



*Wheelsure Holdings plc*

**Annual Report and Accounts 2015**

**REGISTERED NUMBER: 04757497**  
**(England and Wales)**

# *Contents*

Company Information	3
Chairman's Statement & Strategic Report	4
Report of the Directors	7
Report of the Independent Auditors	10
Consolidated Profit and Loss Account	12
Consolidated Balance Sheet	13
Company Balance Sheet	14
Consolidated Cash Flow Statement	15
Notes to the Consolidated Financial Statements	16
Notice of Annual General Meeting	27

## *Company Information*

<b>Directors:</b>	G Dodl J Allen G Mulder D Vile
<b>Secretary:</b>	G Cresswell
<b>Registered Office:</b>	8 Woburn Street Ampthill Bedfordshire MK45 2HP
<b>Registered Number:</b>	04757497 (England and Wales)
<b>Auditors:</b>	Rothmans Audit LLP Chartered Accountants and Statutory Auditors Avebury House St Peter Street Winchester Hampshire SO23 8BN
<b>ISDX Corporate Adviser and Broker:</b>	Daniel Stewart & Company Plc 33 Creechurch Lane London EC3A 5EB
<b>Registrars:</b>	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA

# *Chairman's Statement and Strategic Report*

*for the year ended 31 August 2015*

I am delighted to announce the results for the year ended 31 August 2015 which was a year of genuine progress for the Company:

- Sales of £239,525 an increase of 66% compared with 2014 (£144,434);
- Significantly reduced loss of £228,029 (2014: £406,417);
- Initial sales in Germany;
- Post year-end fund raising of £240,500, and
- Receipt of key technical approvals.

These improving figures reflect the new momentum being developed in our strategic Tracksure territories which I comment on in greater detail below. I am pleased to report at last, that these sales figures reflect the increasing repeat business we are now experiencing as a result of all the effort that has gone into building the Company over many years. They are an excellent indicator of the progress we are making.

A brief outline of the progress being made is as follows:

## **UK**

Sales to London Underground Limited (LUL) continue to develop with both the number of track applications and tube lines within LUL widening. The Board is confident that these positive trends will continue with LUL. Since the year end we have developed further business with Docklands Light Railway (DLR) with £32,500 worth of new orders received. This is exciting because it enhances the overall business we are now doing with Transport for London.

## **Italy**

Our business in Italy, built on the back of the previously reported technical approval from Rete Ferroviaria Italiana (RFI), continues to make progress, although the administration associated with the approval and supplier status has meant that this has been slower than anticipated. The Board is confident that this situation will improve and the fact that orders have already been received for 35 crossings for delivery in the first quarter of 2016, from both RFI and private rail operators, reflect this optimism.

## **Germany**

As previously reported, our first sales in Germany totalling €55,000 have now been made to Siemens AG for Tracksure products. These will be used on brake retarders for DB Netz AG (DB). This success follows a considerable period of testing and trialling in this important track application. In addition, we have also achieved "Approved Supplier" status with DB. These developments are positive in both Germany and also Austria, where they have led to our first fitting in the Salzburg area.

## **Holland**

Tracksure has now received formal technical approval from ProRail Holland and, since the year end, has signed Heads of Terms with Strukton Rail Nederland B.V. ("Strukton"). I am delighted to tell you that we have now received our first order from this company for delivery in the first quarter of 2016. The Board is confident that these positive developments in Holland will continue and will assist in opening up further European markets.

# Chairman's Statement and Strategic Report

– continued

## USA

We reported that supply chain issues delayed further royalty income from L.B. Foster (LBF) during the year, but the income already received of \$36,000 is indicative of how the relationship with this distributor has progressed since signing our agreement and demonstrates to the Board that we can now realise our potential in North America. I can reveal that an agreed business plan for 2016 is now in place with LBF and the Board is confident that this will provide a strong platform for growth.

## Other Markets

In addition to those markets detailed above, we continue to develop opportunities in a number of other countries, including Australia, Turkey, Spain and Austria. To this end we have recently received product approval for our product from John Holland, one of Australia's leading engineering, contracting and service providers to the infrastructure, energy, resources and transport services sectors. John Holland will shortly commence the rollout of the product to an initial 25 crossings in Australia on a retrofit basis.

## Key Performance Indicators

The directors consider the Group's financial key performance indicators to be turnover and loss before tax.

	2015 £	2014 £
Turnover	239,525	144,434
Loss before tax	228,029	406,417

Non-financial key performance indicators include the number of new customers. For the year ended 31 August 2015 these amounted to 2 (2014: 7).

