

Fourth track planned by InvestBX-listed karting company

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By Marc Reeves - Editor, West Midlands



TEAMWORKS Karting, one of only three companies to be floated on West Midlands stock exchange InvestBX, has announced the acquisition of its fourth site.

The company operates indoor karting tracks using electric vehicles in Digbeth, Birmingham, where it is headquartered, and in [Letchworth and Reading](#). Its fourth centre will be opened in Peterborough in April, said chief executive Simone Schehtman.

The latest acquisition has been mainly funded by a rights issue. The group was firmly on the acquisition trail, said Ms Schehtman, taking advantage of falling commercial property values, and the economies of scale the company was starting to see come through as it expanded its network of tracks.

She said: "We're also seeing individually-owned tracks around the country struggling with the economic downturn, whereas we're getting more efficient. As they start to hit the wall, we're in a good position to acquire. There are certainly a couple more tracks in our sights, and I wouldn't rule out an entry into the London market.

"We believe that is where there will be the most demand for what we offer, and now even in the capital, property owners are more and more prepared to do the right kind of deals."

"We have also seen investors respond to the rights issue, with applications coming in at 45p a share, compared to the 36p we floated at in spring 2008."

Further funding may come from asset financing, said Ms Schehtman, as the resale market for the electric vehicles used by the company was starting to grow.

The last available accounts for Teamworks Karting Group plc are made up to the year ending February 28 2010, and show the group making a net loss of £79,378 on a turnover of £892,007.

Ms Schehtman said: "2009 and 2010 were very hard for businesses like ours that rely on discretionary spending. However, the growth of the business, and in particular the opening of our third track in Letchworth, has allowed us to capture economies of scale that have put the business on a firm financial footing, and back into profit.

"Further expansion will develop those economies still further. Hence our enthusiasm for the fourth venue now coming on stream and the additional sites we have identified for expansion."