



*Wheelsure Holdings plc*

**Annual Report and Accounts 2017**

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

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## *Company Information*

<b>Directors:</b>	G Dodl J Allen G Mulder D Vile W Welch
<b>Secretary:</b>	G Cresswell
<b>Registered Office:</b>	8 Woburn Street Amphill Bedfordshire MK45 2HP
<b>Registered Number:</b>	04757497 (England and Wales)
<b>Auditors:</b>	Nexia Smith & Williamson Statutory Auditor Chartered Accountants Cumberland House 15-17 Cumberland Place Southampton Hampshire SO15 2BG
<b>NEX Exchange Corporate Advisor 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 2017*

I am pleased to announce the results for the financial year ended 31 August 2017. As we reported at the half-year, we are continuing to make progress in our key strategic markets.

Sales intake improved in the second half of the year, however, the full year results have fallen short of 2016, primarily because of a delayed repeat order from Italy.

- Sales of £248,908 (£308,658): Including royalty income of £23,162 (£18,328).

The reduction in turnover, coupled with the cost of additional resources to implement the business plan and increased patent renewal fees contributed to a higher loss in the financial year.

An initial fundraising of £130,000 (before expenses) in October 2016 was utilised for working capital. Following on from that, in the interim report, I indicated that the Board, including the newly appointed William Welch (Nov 2016), had been working exhaustively on developing a three-year strategic business plan and putting in place appropriate finances to develop that strategy. I am pleased to advise that this milestone was achieved in the financial year and, in the summer, a sum of £500,000 (before expenses) was raised for the additional resources that are required to exploit existing opportunities and increase sales.

This process was extremely demanding but, now that it has been completed, the Board is totally focussed on implementing the strategy and delivering growth.

A brief outline of our existing business in major territories follows. This list is not exhaustive and we are actively targeting business in countries/market sectors not listed and I hope to update you further on these opportunities as they start to realise their potential.

## **UK**

Order intake from both London Underground and KeolisAmey Docklands (KAD) was regular but below the level of 2016. This was primarily due to budgetary pressures that prevailed throughout the period following the 2016 Mayoral election. We are confident that business will continue from both sources and this has happened since the year-end.

We are actively engaged in an ongoing process to further extend our product approvals within London Underground with the aim of broadening our potential order base. In KAD, in addition to three track applications where we have been adopted as standard, we are now extending the product range to include points and crossings.

As previously reported, we received our first orders for use in High Speed rail infrastructure during the year. We have recently supplied a further track application and are confident that this will extend the usage of Tracksure into this sector of the market.

As part of the business strategy we continue to develop relationships with the Permanent Way Institute (PWI), with regular attendance at seminars and events. Our corporate membership facilitates opportunities to be involved and to contribute to discussions with some of the industry's leading technical experts. The PWI is a hugely respected worldwide professional body for those engaged in rail infrastructure management and, at the time of writing, has just accepted a Tracksure supplied detailed technical article for publishing in its next journal at the start of 2018.

## **Holland, Germany, Austria & Belgium**

Sales in Holland, Germany and Austria were ahead of 2016, with customers including voestalpine Railpro B.V, Strukton Rail Nederland B.V, Siemens AG and thyssenkrupp Steel Europe AG.

In the Netherlands, voestalpine Railpro B.V, has now fitted frogs (central part of a crossing) with Tracksure products for a second major infrastructure provider. In Germany, following our initial installation with thyssenkrupp Steel Europe AG, the customer has now specified Tracksure for on an initial order for two new frogs from voestalpine BWG GmbH.

# Chairman's Statement and Strategic Report

– continued

We are delighted to be working with these multinationals and are working ceaselessly to catalyse further business opportunities as illustrated in the examples above.

As an Approved Supplier, we are delighted that we received our first direct order from DB Netz AG during this period and are confident this will lead to further projects.

Working with customers such as those identified above is a key part of our strategy as they each occupy significant market positions in their sectors/regions.

