



Wheelsure Holdings plc

Annual Report and Accounts 2014

REGISTERED NUMBER: 04757497
(England and Wales)

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Company Information

Directors:	G Dodl J Allen G Mulder D Vile
Secretary:	G Cresswell
Registered Office:	8 Woburn Street Ampthill Bedfordshire MK45 2HP
Registered Number:	04757497 (England and Wales)
Auditors:	Rothmans Audit LLP Chartered Accountants and Statutory Auditors Avebury House St Peter Street Winchester Hampshire SO23 8BN
Brokers:	Peterhouse Corporate Finance Limited 3rd Floor, New Liverpool House 15 Eldon Street London EC2M 7LD
Registrars:	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 2014

The results for the year ended 31 August 2014 show a turnover of just over GBP144K (2013: GBP209K) and a loss before tax of GBP406K (2013: GBP382K).

Although disappointing, the main reason for the drop in sales was that approvals and consequential orders we had anticipated in the first half year of trading were delayed until the second half of the year. However, I am pleased to report that the stronger second half performance has continued beyond the year end, with sales of over GBP80K being achieved since the year end. Sales of GBP170K for the last 8 calendar months already exceed the sales for the 12 month period ended. This figure excludes further sales in the USA where the royalty income is anticipated but has not yet been invoiced.

Strategy and Outlook

Your Board has already communicated, in detail, that in the rail market, there is a long drawn out process (and rightly so) for our new products to go through vigorous testing procedures and trials before approval is given for us to start supplying product. Our strategy reflects this market process and, in addition to our own efforts, we have sought proactive specialist partners to work with us. The role of these partners varies by territory, but is either a traditional agent or distributor remit, or a full licensing agreement including manufacturing and supply logistics.

The commentary below outlines our progress and activity in our target regions, categorised as follows:

- (A) Strong technical approval allied to direct sales method or proven distributor/agency relationship in an attractive market;
- (B) Approved product status and commercial arrangements in place in attractive market, but as yet unable to consistently commercialise;
- (C) Product introduced with a commercial partner but still in early test/trial stage.

Category A

UK

Regular orders are now being received from London Underground (LUL) and since the year end we have delivered our first order to the Docklands Light Railway (DLR), again, after extensive testing, design and trialling. The LUL orders are now from a broader base of track engineers and on a wider number of track applications.

Italy

During the financial year small orders have started to come in from Ferrovienord and Ferrovie del Gargano (private rail operators) and associated manufacturers. We have confidence that these orders will start to increase in volume over the coming months.

Importantly, we continued in our ongoing testing and acceptance process for the manufacture of crossings with the state rail operator, Rete Ferroviaria Italiana (RFI). We are delighted to report that Tracksure has now been formally incorporated into RFI's technical specification for the manufacture of Crossings. This important breakthrough has been followed up with the first order for just under €20K's worth of product.

This order forms the final part of the homologation process (gaining approved supplier status) and the Board is confident we are now in a strong position to realise the market potential in this important market.

Chairman's Statement and Strategic Report

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Germany

As we have previously announced, DB Netz AG (DB) undertook a final six month product evaluation of Tracksure for use in brake retarders. This has now been successfully completed and we are pleased to inform you that Tracksure has now been formally incorporated into the DB specification for this application.

An order for 40 new retarders for Halle in Germany has already been placed with the supplier, Siemens AG, for delivery in the first half 2015 incorporating Tracksure products.

Following this achievement, discussions with Siemens and DB with regard to establishing supplier approval status continue to cement our business base in Germany.

Holland

Progress in Holland has been slow with only small orders received in the financial period. This is entirely due to delays in the completion of the approval process with Prorail (Dutch rail operator). However, we continue to work actively with our partner to resolve this issue and remain confident that the country's main rail contractors will utilise Tracksure upon the anticipated approval.

USA

As previously reported, Tracksure products were being supplied to the North American railroads by L.B. Foster (LBF), even before concluding an agreement. We announced in December 2014 that this exclusive agreement, which embraces the United States, Canada and Mexico, had been finalised with LBF which is a NASDAQ listed company.

The Board consider that this implementation of a supply/licensing model (including a 3rd party logistics agreement), which has already delivered royalty income of \$23,000 since the year end, is a significant strategic development for our Company.