## Principal Risks and Uncertainties

- Financial risk – the Group faces the financial risk that there may be insufficient cashflow as working capital in the future to continue to commercialise the products and generate revenue streams.
- Currency risk – during the normal course of business, certain transactions are carried out in currencies other than Sterling which exposes the Group to a certain level of currency risk. To mitigate this risk, transactions are carried out in Sterling wherever possible, and minimal cash balances are held in currencies other than Sterling.
- Liquidity risk – liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities as they fall due. The directors have prepared forecasts which indicate that the Group will be able to meet its liabilities as they fall due for at least the next twelve months.

As previously reported, the Board undertook a successful fundraising in the Autumn of 2015 which raised £240,500 (before expenses) in order to provide further working capital to support our strategic plan of growth for the Company. As a result of the funding I am pleased to say that the Miton Group plc is now a beneficial holder of 15m Ordinary Shares representing 9.25% of the Company.

# *Chairman's Statement and Strategic Report*

*– continued*

## **Freddie Stirling**

It was with great sadness that we heard that Freddie Stirling, one of the Company's original and largest shareholders passed away in August 2015. Freddie was involved with Wheelsure from the very beginning and his contribution over the years has been instrumental in getting the business to where we are today.

The Board would like to thank all our shareholders for their continued support. We are confident that our strategy will see business develop further in the specific targeted markets detailed above and in those countries where we are earlier in the test/trial and approval process.

## **G J Mulder**

Chairman

28 January 2016

# *Report of the Directors*

*for the year ended 31 August 2015*

The directors present their report with the financial statements of the Company and the Group for the year ended 31 August 2015.

## **Principal Activity**

Wheelsure Holdings plc ('the Company') is a holding company for a group which develops and commercialises innovative products that meet safety needs throughout the world.

The Company currently operates through its wholly owned subsidiaries.

## **Dividends**

No dividends will be distributed for the year ended 31 August 2015.

## **Research and Development**

The Group continues to develop its range of safety devices for the transport and other industries.

## **Directors**

The directors during the year under review were:

G Dodl  
J Allen  
G Mulder  
D Vile

The beneficial interests of the directors holding office on 31 August 2015 in the issued share capital of the Company were as follows:

Ordinary 1p shares	31.8.15	1.9.14
G Dodl	<b>2,400,000</b>	2,200,000
J Allen	<b>3,022,088</b>	3,022,088
G Mulder	<b>156,000</b>	156,000
D Vile	<b>740,000</b>	740,000

All directors benefitted from qualifying third party indemnity provisions (as defined in section 234(2) of the Companies Act 2006) in place during the financial year and at the date of this report.

## **Political and Charitable Contributions**

The Group made no political and charitable contributions during the current or previous years.

## Report of the Directors – continued

### Share Options

Details of share options for each director are as follows:

<b>1. Enterprise Management Incentive Option Scheme</b>				
Name	At 1 September 2014	At 31 August 2015	Option period	Exercise price per share
G Dodl	1,500,000	1,500,000	28.01.2013 – 27.01.2017	7.75p
	6,000,000	6,000,000	28.11.2016 – 27.11.2020	1.625p
D Vile	500,000	500,000	28.01.2013 – 27.01.2017	7.75p
	200,000	200,000	26.01.2015 – 25.01.2019	3.25p
	2,000,000	2,000,000	28.11.2016 – 27.11.2020	1.625p
<b>2. Unapproved share option scheme</b>				
Name	At 1 September 2014	At 31 August 2015	Option period	Exercise price per share
G Dodl	350,000	350,000	08.05.2012 – 07.05.2016	5.00p
	200,000	200,000	26.01.2014 – 25.01.2017	3.25p
J Allen	500,000	–	28.01.2012 – 27.01.2015	7.75p
	150,000	150,000	26.01.2014 – 25.01.2017	3.25p
	2,000,000	2,000,000	14.08.2014 – 13.08.2017	1.00p
G Mulder	500,000	–	28.01.2012 – 27.01.2015	7.75p
	150,000	150,000	26.01.2014 – 25.01.2017	3.25p
	2,000,000	2,000,000	14.08.2014 – 13.08.2017	1.00p

### Substantial Shareholdings

At the date of this report the following substantial shareholdings representing more than three per cent of the Company's issued share capital, other than those held by directors, have been notified to the Company:

	%	Ordinary Shares
Miton Group plc	9.25	15,000,000
J M Finn Nominees Limited	7.03	11,400,568
A P Stirling	6.44	10,450,000
G V L Oury	4.17	6,768,581
Gresham House plc	3.14	5,090,000
Investec Wealth & Investment Limited	3.10	5,028,686

### Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;



## *Report of the Directors – continued*

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Corporate Governance**

The directors fully support the recommendations of the Combined Code on Corporate Governance, although due to the company's ISDX quoted status there is no requirement to provide Corporate Governance Disclosure. As the Company continues to grow, the directors will review their compliance with the code from time to time and will adopt such provisions as they consider to be appropriate to the size of the Company.

