
Finance income	-	-
Share-based payment expense	246	332
Net foreign exchange differences	-	49
Fair value adjustment of contingent consideration	-	-
Net loss arising on fair value adjustments of deferred income	-	1,742
Taxation	311	404
	2,963	4,112
Decrease / (Increase) in trade and other receivables and contract assets	(1,500)	3,911
(Decrease) / Increase in trade and other payables and contract liabilities	7,303	(1,491)
Interest received	-	-
Interest paid	(4)	(12)
Income taxes received	44	-
Income taxes paid	(288)	(404)
Net cash generated from / (used in) operating activities	3,690	112
Cash flows from investing activities		
Payments for acquiring businesses, net of cash acquired	-	(13,486)
Payment of software development costs	(1,615)	(1,207)
Acquisitions of property, plant and equipment	(5)	-
Net cash from investing activities	(1,620)	(14,693)
Cash flow from financial activities		
Repayments of loans and borrowings	-	-
Share issue costs	-	-
Share issue proceeds	(194)	25,000
Net cash from financing activities	(194)	25,000
Net increase in cash equivalents	1,876	10,419
Cash and cash equivalents at the beginning of the financial period	7,495	2,472
Effects of exchange rate changes on cash and cash equivalents	(393)	(49)
Cash and cash equivalents at the end of the financial period	8,978	12,842

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

1. Accounting Policies

1.1 Reporting entity

Induction Healthcare Group PLC (“Induction”, the “Group” or the “Company”) is publicly listed on the AIM market of the London Stock Exchange (“LSE”), and incorporated, domiciled and registered in the United Kingdom. The registered number is 11852026 and the registered address is 20 St. Dunstan’s Hill, London, United Kingdom, EC3R 8HL. Induction is a leading healthcare technology company helping to streamline delivery of care by providing software to healthcare professionals.

As of 30 September 2022, Induction Healthcare Group PLC comprised of nine legal subsidiaries, that are majority owned and controlled, and therefore fully consolidated in the Company’s consolidated financial statements. Details of the Company’s subsidiaries are included in note 5.

1.2 Basis of preparation

These interim financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards (“Adopted IFRSs”). They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the most recent annual consolidated financial information included in the annual report and accounts as of and for the year ended 31 March 2022.

The accounting policies applied are consistent with those applied in the most recent consolidated annual report and accounts for the year ended 31 March 2022, which are available on the Company’s website at www.inductionhealthcare.com under “Investors – Financial reports & publications.”

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtained control and continue to be consolidated until the date when such control ceases. The financial information of the subsidiaries is prepared for the same reporting period as the Group, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, the assets and liabilities are derecognised along with any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

These interim condensed consolidated financial statements are unaudited and were approved by the Board of Directors and authorised for issue on 5 December 2022 and are available on the Company’s website at www.inductionhealthcare.com under “Investors – Financial reports & publications”.

2. Revenue

2.1 Revenue by performance obligations

	Period to 30 September 2022 £'000	Period to 30 September 2021 £'000
Provision of software	6,296	4,382
Post-contract support and maintenance	103	76
Set-up services	30	3
Professional services	492	-
Text message revenue	197	132
Total Revenue from contracts with customers	7,118	4,593

2.2 Revenue by geographical location

	Period to 30 September 2022 £'000	Period to 30 September 2021 £'000
United Kingdom	7,086	4,528
Europe	7	6
United States	9	8
Rest of World	16	51
Total Revenue from contracts with customers	7,118	4,593

2.3 Revenue by product line

	Period to 30 September 2022 £'000	Period to 30 September 2021 £'000
Induction Anywhere	5,600	3,638
Induction Zesty	1,162	617
Induction Guidance	340	322
Induction Switch	16	16
Total Revenue from contracts with customers	7,118	4,593

2.4 Timing of revenue recognition

	Period to 30 September 2022 £'000	Period to 30 September 2021 £'000
Services transferred over time	6,628	4,451
Services transferred at a point in time	490	142
Total Revenue from contracts with customers	7,118	4,593

2.5 Contract balances

	30 September 2022 £'000	31 March 2022 £'000
Trade receivables	2,121	1,039
Contract assets	2,090	399
Contract liabilities	(9,254)	(2,657)

3. Expenses by nature

	Period to 30 September 2022 £'000	Period to 30 September 2021 £'000
Employee benefit expense	4,810	3,444
Contractors	1,858	1,520
Fundraise and acquisition related transaction costs	-	1,613
Amortisation of intangible assets	2,363	1,568
Depreciation of property, plant and equipment	39	4
Professional and legal fees	251	56
Research and development expense capitalised	(1,615)	(1,207)
Remeasurement of contingent consideration	-	-
Fair value adjustments on contract liabilities	-	1,742

4. Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

Loss attributable to ordinary shares (basic and diluted)

	30 September 2022 £'000	30 September 2021 £'000
Loss attributable to ordinary shares (basic and diluted)	(4,828)	(6,004)
	(4,828)	(6,004)

Weighted average number of ordinary shares (basic and diluted)