So far the income has been derived from a single specialist application, the diamond crossing, with just one of the major class 1 railroad companies. LBF is now in a position to proactively broaden this product base with other major railroad companies, further product applications and, as previously reported, the Transits.

Category B

Australia

We have ongoing track evaluations with two rail contractors in Australia and have also identified potential distributor partners. These opportunities will be vigorously pursued.

In addition to the above, Tracksure has been asked to tender for the supply of a range of track components on a 50km track upgrade. This is for a rail contractor which also has interests in the USA and we are now waiting to see if our tender has been accepted.

Spain

The weak economy has, to date, mitigated strongly against commercialising our approval in Spain. Our partner continues to work hard to break this logjam and pursue other opportunities. This has resulted in Tracksure being formally approved by Renfe (following a two year evaluation) and will hopefully lead to a tender opportunity in the first quarter of 2015.

Hungary

As with Spain, the turmoil in other European countries are currently limiting opportunities. We are reviewing our position in Hungary to see if an alternative route to market may facilitate business development, which can be used to back up the technical approval that has already been won.

Chairman's Statement and Strategic Report

– continued

Category C

France, South Africa, Turkey, Malaysia and Brazil

In each of these territories, Tracksure is seeking to develop opportunities, but we remain in the early stages of our process. As part of our relationship with L.B.Foster we have also started to look at the market opportunity in Brazil.

Key Performance Indicators

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

	2014 £	2013 £
Turnover	144,434	209,066
Loss before tax	406,417	382,217

Non-financial key performance indicators include the number of new customers. For the year ended 31 August 2014 these amounted to 7 (2013: 5).

Principle 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.

Future Prospects

As part of our overall strategy, Tracksure is establishing excellent supply and logistics arrangements to support a developing global business as well as looking at technical enhancements (and complementary products) that will give the business increased momentum. Income continues to be derived from the sale of Wheelsure products to a small but regular group of customers, although primary focus is on continuing to expand the Tracksure business in line with the strategy summarised above.

The Board is confident that pursuing the strategy will grow business and opportunities in the countries detailed and we will continue to look to initiate new activity where the market conditions are suitable.

G J Mulder

Chairman

29 January 2015

Report of the Directors

for the year ended 31 August 2014

The directors present their report with the financial statements of the Company and the Group for the year ended 31 August 2014.

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 2014.

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 2014 in the issued share capital of the Company were as follows:

Ordinary 1p shares	31.8.14	1.9.13
G Dodl	2,200,000	1,484,191
J Allen	3,022,088	2,381,480
G Mulder	156,000	120,000
D Vile	740,000	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:

1. Enterprise Management Incentive Option Scheme				
Name	At 1 September 2013	At 31 August 2014	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	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	28.11.2016 – 27.11.2020	1.625p
2. Unapproved share option scheme				
Name	At 1 September 2013	At 31 August 2014	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	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	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
A P Stirling	8.28	10,450,000
Investec Wealth & Investment Limited	6.58	8,305,001
G V L Oury	5.37	6,768,581
Gresham House plc	4.04	5,090,000
Downing Income VCT plc	3.85	4,857,143

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

29 January 2015

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 2014 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.

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 2014 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. The Group's dependence upon securing additional finance, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty 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 Strategic Report 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.

Mr B M Lynch (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

29 January 2015

Consolidated Profit and Loss Account

for the year ended 31 August 2014

	Notes	2014 £	2013 £
Turnover		144,434	209,066
Cost of sales		91,289	116,271
Gross Profit		53,145	92,795
Administrative expenses		452,471	473,790
Operating Loss	3	(399,326)	(380,995)
Interest payable and similar charges	4	7,091	1,222
Loss On Ordinary Activities Before Taxation		(406,417)	(382,217)
Tax on loss on ordinary activities	5	(9,222)	(9,543)
Loss For The Financial Year For The Group		(397,195)	(372,674)

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 2014

	Notes	2014		2013	
		£	£	£	£
Fixed Assets					
Intangible assets	7		60,087		60,713
Tangible assets	8		8,016		5,351
Investments	9		-		-
			68,103		66,064
Current Assets					
Stocks	10		31,662		58,759
Debtors	11		75,127		42,351
Cash at bank			104,458		100,449
			211,247		201,559
Creditors					
Amounts falling due within one year	12		158,427		80,128
Net Current Assets			52,820		121,431
Total Assets Less Current Liabilities			120,923		187,495
Capital And Reserves					
Called up share capital	14		1,261,442		929,040
Share premium	15		3,414,750		3,439,368
Profit and loss account	15		(4,555,269)		(4,180,913)
Shareholders' Funds	17		120,923		187,495