## Italy and Spain

We received our first significant order in Spain during this period from Ferrocarrils de la Generalitat de Catalunya (FGC), a transit and funicular rail operator in the region of Catalonia.

Sales in Italy were disappointingly behind 2016, with repeat orders from Ferrovienord delayed due to administrative issues. This order delay is the most significant factor in our total sales shortfall in 2017.

Our agent, who in January 2017 exchanged earned commission for equity, is confident that these issues will be resolved and our business in Italy will be re-established; Since the year-end an order has been received for use in rail bridges within the Ferrovienord network.

## USA

Royalty income of £23,162 was received during the period, significantly higher than 2016. Our agent is continuing to seek to widen the customer base in this important market.

## Key Performance Indicators

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

	2017 £	2016 £
Turnover	<b>225,746</b>	290,330
Loss before tax	<b>329,557</b>	262,145

Non-financial key performance indicators include the number of new customers. For the year ended 31 August 2017 these amounted to 5 (2016: 3).

## Principal Risks and Uncertainties

There are a number of risks and uncertainties that face the Group. The Board have established a structured approach to identify, assess and manage these risks.

The following list highlights the principal risks:

- 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. Cashflow is monitored carefully and fundraising needs are periodically evaluated;
- 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; and

# *Chairman's Statement and Strategic Report*

*– continued*

- 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.

Further detail on all our activities, including those detailed in this report, can be found in the latest newsletter published on our website ([www.tracksure.co.uk](http://www.tracksure.co.uk)).

The Board would like to thank all our shareholders for their continued support.

**G Mulder**  
Chairman

18 December 2017

# Directors' Report

for the year ended 31 August 2017

The directors present their report with the financial statements of the Company and the Group for the year ended 31 August 2017.

## 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 2017 (2016: £nil).

## 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

W Welch – appointed 17.11.16

The beneficial interests of the directors holding office on 31 August 2017 in the issued share capital of the Company were as follows:

	31.8.17	1.9.16 or date of appointment if later
Ordinary 1p shares		
G Dodl	<b>4,215,000</b>	2,650,000
J Allen	<b>5,022,088</b>	5,022,088
G Mulder	<b>606,000</b>	156,000
D Vile	<b>740,000</b>	740,000
W Welch	–	–

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.

## Directors' Report – 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 2016	At 31 August 2017	Option period	Exercise price per share
G Dodl	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	–	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 2016	At 31 August 2017	Option period	Exercise price per share
G Dodl	200,000	–	26.01.2014 – 25.01.2017	3.25p
J Allen	150,000	–	26.01.2014 – 25.01.2017	3.25p
G Mulder	150,000	–	26.01.2014 – 25.01.2017	3.25p
	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
Hargreave Hale Nominees Limited	18.33	41,744,727
Miton Asset Management Limited	15.50	35,300,000
WB Nominees Limited	11.30	25,740,157
J M Finn Nominees Limited	6.53	14,863,065

### Directors' Responsibilities Statement

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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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;
- 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.



## *Directors' Report – continued*

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.

### **Website Publication**

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the on-going integrity of the financial statements contained therein.

### **Corporate Governance**

The directors fully support the recommendations of the Combined Code on Corporate Governance, although due to the Company's NEX Exchange 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, Nexia Smith & Williamson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

G Cresswell – Secretary  
18 December 2017

# *Independent Auditor's Report to the Members of Wheelsure Holdings plc*

## **Opinion**

We have audited the financial statements of Wheelsure Holdings Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 August 2017 which comprise the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated and company statements of changes in equity, the consolidated and company cashflow statements and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Parent 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 Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 2017 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.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Material uncertainty related to going concern**

We draw attention to note 1 in the financial statements, which indicates that the Group will generate sufficient cash to remain as a going concern until at least 31 December 2018, based on the budgets and cash flow forecasts produced, however the increase and timing of forecast sales are unpredictable.

As stated in note 1, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter. The financial statements do not include the adjustments that would result if the Group or Parent Company was unable to continue as a going concern.