### **Statement as to Disclosure of Information to Auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

### **Auditors**

The auditors, Rothmans Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

G Cresswell – Secretary  
28 January 2016

# *Report of the Independent Auditors to the Members of Wheelsure Holdings plc*

We have audited the financial statements of Wheelsure Holdings plc for the year ended 31 August 2015 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 August 2015 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Emphasis of matter – Going Concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the Group's ability to continue as a going concern. As explained in note 1 to the financial statements there exists a material uncertainty regarding the value and timing of future sales which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Chairman's Statement and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

## *Report of the Independent Auditors – continued*

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Susan Sullivan FCA (Senior Statutory Auditor)  
for and on behalf of Rothmans Audit LLP  
Chartered Accountants and Statutory Auditors  
Avebury House, St Peter Street, Winchester, Hampshire SO23 8BN

Date: 28 January 2016

### **Note:**

The maintenance and integrity of the Wheelsure Holdings plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

## *Consolidated Profit and Loss Account*

*for the year ended 31 August 2015*

	Notes	2015 £	2014 £
<b>Turnover</b>	2	<b>239,525</b>	144,434
Cost of sales		<b>123,360</b>	91,289
<b>Gross Profit</b>		<b>116,165</b>	53,145
Administrative expenses		<b>395,423</b>	452,471
		<b>(279,258)</b>	(399,326)
Other operating income		<b>22,168</b>	–
<b>Operating Loss</b>	4	<b>(257,090)</b>	(399,326)
Reversal of impairment losses on intangible fixed assets		<b>40,551</b>	–
		<b>(216,539)</b>	(399,326)
Interest receivable and similar income		<b>2</b>	–
		<b>(216,537)</b>	(399,326)
Interest payable and similar charges	5	<b>11,492</b>	7,091
<b>Loss On Ordinary Activities Before Taxation</b>		<b>(228,029)</b>	(406,417)
Tax on loss on ordinary activities	6	<b>(10,640)</b>	(9,222)
<b>Loss For The Financial Year For The Group</b>		<b>(217,389)</b>	(397,195)

### **Continuing Operations**

None of the Group's activities were acquired or discontinued during the current year or previous year.

### **Total Recognised Gains And Losses**

The Group has no recognised gains or losses other than the losses for the current year or previous year.

# Consolidated Balance Sheet

31 August 2015

	Notes	2015		2014	
		£	£	£	£
<b>Fixed Assets</b>					
Intangible assets	8		<b>87,862</b>		60,087
Tangible assets	9		<b>5,923</b>		8,016
Investments	10		–		–
			<b>93,785</b>		68,103
<b>Current Assets</b>					
Stocks	11		<b>34,639</b>		31,662
Debtors	12		<b>84,455</b>		75,127
Cash at bank			<b>41,827</b>		104,458
			<b>160,921</b>		211,247
<b>Creditors</b>					
Amounts falling due within one year	13		<b>186,195</b>		158,427
<b>Net Current (Liabilities)/Assets</b>			<b>(25,274)</b>		52,820
<b>Total Assets Less Current Liabilities</b>			<b>68,511</b>		120,923
<b>Capital And Reserves</b>					
Called up share capital	15		<b>1,381,442</b>		1,261,442
Share premium	16		<b>3,443,250</b>		3,414,750
Profit and loss account	16		<b>(4,756,181)</b>		(4,555,269)
<b>Shareholders' Funds</b>	18		<b>68,511</b>		120,923

The financial statements were approved by the Board of Directors on 28 January 2016 and were signed on its behalf by:

**G Dodl** – Director

# Company Balance Sheet

31 August 2015

	Notes	2015		2014	
		£	£	£	£
<b>Fixed Assets</b>					
Intangible assets	8		–		–
Tangible assets	9		–		–
Investments	10		<b>186,968</b>		106
			<b>186,968</b>		106
<b>Current Assets</b>					
Debtors	12	<b>29,867</b>		210,846	
Cash at bank		<b>2,709</b>		18,270	
		<b>32,576</b>		229,116	
<b>Creditors</b>					
Amounts falling due within one year	13	<b>143,365</b>		106,865	
<b>Net Current (Liabilities)/Assets</b>			<b>(110,789)</b>		122,251
<b>Total Assets Less Current Liabilities</b>			<b>76,179</b>		122,357
<b>Capital And Reserves</b>					
Called up share capital	15	<b>1,381,442</b>		1,261,442	
Share premium	16	<b>3,443,250</b>		3,414,750	
Profit and loss account	16	<b>(4,748,513)</b>		(4,553,835)	
<b>Shareholders' Funds</b>	18		<b>76,179</b>		122,357