The financial statements were approved by the Board of Directors on 29 January 2015 and were signed on its behalf by:

G Dodl – Director

Company Balance Sheet

31 August 2014

	Notes	2014		2013	
		£	£	£	£
Fixed Assets					
Intangible assets	7		–		–
Tangible assets	8		–		–
Investments	9		106		106
			106		106
Current Assets					
Debtors	11	210,846		160,630	
Cash at bank		18,270		62,627	
		229,116		223,257	
Creditors					
Amounts falling due within one year	12	106,865		26,137	
Net Current Assets			122,251		197,120
Total Assets Less Current Liabilities			122,357		197,226
Capital And Reserves					
Called up share capital	14	1,261,442		929,040	
Share premium	15	3,414,750		3,439,368	
Profit and loss account	15	(4,553,835)		(4,171,182)	
Shareholders' Funds	17		122,357		197,226

The financial statements were approved by the Board of Directors on 29 January 2015 and were signed on its behalf by:

G Dodl – Director

Consolidated Cash Flow Statement

for the year ended 31 August 2014

	Notes	2014 £	2013 £
Net cash outflow from operating activities	19	(375,332)	(312,992)
Returns on investments and servicing of finance	20	(1,306)	(1,222)
Taxation		8,723	7,501
Capital expenditure	20	(10,860)	(4,865)
		(378,775)	(311,578)
Financing	20	382,784	296,268
Increase/(decrease) in cash in the period		4,009	(15,310)
Reconciliation of net cash flow to movement in net funds	21		
Increase/(decrease) in cash in the period		4,009	(15,310)
Cash inflow from increase in debt		(75,000)	–
Change in net funds resulting from cash flows		(70,991)	(15,310)
Other changes		(5,785)	–
Movement in net funds in the period		(76,776)	(15,310)
Net funds at 1 September		100,449	115,759
Net funds at 31 August		23,673	100,449

Notes to the Consolidated Financial Statements

for the year ended 31 August 2014

1. Accounting Policies

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 2014. 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 Group made a loss in the year to 31 August 2014 of £397,195 and its net assets at that date were £120,923.

The Group has prepared forecasts for the period to 31 January 2016 which indicate that the Group will need to raise an additional net £100,000 of working capital and to achieve its increased sales targets to continue to trade for that period.

The directors are also confident that the increased sales targets can be met.

The financial statements have been prepared on a going concern basis on the assumption that the additional working capital of net £100,000 will be raised and sales targets achieved to allow the Group to continue its operational activities until at least 31 January 2016. However the directors are aware that until the additional net £100,000 of working capital has been raised and sales targets achieved there is a material uncertainty about the future of the Group as a going concern.

Taking into account all the information that could be reasonably expected to be available the directors consider it appropriate to prepare the accounts on a going concern basis.

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.

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

Notes to the Consolidated Financial Statements – continued

1. Accounting Policies (continued)

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.

2. Staff Costs

	2014 £	2013 £
Wages and salaries	137,223	137,223
Social security costs	13,568	15,600
Other pension costs	9,488	9,488
Share based payment transactions	20,287	18,637
	180,566	180,948

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

	2014	2013
Directors	4	4

Notes to the Consolidated Financial Statements – continued

3. Operating Loss

The operating loss is stated after charging:

	2014 £	2013 £
Depreciation – owned assets	3,780	3,852
Patents & trademarks amortisation	5,041	4,890
Research and development	16,184	9,899
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	6,000	6,000
Directors' remuneration	140,388	140,218
Directors' pension contributions to money purchase schemes	9,488	9,488

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 £12,000 (2013: £12,000) paid to Mr G Mulder.

4. Interest Payable and Similar Charges

	2014 £	2013 £
Loan interest	7,091	1,222

5. Taxation

Analysis of the tax credit

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

	2014 £	2013 £
Current tax:		
(Under)/over provision of research and development tax credit	(26)	(352)
Research and development tax credit	(9,196)	(9,191)
Tax on loss on ordinary activities	(9,222)	(9,543)

Notes to the Consolidated Financial Statements – continued

5. Taxation (continued)

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:

	2014 £	2013 £
Loss on ordinary activities before tax	(406,417)	(382,217)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013 – 20%)	(81,283)	(76,443)
Effects of:		
Expenses not deductible for tax purposes	116	2,427
Depreciation in excess of capital allowances	(821)	283
R&D tax credit	(13,352)	(9,543)
Tax losses not utilised	86,118	73,733
Current tax credit	(9,222)	(9,543)

Factors that may affect future tax charges

The Group has unutilised tax losses of approximately £4,402,000 (2013: £3,773,000) available against future corporation tax liabilities.