## **Key audit matters**

We identified the key audit matter described below as that which was most significant in the audit of the financial statements of the current period. Key audit matters include the most significant assessed risks of material misstatement, including those risks that had the greatest effect on our overall audit strategy, the allocation of resources in the audit and the direction of the efforts of the audit team.

## Independent Auditor's Report – continued

In addressing this matter, we have performed the procedures below which were designed to address the matter in the context of the financial statements as a whole and in forming our opinion thereon. Consequently we do not provide a separate opinion on this individual matter.

Key audit matter	Description of risk	How the matter was addressed in the audit
The value of share options	The Group issued 3,517,133 new share options during the year. The valuation of these options requires judgement, in particular regarding the maturity period, expected volatility and risk free rate.	<p>We challenged the inputs used in the valuation of the options using a Black Scholes model described in note 20.</p> <p>As part of our procedures we:</p> <ul style="list-style-type: none"> <li>• Considered whether the maturity period used in the calculation is reasonable based on the expected vesting period</li> <li>• Considered whether the volatility rate is reasonable based on market share prices of comparable companies</li> <li>• Considered whether the risk free rate was reasonable, based on observable data</li> <li>• Ensured the correct share based payment charge has been recognised.</li> </ul> <p>In performing our procedures, we used our internal transaction services specialists to assess the appropriateness of the assumptions.</p>

### Our application of materiality

The materiality for the financial statements of the Group as a whole was set at £10,665 which represents 4.7% of turnover and, in absolute terms, 3.2% of loss before tax.

The materiality for the financial statements of the Parent as a whole was set at £8,532. This has been capped at the Group's performance materiality.

### An overview of the scope of our audit

Of the Group's four reporting components, we subjected all four components to audits for Group reporting purposes.

### Other information

The other information comprises the information included in the report and financial statements other than the Group and Parent Company financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## *Independent Auditor's Report – continued*

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on pages 8 and 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## *Independent Auditor's Report – continued*

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Andrew Edmonds (Senior Statutory Auditor)  
for and on behalf of Nexia Smith & Williamson  
Statutory Auditor  
Chartered Accountants  
Cumberland House  
15-17 Cumberland Place  
Southampton  
Hampshire  
SO15 2BG

Date: 19 December 2017

# Consolidated Statement of Comprehensive Income

for the year ended 31 August 2017

	Notes	2017 £	2016 £
<b>Turnover</b>	2	<b>225,746</b>	290,330
Cost of sales		<b>(108,905)</b>	(153,003)
<b>Gross Profit</b>		<b>116,841</b>	137,327
Administrative expenses		<b>(453,179)</b>	(405,109)
		<b>(336,338)</b>	(267,782)
Other operating income	2	<b>23,162</b>	18,328
<b>Operating Loss</b>	4	<b>(313,176)</b>	(249,454)
Interest receivable and similar income		–	22
		<b>(313,176)</b>	(249,432)
Interest payable and similar expenses	5	<b>(16,381)</b>	(12,713)
<b>Loss before Taxation</b>		<b>(329,557)</b>	(262,145)
Tax on loss	6	<b>13,715</b>	15,146
<b>Loss for the Financial Year</b>		<b>(315,842)</b>	(246,999)
<b>Other Comprehensive Income</b>		–	–
<b>Total Comprehensive Loss for the Year</b>		<b>(315,842)</b>	(246,999)
<b>Basic and Diluted Loss per Share</b>	8	<b>0.17p</b>	0.16p