The financial statements were approved by the Board of Directors on 28 January 2016 and were signed on its behalf by:

**G Dodl** – Director

## Consolidated Cash Flow Statement

for the year ended 31 August 2015

	Notes	2015 £	2014 £
<b>Net cash outflow from operating activities</b>	20	<b>(210,943)</b>	(375,332)
<b>Returns on investments and servicing of finance</b>	21	<b>(1,244)</b>	(1,306)
<b>Taxation</b>		<b>9,216</b>	8,723
<b>Capital expenditure</b>	21	<b>(8,160)</b>	(10,860)
		<b>(211,131)</b>	(378,775)
<b>Financing</b>	21	<b>148,500</b>	382,784
<b>(Decrease)/increase in cash in the period</b>		<b>(62,631)</b>	4,009
<b>Reconciliation of net cash flow to movement in net funds</b>	22		
(Decrease)/increase in cash in the period		<b>(62,631)</b>	4,009
Cash inflow from increase in debt		-	(75,000)
Change in net funds resulting from cash flows		<b>(62,631)</b>	(70,991)
Other changes		<b>(10,246)</b>	(5,785)
<b>Movement in net funds in the period</b>		<b>(72,877)</b>	(76,776)
<b>Net funds at 1 September</b>		<b>23,673</b>	100,449
<b>Net (debt)/funds at 31 August</b>		<b>(49,204)</b>	23,673

# *Notes to the Consolidated Financial Statements*

*for the year ended 31 August 2015*

## **1. Accounting Policies**

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### **Accounting convention**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 August 2015. The acquisition method of accounting has been adopted. Under this method, the results of the subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to date of disposal.

In the Company's financial statements, investments in subsidiary undertakings are stated at cost, less provisions.

### **Going concern**

The Directors have approved budgets and cash flows for the Group for the period to 31 January 2017. These budgets and cash flows forecast that the Group will generate sufficient cash from its trading operations to remain as a going concern until at least 31 January 2017.

The budgets and cash flows for the period to 31 January 2017 are based on sales forecasts for that period which are significantly higher than sales achieved in the past. Previous sale forecasts have not been achieved. However the Directors are confident that these future sales forecasts are achievable. Their confidence is based on the fact that during the last year key technical appraisals and approvals have been achieved from important sources which will give those sources and other customers the confidence they need to place substantial new orders. The level of current orders and the current indication of future orders would lend support to this view.

The Directors are confident that, even if there was a slippage in the value or timing of the forecast sales, the Group would still generate sufficient cash flow to remain as a going concern until at least 31 January 2017. The Directors are confident that by a combination of either reducing the Groups expenditure and/or raising additional capital they would achieve the required cash flow. The Group has already successfully raised additional funds of £240,500 since the year ended 31 August 2015.

However given the significant level of the increase in the forecast sales and the unpredictability of sales forecasting there exists a material uncertainty regarding the value and timing of these future forecast sales and the effect of any shortfall on the Company's ability to continue as a going concern.

The Directors have concluded that, after considering the above and the financial position of the Group, they have reasonable expectations that the Group will have adequate cash resources to continue in operational existence until at least 31 January 2017 and for this reason they continue to adopt the going concern basis in preparing the financial statements of the Group.

### **Turnover**

Turnover is the amount derived from ordinary activities and is recognised when goods are dispatched, and represents net invoiced sales of goods and services, excluding value added tax.

### **Goodwill**

Goodwill arising on consolidation (representing the excess of the fair value of the consideration given over the fair value of the separate net liabilities acquired) is capitalised on acquisition and amortised to nil in equal instalments over its estimated life of 20 years.



# *Notes to the Consolidated Financial Statements – continued*

## **1. Accounting Policies (continued)**

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### **Intangible fixed assets**

Amortisation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Patents and trademarks – 5% and 10% on cost

### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery – 25% on cost

Fixtures and fittings – 25% on cost

### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

### **Deferred tax**

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

### **Research and development**

Expenditure on research is written off in the year in which it is incurred.