6. 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 £407,420 (2013: £363,469), primarily as a result of provisions made against intercompany debt of £412,500 (2013: £369,500).

7. Intangible Fixed Assets

Group	Goodwill £	Patents & trademarks £	Totals £
Cost			
At 1 September 2013	117,613	235,072	352,685
Additions	–	4,415	4,415
At 31 August 2014	117,613	239,487	357,100
Amortisation			
At 1 September 2013	117,613	174,359	291,972
Amortisation for year	–	5,041	5,041
At 31 August 2014	117,613	179,400	297,013
Net Book Value			
At 31 August 2014	–	60,087	60,087
At 31 August 2013	–	60,713	60,713

Notes to the Consolidated Financial Statements – continued

8. Tangible Fixed Assets

Group	Plant and machinery £	Fixtures and fittings £	Totals £
Cost			
At 1 September 2013	58,437	9,273	67,710
Additions	6,445	–	6,445
At 31 August 2014	64,882	9,273	74,155
Depreciation			
At 1 September 2013	53,438	8,921	62,359
Charge for year	3,680	100	3,780
At 31 August 2014	57,118	9,021	66,139
Net Book Value			
At 31 August 2014	7,764	252	8,016
At 31 August 2013	4,999	352	5,351

All assets relate to subsidiary companies.

9. Fixed Asset Investments

Company	Shares in group undertakings £
Cost	
At 1 September 2013 and 31 August 2014	20,106
Provisions	
At 1 September 2013 and 31 August 2014	20,000
Net Book Value	
At 31 August 2014	106
At 31 August 2013	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

Wheelsure Limited

Nature of business: Commercialisation of wheel nut locking device

Wheelsure Technologies Limited

Nature of business: Holder of intellectual property

Notes to the Consolidated Financial Statements – continued

9. Fixed Asset Investments (continued)

Surefoot Limited

Nature of business: Commercialisation of ladder safety device

Full provision has been made against the Company's investment in Wheelsure Limited to reflect the uncertainty over the timing of future profits in Wheelsure Limited.

10. Stocks

Group	2014 £	2013 £
Stocks of raw materials	31,662	58,759

11. Debtors: Amounts falling due within one year

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Trade debtors	36,996	10,729	–	–
Amounts owed by group undertakings	–	–	179,819	129,016
Tax	18,412	17,913	18,412	17,913
VAT	–	–	2,968	3,892
Prepayments	19,719	13,709	9,647	9,809
	75,127	42,351	210,846	160,630

12. Creditors: Amounts falling due within one year

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Other loans (see note 13)	80,785	–	80,785	–
Trade creditors	40,792	48,248	8,356	5,065
Social security and other taxes	4,350	4,496	4,350	4,496
VAT	9,508	1,318	–	–
Other creditors	125	–	–	–
Accrued expenses	22,867	26,066	13,374	16,576
	158,427	80,128	106,865	26,137

13. Loans

An analysis of the maturity of loans is given below:

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Amounts falling due within one year or on demand:				
Other loans	80,785	–	80,785	–

Notes to the Consolidated Financial Statements – continued

14. Called Up Share Capital

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2014 £	2013 £
126,144,226 (2013 – 92,904,020)	Ordinary	1p	1,261,442	929,040

During the year the Company issued 33,240,206 ordinary shares at 1.0p 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
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
1,750,000	7.75p	27.01.2010	28.01.2012 – 27.01.2015
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

15. Reserves

Group	Profit and loss account £	Share premium £	Totals £
At 1 September 2013	(4,180,913)	3,439,368	(741,545)
Deficit for the year	(397,195)	–	(397,195)
Cash share issue	–	(24,618)	(24,618)
Share based payment transactions	22,839	–	22,839
At 31 August 2014	(4,555,269)	3,414,750	(1,140,519)

Company	Profit and loss account £	Share premium £	Totals £
At 1 September 2013	(4,171,182)	3,439,368	(731,814)
Deficit for the year	(405,492)	–	(405,492)
Cash share issue	–	(24,618)	(24,618)
Share based payment transactions	22,839	–	22,839
At 31 August 2014	(4,553,835)	3,414,750	(1,139,085)

Notes to the Consolidated Financial Statements – continued

16. 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 £13,000 (2013: £14,500) for accountancy, professional and company secretarial services. At the year end the Group owed Security Change Limited £1,498 (2013: £1,264). Security Change Limited is a wholly owned subsidiary of Gresham House plc a major shareholder.