# Consolidated Balance Sheet

31 August 2017

	Notes	2017		2016	
		£	£	£	£
<b>Fixed Assets</b>					
Intangible assets	9		<b>78,610</b>		88,282
Tangible assets	10		<b>1,103</b>		3,198
			<b>79,713</b>		91,480
<b>Current Assets</b>					
Stocks	12	<b>53,136</b>		52,620	
Debtors	13	<b>130,485</b>		140,767	
Cash at bank		<b>303,649</b>		24,752	
		<b>487,270</b>		218,139	
<b>Creditors</b>					
Amounts falling due within one year	14	<b>(222,578)</b>		(230,129)	
<b>Net Current Assets/(Liabilities)</b>			<b>264,692</b>		(11,990)
<b>Total Assets Less Current Liabilities</b>			<b>344,405</b>		79,490
<b>Capital and Reserves</b>					
Called up share capital	17		<b>2,277,057</b>		1,641,942
Share premium	18		<b>3,443,250</b>		3,443,250
Retained earnings	18		<b>(5,375,902)</b>		(5,005,702)
<b>Shareholders' Funds</b>			<b>344,405</b>		79,490

The financial statements were approved by the Board of Directors on 18 December 2017 and were signed on its behalf by:

**G Dodl** – Director

# Company Balance Sheet

31 August 2017

	Notes	2017		2016	
		£	£	£	£
<b>Fixed Assets</b>					
Investments	11		<b>236,388</b>		209,366
			<b>236,388</b>		209,366
<b>Current Assets</b>					
Debtors	13	<b>47,318</b>		36,296	
Cash at bank		<b>272,210</b>		69	
			<b>319,528</b>	36,365	
<b>Creditors</b>					
Amounts falling due within one year	14	<b>(202,459)</b>		(130,628)	
<b>Net Current Assets/(Liabilities)</b>			<b>117,069</b>		(94,263)
<b>Total Assets Less Current Liabilities</b>			<b>353,457</b>		115,103
<b>Capital And Reserves</b>					
Called up share capital	17		<b>2,277,057</b>		1,641,942
Share premium	18		<b>3,443,250</b>		3,443,250
Retained earnings	18		<b>(5,366,850)</b>		(4,970,089)
<b>Shareholders' Funds</b>			<b>353,457</b>		115,103
Company's loss for the financial year			<b>(342,403)</b>		(219,054)

The financial statements were approved by the Board of Directors on 18 December 2017 and were signed on its behalf by:

**G Dodl** – Director



# Consolidated Statement of Changes in Equity

for the year ended 31 August 2017

	Called up share capital £	Share premium £	Retained earnings £	Total equity £
<b>Balance at 1 September 2015</b>	1,381,442	3,443,250	(4,756,181)	68,511
<b>Changes in equity</b>				
Total comprehensive loss	–	–	(246,999)	(246,999)
Issue of share capital	260,500	–	(13,025)	247,475
Credit relating to equity settled share based payments	–	–	10,503	10,503
<b>Balance at 31 August 2016</b>	1,641,942	3,443,250	(5,005,702)	79,490
<b>Changes in equity</b>				
Total comprehensive loss	–	–	(315,842)	(315,842)
Issue of share capital	635,115	–	(63,607)	571,508
Credit relating to equity settled share based payments	–	–	9,249	9,249
<b>Balance at 31 August 2017</b>	2,277,057	3,443,250	(5,375,902)	344,405

## *Company Statement of Changes in Equity*

*for the year ended 31 August 2017*

	Called up share capital £	Share premium £	Retained earnings £	Total equity £
<b>Balance at 1 September 2015</b>	1,381,442	3,443,250	(4,748,513)	76,179
<b>Changes in equity</b>				
Total comprehensive loss	–	–	(219,054)	(219,054)
Issue of share capital	260,500	–	(13,025)	247,475
Credit relating to equity settled share based payments	–	–	10,503	10,503
<b>Balance at 31 August 2016</b>	1,641,942	3,443,250	(4,970,089)	115,103
<b>Changes in equity</b>				
Total comprehensive loss	–	–	(342,403)	(342,403)
Issue of share capital	635,115	–	(63,607)	571,508
Credit relating to equity settled share based payments	–	–	9,249	9,249
<b>Balance at 31 August 2017</b>	2,277,057	3,443,250	(5,366,850)	353,457