Development expenditure meeting the criteria for capitalisation contained in SSAP13 “Accounting for Research and Development” is capitalised and treated as an intangible fixed asset. Expenditure is deferred only to the extent that its recovery can reasonably be regarded as assured. All amounts deferred are stated at cost and amortised over the years benefiting from the sale of the products or processes beginning in the year in which commercial production begins.

### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

### **Pension costs and other post-retirement benefits**

The Group operates a defined contribution pension scheme. Contributions payable to the Group’s pension scheme are charged to the profit and loss account in the period to which they relate.

## Notes to the Consolidated Financial Statements – continued

### 2. Turnover

The turnover and loss before taxation are attributable to the one principal activity of the Group.

An analysis of turnover by geographical market is given below:

	2015 £	2014 £
United Kingdom	175,385	106,688
Europe	51,136	33,724
United States of America	22,168	–
Australasia	13,004	4,022
	<b>261,693</b>	144,434

The analysis of income by geographical market includes royalty income receivable from the United States of America which is included in other operating income.

### 3. Staff Costs

	2015 £	2014 £
Wages and salaries	125,668	137,223
Social security costs	12,497	13,568
Other pension costs	17,096	9,488
Share based payment transactions	13,360	20,287
	<b>168,621</b>	180,566

The average monthly number of employees during the year was as follows:

	2015	2014
Directors	4	4

### 4. Operating Loss

The operating loss is stated after charging:

	2015 £	2014 £
Depreciation – owned assets	2,768	3,780
Loss on disposal of fixed assets	14,804	–
Patents & trademarks amortisation	5,457	5,041
Research and development	8,239	16,184
Foreign exchange losses	1,573	1,181
Fees payable to the Group's auditor for the audit of the Group's annual accounts	3,500	3,500
Fees payable to the Group's auditor for the audit of its subsidiaries	5,500	6,000
Directors' remuneration	128,565	140,388
Directors' pension contributions to money purchase schemes	17,096	9,488

## Notes to the Consolidated Financial Statements – continued

### 4. Operating Loss (continued)

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	2	2
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Directors' remuneration includes consultancy fees of £7,500 (2014: £12,000) paid to Mr G Mulder.

### 5. Interest Payable And Similar Charges

	2015 £	2014 £
Loan interest	11,492	7,091

### 6. Taxation

#### Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

	2015 £	2014 £
Current tax:		
Under provision of research and development tax credit	(751)	(26)
Research and development tax credit	(9,889)	(9,196)
Tax on loss on ordinary activities	(10,640)	(9,222)

#### Factors affecting the tax credit

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2015 £	2014 £
Loss on ordinary activities before tax	(228,029)	(406,417)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014 – 20%)	(45,606)	(81,283)
Effects of:		
Expenses not deductible for tax purposes	69	116
Depreciation in excess of capital allowances	183	(821)
R&D tax credit	(12,728)	(13,352)
Tax losses not utilised	62,903	86,118
Tax losses utilised in period	(10,312)	–
Impairment losses not taxable	(8,110)	–
Loss on disposal of fixed assets not allowable for tax	2,961	–
Current tax credit	(10,640)	(9,222)

#### Factors that may affect future tax charges

The Group has unutilised tax losses of approximately £4,452,000 (2014: £4,402,000) available against future corporation tax liabilities.

## Notes to the Consolidated Financial Statements – continued

### 7. Loss of Parent Company

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £211,155 (2014 – £405,492).

### 8. Intangible Fixed Assets

Group	Goodwill £	Patents & trademarks £	Totals £
<b>Cost</b>			
At 1 September 2014	117,613	239,487	357,100
Additions	–	7,485	7,485
Disposals	–	(31,075)	(31,075)
At 31 August 2015	117,613	215,897	333,510
<b>Amortisation</b>			
At 1 September 2014	117,613	179,400	297,013
Amortisation for year	–	5,457	5,457
Eliminated on disposal	–	(16,271)	(16,271)
Reversal of impairments	–	(40,551)	(40,551)
At 31 August 2015	117,613	128,035	245,648
<b>Net Book Value</b>			
At 31 August 2015	–	87,862	87,862
At 31 August 2014	–	60,087	60,087

Having reviewed the carrying value of the intangible fixed assets, the directors have satisfied themselves that they are now generating a regular income stream and as such have reversed the impairment made in 2006.