	Period to 30 September 2022	Period to 30 September 2021
Shares in issue on 1 April	92,050,727	42,050,728
Shares issued	248,089	35,714,285
Shares issued in a business combination	-	14,285,714
Issued ordinary shares as at the end of the period	92,298,816	92,050,727
Weighted-average number of ordinary shares (basic and diluted)	73,413,131	72,925,044
Basic loss per share	(0.06)	(0.08)
Diluted loss per share	(0.06)	(0.08)

5. Investments in subsidiaries

Company	Registered number	Principal activities	Country of incorporation	Ownership	
				30 September 2022	31 March 2022
Induction Healthcare Limited	11232772	Investment Holding Company	United Kingdom	100%	100%
Induction Healthcare (UK) Limited	11237890	Provision of software to healthcare providers	United Kingdom	100%	100%
Induction Healthcare Pty Ltd	625119397	Provision of software to healthcare providers	Australia	100%	100%
Podmedics Limited	6840040	Dormant	United Kingdom	100%	100%
Horizon Strategic Partners Limited	6285278	Provision of software to healthcare providers	United Kingdom	100%	100%
Zesty Limited	08294659	Provision of software to healthcare providers	United Kingdom	100%	100%
Attend Anywhere Pty Ltd	081211707	Provision of software to healthcare providers	Australia	100%	100%
Attend Anywhere Limited	11883931	Provision of software to healthcare providers	United Kingdom	100%	100%
A.C.N. 167 231 307 Pty Ltd	167231307	Investment Holding Company	Australia	100%	100%

6. Goodwill and intangible assets

	Goodwill	Technology	Users	Tradename	Development costs	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
Balance at 31 March 2022	20,175	7,972	9,460	633	9,442	47,682
Recognised on acquisitions	-	-	-	-	-	-
Internally developed	-	-	-	-	1,615	1,615
Translation differences	-	-	-	-	-	-
At 30 September 2022	20,175	7,972	9,460	633	11,057	49,297
Amortisation						
Balance at 31 March 2022	418	1,532	1,386	144	3,482	6,962
Recognised on acquisitions	-	-	-	-	-	-
Provided during the year	-	719	645	31	968	2,363
Translation differences	-	-	-	-	-	-
At 30 September 2022	418	2,251	2,031	175	4,450	9,325
Net book value						
At 31 March 2022	19,757	6,440	8,074	489	5,960	40,720
At 30 September 2022	19,757	5,721	7,429	458	6,607	39,972

7. Trade and other receivables

	30 September 2022	31 March 2022
	£'000	£'000
Receivables from third-party customers	2,880	2,900
Other receivables	210	116
Prepayments	373	251
Social security and other taxes receivable	80	82
	3,543	3,349
Allowance for credit losses	-	-
	3,543	3,349

Trade receivables are non-interest bearing and are generally on terms of 30 days. Included within trade and other receivables is £nil expected to be recovered in more than 12 months.

Cash and cash equivalents

	30 September 2021	31 March 2022
	£'000	£'000
Cash at banks and on hand	8,978	6,995
Short-term deposits	-	500
Cash and cash equivalents per the statement of financial position and cash flow statement	8,978	7,495

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made on a weekly basis, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

8. Trade and other payables

	30 September 2022	31 March 2022
	£'000	£'000
Trade payables	833	901
Accruals	1,864	1,680
Social security and other taxes	230	238
Other payables	1,389	108
Current tax payable	833	765
	<u>5,149</u>	<u>3,692</u>

Included within trade and other payables is £nil expected to be settled in more than 12 months.

All trade and other payables are non-interest bearing and are normally settled on 30 day terms.

9. Capital and Reserves

9.1 Share Capital

	2022		2021	
	No. of shares (‘000)	£'000	No. of shares (‘000)	£'000
In issue at 1 April	92,051	460	42,051	210
Issue of ordinary shares as consideration for a business combination	-	-	14,286	71
Issue of ordinary shares	248	1	35,714	179
In issue at 30 September	<u>92,299</u>	<u>461</u>	<u>92,051</u>	<u>460</u>

9.2 Share Premium

	2022 £'000	2021 £'000 (Restated)
At 1 April	41,665	18,432
Issue of ordinary shares as consideration for a business combination	-	23,223
At 30 September	<u>41,665</u>	<u>41,665</u>

9.3 Merger Reserve

	2022 £'000	2021 £'000 (Restated)
At 1 April 2022	20,206	10,879
Issue of ordinary shares as consideration for a business combination	-	9,327
Transaction costs on issue of shares	-	-
At 30 September 2022	<u>20,206</u>	<u>20,206</u>

During the completion of the annual report and accounts for 31 March 2022, amounts recognised in share premium that related to the issuance of ordinary shares as consideration for a business combination were reclassified to the merger reserve. Management have therefore restated the amounts presented for the merger reserve and for the share premium for the 6 months ended 30 September 2021 to reflect this.

10. Related Parties

Transactions with key management personnel

The compensation of key management personnel (directors) is as follows:

	30 September 2022 £'000	30 September 2021 £'000
Short-term employee benefits	338	384
Post-employment pension and other benefits	8	6
Termination benefits	-	-
Share based payment transactions	123	123
Key management remuneration including social security costs	469	513
Total compensation paid to key management personnel	469	513