## *Consolidated Cash Flow Statement*

*for the year ended 31 August 2017*

	Notes	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	21	<b>(338,498)</b>	(262,238)
Tax paid		<b>11,518</b>	9,947
Net cash from operating activities		<b>(326,980)</b>	(252,291)
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		<b>(9,259)</b>	(11,113)
Interest received		-	22
Net cash from investing activities		<b>(9,259)</b>	(11,091)
<b>Cash flows from financing activities</b>			
New loans in year		<b>50,000</b>	-
Share issue		<b>630,115</b>	260,500
Share issue costs		<b>(63,607)</b>	(13,025)
Interest paid		<b>(1,372)</b>	(1,168)
Net cash from financing activities		<b>615,136</b>	246,307
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>278,897</b>	(17,075)
<b>Cash and cash equivalents at beginning of year</b>		<b>24,752</b>	41,827
<b>Cash and cash equivalents at end of year</b>		<b>303,649</b>	24,752

## *Company Cash Flow Statement*

*for the year ended 31 August 2017*

Notes	2017 £	2016 £
<b>Cash flows from operating activities</b>		
21	<b>(354,513)</b>	(258,916)
	<b>11,518</b>	9,947
	<b>(342,995)</b>	(248,969)
<b>Cash flows from investing activities</b>		
	-	22
	-	22
<b>Cash flows from financing activities</b>		
	<b>50,000</b>	-
	<b>630,115</b>	260,500
	<b>(63,607)</b>	(13,025)
	<b>(1,372)</b>	(1,168)
	<b>615,136</b>	246,307
	<b>272,141</b>	(2,640)
	<b>69</b>	2,709
	<b>272,210</b>	69

# *Notes to the Consolidated Financial Statements*

*for the year ended 31 August 2017*

## **1. Accounting Policies**

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### **Basis of preparing the financial statements**

Wheelsure Holdings plc is a public limited company incorporated in England and Wales. The address of the registered office is 8 Woburn Street, Ampthill, Bedfordshire, MK45 2HP.

These financial statements have been prepared in accordance with Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 August 2017. 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 statement of comprehensive income 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**

Given the funding in 2017, the directors have approved budgets and cash flows for the Group for the period to 31 December 2018. 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 December 2018.

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 December 2018. The Directors are confident that by a combination of either reducing the Group’s expenditure and/or raising additional capital they would achieve the required cash flow.

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 December 2018 and for this reason they continue to adopt the going concern basis in preparing the financial statements of the Group.

### **Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that potentially have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Group are outlined below:

- **Obsolete Stock Provision** – At each reporting date, the Group’s stock holding is analysed to identify items which may be obsolete and a provision is made against these items. The carrying amount of stock at the year end was £53,136 (2016: £52,620).
- **Bad Debt Provision** – At each reporting date and throughout the year, the Group’s debtor balances are reviewed to identify any impairment required, and specific provisions are made against these balances. The carrying amount of debtors at the year end was £62,884 (2016: £91,800). There were no bad debts in either the current or previous years.

# Notes to the Consolidated Financial Statements – continued

## 1. Accounting Policies (continued)

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### Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### 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.

### Intangible fixed assets

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

Plant and machinery – 25% on cost

Fixtures and fittings – 25% on cost

### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Cost includes the price including taxes, duties and transport of bringing the inventory to its present location and condition.

### Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

# Notes to the Consolidated Financial Statements – continued

## 1. Accounting Policies (continued)

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Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, where deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using the rates and laws that have been enacted or substantively enacted by the balance sheet date.

### Research and development

Research and development is written off in the year in which it occurred.

### 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 profit or loss in the period to which they relate.

### Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at the initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short term bank deposits with original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

## 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:

	2017 £	2016 £
United Kingdom	99,859	125,161
Italy	9,680	69,900
Holland	46,746	53,984
Germany	51,950	31,716
Austria	1,300	9,569
United States of America	23,162	18,328
Spain	16,211	–
	<b>248,908</b>	308,658

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

The chief operating decision maker monitors the business on the basis of a single reportable segment, being the supply of Tracksure, and accordingly the segment disclosures are the same as the Group figures. During the year 4 customers accounted for more than 10% of the Group's total revenue as follows:

	2017 £	2016 £
Customer A	47,831	83,380
Customer B	46,746	51,649
Customer C	29,550	N/A
Customer D	25,749	31,716
Customer E	N/A	56,097
Customer F	N/A	40,580

### 3. Staff Costs

	2017 £	2016 £
Wages and salaries	156,580	122,640
Social security costs	12,421	10,960
Other pension costs	9,700	20,900
Benefits in kind	3,160	2,793
Share based payment transactions	3,340	3,340
	<b>185,201</b>	160,633

With the exception of £31,700 in wages and salaries all staff costs relate to the parent company.



## Notes to the Consolidated Financial Statements – continued

### 3. Staff Costs (continued)

The average monthly number of employees for both the Company and the Group during the year was as follows:

	2017	2016
Directors	5	4

### 4. Operating Loss

The operating loss is stated after charging:

	2017 £	2016 £
Depreciation – owned assets	2,095	2,725
Loss on disposal of fixed assets	8,400	–
Patents & trademarks amortisation	10,531	10,693
Research and development	8,418	7,785
Fees payable to the Group's auditor for the audit of the Group's annual accounts	4,500	4,500
Fees payable to the Group's auditor for the audit of its subsidiaries	8,500	8,500
Foreign exchange gains and losses	5,170	766
Cost of inventories recognised as an expense	106,473	130,907
Directors' remuneration	159,740	128,773
Directors' pension contributions to money purchase schemes	9,700	20,900

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

	2017	2016
Money purchase schemes	2	2

One director exercised share options during the year (2016 – one director).

Directors' remuneration includes consultancy fees of £10,000 (2016: £8,000) paid to Mr G Mulder, and £21,700 (2016: £nil) paid to Lumenlinks Limited, a company controlled by Mr W Welch.

### 5. Interest Payable and Similar Charges

	2017 £	2016 £
Loan interest	16,381	12,713

## Notes to the Consolidated Financial Statements – continued

### 6. Taxation

#### Analysis of the tax credit

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

	2017 £	2016 £
Current tax:		
Under provision of research and development tax credit	(119)	(1,629)
Research and development tax credit	(13,596)	(13,517)
Tax on loss on ordinary activities	(13,715)	(15,146)

#### Reconciliation of total tax credit included in profit and loss

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

	2017 £	2016 £
Loss before tax	(329,557)	(262,145)
Loss multiplied by the standard rate of corporation tax in the UK of 19.58% (2016 – 20%)	(64,527)	(52,429)
Effects of:		
Expenses not deductible for tax purposes	41	82
Depreciation in excess of capital allowances	254	351
R&D tax credit	(17,438)	(17,170)
Tax losses not utilised	73,418	65,131
Tax losses utilised in period	(5,463)	(11,111)
Total tax credit	(13,715)	(15,146)

#### Factors that may affect future tax charges

The Group has unutilised tax losses of approximately £5,079,000 (2016: £4,732,000) available against future corporation tax liabilities. The potential deferred taxation asset of £914,000 (2016: £946,000) in respect of these losses has not been recognised in these financial statements as it is not considered sufficiently probable that the Group will generate sufficient taxable profits from the same trade to recover these amounts in full.

### 7. Loss of Parent Company

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

### 8. Loss Per Share

The basic and diluted loss per share figure is based on the net loss for the year attributable to the equity shareholders of £315,842 (2016: £246,999) and on 186,390,256 (2016: 158,115,947) ordinary shares, being the weighted average number of ordinary shares in issue during the period. No shares were deemed to have been issued at nil consideration as a result of the share options granted.

The diluted basic loss per share is stated as the same amount as the basic as there is no dilutive effect in either year.