## Notes to the Consolidated Financial Statements – continued

### 9. Tangible Fixed Assets

Group	Plant and machinery £	Fixtures and fittings £	Totals £
<b>Cost</b>			
At 1 September 2014	64,882	9,273	74,155
Additions	–	675	675
At 31 August 2015	64,882	9,948	74,830
<b>Depreciation</b>			
At 1 September 2014	57,118	9,021	66,139
Charge for year	2,568	200	2,768
At 31 August 2015	59,686	9,221	68,907
<b>Net Book Value</b>			
At 31 August 2015	5,196	727	5,923
At 31 August 2014	7,764	252	8,016

All assets relate to subsidiary companies.

### 10. Fixed Asset Investments

Company	Shares in group undertakings £
<b>Cost</b>	
At 1 September 2014	20,106
Additions	4,795,665
Disposals	(172,580)
At 31 August 2015	4,643,191
<b>Provisions</b>	
At 1 September 2014	20,000
Provision for year	4,436,223
At 31 August 2015	4,456,223
<b>Net Book Value</b>	
At 31 August 2015	186,968
At 31 August 2014	106

The company holds 100% of the ordinary share capital in the following companies registered in England and Wales:

Tracksure Limited

Nature of business: Commercialisation of rail safety device

## Notes to the Consolidated Financial Statements – continued

### 10. Fixed Asset Investments (continued)

Wheelsure Limited

Nature of business: Commercialisation of wheel nut locking device

Wheelsure Technologies Limited

Nature of business: Holder of intellectual property

During the year inter-group loans to the subsidiary companies were waived by way of capital contributions. The capital contributions have been capitalised as part of the cost of the subsidiaries. Subsequently an impairment review has been carried out and the value of the investments has been written down to the net realisable value.

### 11. Stocks

Group	2015 £	2014 £
Stocks of raw materials	<b>34,639</b>	31,662

### 12. Debtors: Amounts falling due within one year

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Trade debtors	<b>51,759</b>	36,996	–	–
Amounts owed by group undertakings	–	–	<b>464</b>	179,819
Tax	<b>19,836</b>	18,412	<b>19,836</b>	18,412
VAT	–	–	<b>957</b>	2,968
Prepayments	<b>12,860</b>	19,719	<b>8,610</b>	9,647
	<b>84,455</b>	75,127	<b>29,867</b>	210,846

### 13. Creditors: Amounts falling due within one year

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Other loans (see note 14)	<b>91,031</b>	80,785	<b>91,031</b>	80,785
Trade creditors	<b>60,197</b>	40,792	<b>4,745</b>	8,356
Amounts owed to group undertakings	–	–	<b>31,792</b>	–
Social security and other taxes	<b>3,156</b>	4,350	<b>3,156</b>	4,350
VAT	<b>3,846</b>	9,508	–	–
Other creditors	–	125	–	–
Accrued expenses	<b>27,965</b>	22,867	<b>12,641</b>	13,374
	<b>186,195</b>	158,427	<b>143,365</b>	106,865

## Notes to the Consolidated Financial Statements – continued

### 14. Loans

An analysis of the maturity of loans is given below:

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Amounts falling due within one year or on demand:				
Other loans	<b>91,031</b>	80,785	<b>91,031</b>	80,785

### 15. Called Up Share Capital

Allotted, issued and fully paid:			2015	2014
Number:	Class:	Nominal value:	£	£
138,144,226 (2014 – 126,144,226)	Ordinary	1p	<b>1,381,442</b>	1,261,442

During the year the Company issued 12,000,000 ordinary shares at 1.25p per share for cash.

In November 2015 the Company issued a further 24,050,000 ordinary shares at 1.0p for cash.

### 15. Called Up Share Capital (continued)

At the date of this report the following share options remained outstanding under an Enterprise Management Incentive Option Scheme:

Number of options	Option price	Date of grant	Exercise period
2,000,000	7.75p	27.01.2010	28.01.2013 – 27.01.2017
200,000	3.25p	26.01.2012	26.01.2015 – 25.01.2019
8,000,000	1.625p	28.11.2013	28.11.2016 – 27.11.2020

At the date of this report the following options remained outstanding under the Company's Unapproved Share Option Schemes:

Number of options	Option price	Date of grant	Exercise period
350,000	5.00p	07.05.2010	08.05.2012 – 07.05.2016
700,000	3.50p	21.12.2011	21.12.2013 – 20.12.2016
500,000	3.25p	26.01.2012	26.01.2014 – 25.01.2017
4,000,000	1.00p	14.08.2013	14.08.2014 – 13.08.2017
2,000,000	2.25p	03.07.2014	03.07.2015 – 02.07.2018