During the year, consultancy fees totalling £12,000 (2013: £12,000) were paid to Mr G Mulder.

Exchange Services Limited has provided a loan to the Group totalling £75,000 (2013: £nil). Interest accrued on this loan amounted to £5,785 (2013: £nil). The balance outstanding at the year end was £80,785 (2013: £nil). Additionally, consultancy fees to Friars Management Services Limited totalling £nil (2013: £9,375) were accrued for during the year. Mr A P Stirling, a major shareholder, has an interest in both of these companies.

17. Reconciliation of movements in Shareholders' Funds

Group	2014 £	2013 £
Loss for the financial year	(397,195)	(372,674)
Issue of shares	307,784	296,268
Share based payment transactions	22,839	24,423
Net reduction of shareholders' funds	(66,572)	(51,983)
Opening shareholders' funds	187,495	239,478
Closing shareholders' funds	120,923	187,495

Company	2014 £	2013 £
Loss for the financial year	(405,492)	(363,469)
Issue of shares	307,784	296,268
Share based payment transactions	22,839	24,423
Net reduction of shareholders' funds	(74,869)	(42,778)
Opening shareholders' funds	197,226	240,004
Closing shareholders' funds	122,357	197,226

Notes to the Consolidated Financial Statements – continued

18. Share Based Payment Transactions

For details of share option schemes in place during the year see note 14.

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

	2014		2013	
	No	WAEP (Pence)	No	WAEP (Pence)
Outstanding at the beginning of the period	5,500,000	6.46	5,500,000	6.46
Granted during the period	14,000,000	1.54	–	–
Lapsed during the period	–	–	–	–
Outstanding at the end of the period	19,500,000	2.93	5,500,000	6.46
Exercisable at the end of the period	9,300,000	4.18	4,100,000	7.29

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

	2014	2013
Expected volatility %	13%	37%
Expected life	4-7 years	5-7 years
Risk free rate (%)	4.75%	4.75%
Dividend yield (%)	0%	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 £22,839 (2013: £24,423) in respect of share based payment transactions.

19. Reconciliation of Operating Loss to Net Cash Outflow from Operating Activities

	2014	2013
	£	£
Operating loss	(399,326)	(380,995)
Depreciation charges	8,821	8,742
Share based payment transactions	22,839	24,423
Decrease in stocks	27,097	3,858
(Increase)/decrease in debtors	(32,277)	9,857
(Decrease)/increase in creditors	(2,486)	21,123
Net cash outflow from operating activities	(375,332)	(312,992)

Notes to the Consolidated Financial Statements – continued

20. Analysis of Cash Flows for headings Netted in the Cash Flow Statement

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest paid	(1,306)	(1,222)
Net cash outflow for returns on investments and servicing of finance	(1,306)	(1,222)
Capital expenditure		
Purchase of intangible fixed assets	(4,415)	(1,083)
Purchase of tangible fixed assets	(6,445)	(3,782)
Net cash outflow for capital expenditure	(10,860)	(4,865)
Financing		
New loans in year	75,000	–
Share issue	307,784	296,268
Net cash inflow from financing	382,784	296,268

21. Analysis of changes in Net Funds

	At 1.9.13 £	Cash flow £	Other non-cash changes £	At 31.8.14 £
Net cash:				
Cash at bank	100,449	4,009		104,458
Debt:				
Debts falling due within one year	–	(75,000)	(5,785)	(80,785)
Total	100,449	(70,991)	(5,785)	23,673

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 Peterhouse Corporate Finance Ltd, 3rd Floor New Liverpool House, 15 Eldon Street, London EC2M 7LD on 3 March 2015 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 2014 together with the report of the auditors;
2. To re-elect as a director G Dodl 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

29 January 2015

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 1 March 2015 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.