## Notes to the Consolidated Financial Statements – continued

### 9. Intangible Fixed Assets

Group	Goodwill £	Patents & trademarks £	Totals £
<b>Cost</b>			
At 1 September 2016	117,613	227,010	344,623
Additions	–	9,259	9,259
Disposals	–	(14,767)	(14,767)
At 31 August 2017	117,613	221,502	339,115
<b>Amortisation</b>			
At 1 September 2016	117,613	138,728	256,341
Amortisation for year	–	10,531	10,531
Eliminated on disposal	–	(6,367)	(6,367)
At 31 August 2017	117,613	142,892	260,505
<b>Net Book Value</b>			
At 31 August 2017	–	78,610	78,610
At 31 August 2016	–	88,282	88,282

### 10. Tangible Fixed Assets

Group	Plant and machinery £	Fixtures and fittings £	Totals £
<b>Cost</b>			
At 1 September 2016 and 31 August 2017	64,882	9,948	74,830
<b>Depreciation</b>			
At 1 September 2016	62,142	9,490	71,632
Charge for year	1,876	219	2,095
At 31 August 2017	64,018	9,709	73,727
<b>Net Book Value</b>			
At 31 August 2017	864	239	1,103
At 31 August 2016	2,740	458	3,198

## Notes to the Consolidated Financial Statements – continued

### 11. Fixed Asset Investments

Company	Shares in group undertakings £
<b>Cost</b>	
At 1 September 2016 and 31 August 2017	4,643,191
<b>Provisions</b>	
At 1 September 2016	4,433,825
Reversal of impairments	(27,022)
At 31 August 2017	4,406,803
<b>Net Book Value</b>	
At 31 August 2017	236,388
At 31 August 2016	209,366

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

**Wheelsure Limited**

Nature of business: Commercialisation of wheel nut locking device

**Wheelsure Technologies Limited**

Nature of business: Holder of intellectual property

**INut Group Limited**

Nature of business: Dormant company

**INut UK Limited**

Nature of business: Dormant company

The registered office of the above companies is 8 Woburn Street, Ampthill, Bedfordshire, MK45 2HP.

### 12. Stocks

Group	2017 £	2016 £
Stocks of raw materials	<b>53,136</b>	52,620

## Notes to the Consolidated Financial Statements – continued

### 13. Debtors: Amounts Falling Due Within One Year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	<b>62,884</b>	91,800	–	–
Amounts owed by Group undertakings	–	–	<b>463</b>	208
Other debtors	<b>5,000</b>	–	<b>5,000</b>	–
Tax	<b>27,232</b>	25,035	<b>27,232</b>	25,035
VAT	<b>14,552</b>	4,388	<b>5,262</b>	2,488
Prepayments	<b>20,817</b>	19,544	<b>9,361</b>	8,565
	<b>130,485</b>	140,767	<b>47,318</b>	36,296

### 14. Creditors: Amounts Falling Due Within One Year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Other loans (see note 15)	<b>165,585</b>	102,576	<b>165,585</b>	102,576
Trade creditors	<b>32,130</b>	85,908	<b>3,931</b>	9,462
Amounts owed to Group undertakings	–	–	<b>11,315</b>	–
Social security and other taxes	<b>4,968</b>	4,134	<b>4,968</b>	4,134
Accrued expenses	<b>19,895</b>	37,511	<b>16,660</b>	14,456
	<b>222,578</b>	230,129	<b>202,459</b>	130,628

### 15. Loans

An analysis of the maturity of loans is given below:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts falling due within one year or on demand:				
Other loans	<b>165,585</b>	102,576	<b>165,585</b>	102,576

## Notes to the Consolidated Financial Statements – continued

### 16. Financial Instruments

The Group and Company have the following financial instruments:

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
<b>Financial assets that are debt instruments measured at amortised cost</b>				
Trade debtors	62,884	91,800	–	–
Amounts owed by Group undertakings	–	–	463	208
	<b>62,884</b>	91,800	<b>463</b>	208
<b>Financial liabilities measured at amortised cost</b>				
Other loans	165,585	102,576	165,585	102,576
Trade creditors	32,130	85,908	3,931	9,462
Accruals	19,895	37,511	16,660	14,456
Amounts owed to Group undertakings	–	–	11,315	–
	<b>217,610</b>	225,995	<b>197,491</b>	126,494

### 17. Called Up Share Capital

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2017 £	2016 £
227,705,726 (2016 – 164,194,226)	Ordinary	1p	2,277,057	1,641,942

During the year the Company issued 63,511,500 ordinary shares at 1p per share for cash.