## Notes to the Consolidated Financial Statements – continued

### 16. Reserves

Group	Profit and loss account £	Share premium £	Totals £
At 1 September 2014	(4,555,269)	3,414,750	(1,140,519)
Deficit for the year	(217,389)	–	(217,389)
Cash share issue	–	28,500	28,500
Share based payment transactions	16,477	–	16,477
At 31 August 2015	(4,756,181)	3,443,250	(1,312,931)

Company	Profit and loss account £	Share premium £	Totals £
At 1 September 2014	(4,553,835)	3,414,750	(1,139,085)
Deficit for the year	(211,155)	–	(211,155)
Cash share issue	–	28,500	28,500
Share based payment transactions	16,477	–	16,477
At 31 August 2015	(4,748,513)	3,443,250	(1,305,263)

### 17. Related Party Disclosures

The Company has taken advantage of the exemptions contained in FRS 8 which applies to wholly owned group undertakings, and has not disclosed details of transactions with group companies.

During the year, the Group paid to Security Change Limited £nil (2014: £13,000) for accountancy, professional and company secretarial services. At the year end the Group owed Security Change Limited £nil (2014: £1,498). Security Change Limited is a wholly owned subsidiary of Gresham House plc a major shareholder.

### 17. Related Party Disclosures (continued)

During the year, consultancy fees totalling £7,500 (2014: £12,000) were paid to Mr G Mulder.

Exchange Services Limited has provided a loan to the Group totalling £75,000 (2014: £75,000). Interest accrued on this loan amounted to £10,246 (2014: £5,785). The balance outstanding at the year end was £91,031 (2014: £80,785). Mr A P Stirling, a major shareholder, has an interest in this company.

### 18. Reconciliation Of Movements In Shareholders' Funds

Group	2015 £	2014 £
Loss for the financial year	<b>(217,389)</b>	(397,195)
Issue of shares	<b>148,500</b>	307,784
Share based payment transactions	<b>16,477</b>	22,839
<b>Net reduction of shareholders' funds</b>	<b>(52,412)</b>	(66,572)
Opening shareholders' funds	<b>120,923</b>	187,495
<b>Closing shareholders' funds</b>	<b>68,511</b>	120,923



## Notes to the Consolidated Financial Statements – continued

### 18. Reconciliation Of Movements In Shareholders' Funds (continued)

Company	2015 £	2014 £
Loss for the financial year	<b>(211,155)</b>	(405,492)
Issue of shares	<b>148,500</b>	307,784
Share based payment transactions	<b>16,477</b>	22,839
<b>Net reduction of shareholders' funds</b>	<b>(46,178)</b>	(74,869)
Opening shareholders' funds	<b>122,357</b>	197,226
<b>Closing shareholders' funds</b>	<b>76,179</b>	122,357

### 19. Share Based Payment Transactions

For details of share option schemes in place during the year see note 15.

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

	2015		2014	
	No	WAEP (Pence)	No	WAEP (Pence)
Outstanding at the beginning of the period	<b>19,500,000</b>	<b>6.46</b>	5,500,000	6.46
Granted during the period	–	–	14,000,000	1.54
Lapsed during the period	<b>(1,750,000)</b>	<b>7.75</b>	–	–
Outstanding at the end of the period	<b>17,750,000</b>	<b>2.45</b>	19,500,000	2.93
Exercisable at the end of the period	<b>9,750,000</b>	<b>3.13</b>	9,300,000	4.18

### 19. Share Based Payment Transactions (continued)

The fair values were calculated using the Black-Scholes valuation method. The inputs to the model were as follows:

	2015	2014
Expected volatility %	<b>13%</b>	13%
Expected life	<b>3-6 years</b>	4-7 years
Risk free rate (%)	<b>4.75%</b>	4.75%
Dividend yield (%)	<b>0%</b>	0%

Expected volatility was determined by calculating the historic volatility of the Group's share price over the previous 12 months.

The Group recognised total expenses of £16,477 (2014: £22,839) in respect of share based payment transactions.

## Notes to the Consolidated Financial Statements – continued

### 20. Reconciliation of Operating Loss to Net Cash Outflow from Operating Activities

	2015 £	2014 £
Operating loss	(257,090)	(399,326)
Depreciation charges	8,225	8,821
Loss on disposal of fixed assets	14,804	–
Share based payment transactions	16,477	22,839
(Increase)/decrease in stocks	(2,977)	27,097
Increase in debtors	(7,904)	(32,277)
Increase/(decrease) in creditors	17,522	(2,486)
<b>Net cash outflow from operating activities</b>	<b>(210,943)</b>	<b>(375,332)</b>