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
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
2,000,000	2.25p	03.07.2014	03.07.2015 – 02.07.2018
950,000	1.00p	19.11.2015	19.11.2015 – 18.11.2020
3,517,133	1.00p	15.11.2016	15.11.2016 – 14.11.2021

## Notes to the Consolidated Financial Statements – continued

### 18. Reserves

Share premium account – includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Retained earnings – includes all current and prior period retained profits and losses.

### 19. Related Party Disclosures

In line with the requirements of FRS 102, the Company has not disclosed details of transactions with Group companies.

During the year, consultancy fees totalling £10,000 (2016: £8,000) were paid to Mr G Mulder, and £21,700 (2016: £nil) paid to Lumenlinks Limited, a company controlled by Mr W Welch. At the year end £nil (2016: £1,000) was due to Mr Mulder and £nil (2016: £nil) was due to Lumenlinks Limited.

The directors are considered the only key management personnel and their compensation totalled £185,201 (2016: £157,293).

### 20. Share Based Payment Transactions

For details of share option schemes in place during the year see note 17.

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

	2017		2016	
	No	WAEP (Pence)	No	WAEP (Pence)
Outstanding at the beginning of the period	<b>16,350,000</b>	<b>2.49</b>	17,750,000	2.45
Granted during the period	<b>3,517,133</b>	<b>1.00</b>	950,000	1.00
Exercised during the period	<b>(450,000)</b>	<b>1.00</b>	(2,000,000)	1.00
Lapsed during the period	<b>(4,750,000)</b>	<b>4.45</b>	(350,000)	5.00
Outstanding at the end of the period	<b>14,667,133</b>	<b>1.54</b>	16,350,000	2.49
Exercisable at the end of the period	<b>14,667,133</b>	<b>1.54</b>	8,350,000	3.31

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

	2017	2016
Expected volatility %	<b>60%</b>	97%
Expected life	<b>1-5 years</b>	2-5 years
Risk free rate (%)	<b>0.25%</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 £9,249 (2016: £10,503) in respect of share based payment transactions.

## *Notes to the Consolidated Financial Statements – continued*

### 21. Reconciliation of Loss for the Financial Year to Cash Used in Operations

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Loss for the financial year	<b>(315,842)</b>	(246,999)	<b>(342,403)</b>	(219,054)
Depreciation and amortisation charges	<b>12,626</b>	13,418	–	–
Loss on disposal of fixed assets	<b>8,400</b>	–	–	–
Reversal of impairment losses on investments	–	–	<b>(27,022)</b>	(22,398)
Share based payment transactions	<b>9,249</b>	10,503	<b>9,249</b>	10,503
Finance costs	<b>16,381</b>	12,713	<b>16,381</b>	12,713
Finance income	–	(22)	–	(22)
Taxation credit	<b>(13,715)</b>	(15,146)	<b>(13,715)</b>	(15,146)
	<b>(282,901)</b>	(225,533)	<b>(357,510)</b>	(233,404)
Increase in stocks	<b>(516)</b>	(17,981)	–	–
Decrease/(increase) in trade and other debtors	<b>17,479</b>	(51,113)	<b>(3,825)</b>	(1,230)
(Decrease)/increase in trade and other creditors	<b>(72,560)</b>	32,389	<b>6,822</b>	(24,282)
<b>Cash used in operations</b>	<b>(338,498)</b>	(262,238)	<b>(354,513)</b>	(258,916)



# *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 28 February 2018 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 2017 together with the report of the auditors;
2. To re-elect as a director G Mulder who retires by rotation and offers himself for re-election;
3. To appoint Nexia Smith & Williamson 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

18 December 2017

### *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 Limited, 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 26 February 2018 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.