### 21. Analysis Of Cash Flows For Headings Netted In The Cash Flow Statement

	2015 £	2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	2	–
Interest paid	(1,246)	(1,306)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(1,244)</b>	<b>(1,306)</b>
<b>Capital expenditure</b>		
Purchase of intangible fixed assets	(7,485)	(4,415)
Purchase of tangible fixed assets	(675)	(6,445)
<b>Net cash outflow for capital expenditure</b>	<b>(8,160)</b>	<b>(10,860)</b>
<b>Financing</b>		
New loans in year	–	75,000
Share issue	148,500	307,784
<b>Net cash inflow from financing</b>	<b>148,500</b>	<b>382,784</b>

### 22. Analysis Of Changes In Net Funds

	At 1.9.14 £	Cash flow £	Other non-cash changes £	At 31.8.15 £
Net cash:				
Cash at bank	104,458	(62,631)	–	41,827
Debt:				
Debts falling due within one year	(80,785)	–	(10,246)	(91,031)
<b>Total</b>	<b>23,673</b>	<b>(62,631)</b>	<b>(10,246)</b>	<b>(49,204)</b>

# *Wheelsure Holdings plc*

*(registered in England and Wales with registered number 4757497)*

## **Notice of Annual General Meeting**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Daniel Stewart & Company, 33 Creechurch Lane, London EC3A 5EB on 8 March 2016 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1, 2, 3 and 4 will be proposed as ordinary resolutions and resolution 5 will be proposed as a special resolution:

### **Ordinary Resolutions**

1. To receive and adopt the report of the directors and the accounts for the year ended 31 August 2015 together with the report of the auditors;
2. To re-elect as a director D Vile who retires by rotation and offers himself for re-election;
3. To appoint Rothmans Audit LLP as auditors and to authorise the directors to fix their remuneration.
4. That, in substitution for all existing and unexercised authorities and powers, the directors of the Company be and they are hereby generally and unconditionally authorised for the purpose of section 551 of the Companies Act 2006 ("the Act") to exercise all or any of the powers of the Company to allot shares of the Company or to grant rights to subscribe for, or to convert any security into, shares of the Company (such shares and rights being together referred to as "Relevant Securities") up to an aggregate nominal value of £400,000 to such persons at such times and generally on such terms and conditions as the directors may determine (subject always to the articles of association of the Company)

**PROVIDED THAT** this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next annual general meeting or on the date which is 6 months after the next accounting reference date of the Company (if earlier) save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require Relevant Securities to be allotted after the expiry of such period and the directors of the Company may allot Relevant Securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

### **Special Resolution**

5. That, subject to and conditional upon the passing of resolution 4 and in substitution for all existing and unexercised authorities and powers, the directors of the Company be and are hereby empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred upon them by resolution 4 as if section 561 of the Act did not apply to any such allotment provided that this authority and power shall be limited to:
  - (a) the allotment (otherwise than pursuant to sub-paragraph (b) below) of equity securities up to an aggregate nominal amount of £250,000; and
  - (b) the allotment of equity securities in connection with a rights issue or similar offer in favour of ordinary shareholders where the equity securities respectively attributable to the interest of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them subject only to such exclusions or other arrangements as the directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in any, territory

# *Wheelsure Holdings plc*

*(registered in England and Wales with registered number 4757497) continued*

## **Notice of Annual General Meeting (continued)**

and shall expire at the conclusion of the next annual general meeting or on the date which is 6 months after the next accounting reference date of the Company (if earlier) save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

By order of the Board  
G Cresswell  
Company Secretary

*Registered office:*  
8 Woburn Street  
Amphill  
Bedfordshire  
MK45 2HP

28 January 2016

## Notes

- (1) A member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and vote, on a poll, instead of him. If a member appoints more than one proxy, each proxy must be entitled to exercise the rights attached to different shares. A proxy need not be a member of the Company. The appointment of a proxy will not preclude a member from attending and voting at the meeting in person should he subsequently decide to do so.
- (2) A proxy may only be appointed using the procedures set out in these notes and the enclosed proxy form. To be valid, the proxy form must reach the Company's Registrars, Neville Registrars, at the Proxy Department, 18 Laurel Lane, Halesowen, West Midlands B63 3DA not less than 48 hours before the time of holding of the meeting. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be enclosed with the proxy form.
- (3) Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001, the Company specifies that only those Shareholders of the Company on the register at 11.00 a.m. on 6 March 2016 shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their name at the time. Changes to the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.
- (4) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (5) In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted so as to be received by the Company's agent, Neville Registrars (whose CREST ID is 7RA11) by the specified latest time(s) for receipt of proxy appointments. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

