



*Wheelsure Holdings plc*

**Annual Report and Accounts 2012**

REGISTERED NUMBER: 04757497  
(England and Wales)

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## *Company Information*

<b>Directors:</b>	G Dodl J Allen G Mulder D Vile
<b>Secretary:</b>	Security Change Limited
<b>Registered Office:</b>	8 Woburn Street Amphill Bedfordshire MK45 2HP
<b>Registered Number:</b>	04757497 (England and Wales)
<b>Auditor:</b>	Rothmans LLP Chartered Accountants and Statutory Auditors Avebury House St Peter Street Winchester Hampshire SO23 8BN
<b>Brokers:</b>	Seymour Pierce Limited 20 Old Bailey London EC4M 7EN
<b>Registrars:</b>	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA

## *Chairman's Statement*

*for the year ended 31 August 2012*

The results for the year ended 31 August 2012 show turnover of £39,000 (2011: £84,000) and a loss on ordinary activities before taxation of £482,000 (2011:£486,000). Whilst this is obviously disappointing the Board believes that progress is being made across a wider number of territories and, as a result, is increasingly optimistic that significantly more orders will be received in the current financial year. This is demonstrated by the receipt of 3 significant orders received during the 3 months ended 30 November 2012 with an aggregate value of approximately £85,000. Never before has the Group had such a strong start to a financial year.

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

### **Tracksure**

#### *UK*

London Underground has now ordered products to commence the “extended rollout” project and we are currently finalising delivery and installation details as well as overall project objectives. Independent of this project, orders continue to be received, the latest being two orders for approved breather switch applications delivered in December 2012 with a combined value of £52,500. Consequently, Tracksure now has two approved applications in the process of being installed in the underground network and the Board anticipates further orders for both in the next six months.

#### *Hungary & Spain*

Tracksure continues to progress the commercialisation of its technical approvals through its distributor partners, Enrique Cat-Vila in Spain and MAV-Thermit in Hungary. Due to the wider economic situation in both countries expected orders are currently on hold. However in Spain a successful trial installation with Ferrocarrils de la Generalitat de Catalunya and a first trial order received from RENFE to retrofit a number of freight wagons for evaluation are indications of further progress. In Hungary, following last year's order for product to be used in the refurbishment of 200 crossings, the Board is hopeful of receiving a further order for the same product once the necessary state funds have been released.

#### *Germany*

Formal testing is underway with the national infrastructure manager and a large German retarder manufacturer at Europe's largest marshalling yard in Germany. The trial was completed in October 2012 and discussions will continue with a view to securing an initial order during the first half of 2013. In addition, Tracksure is working with a large German manufacturing company on a specific rail equipment project with a view to its products being specified for a rail sleeper application.

#### *Italy*

Under the auspices of Rete Ferroviaria italia, the Italian railway infrastructure manager, the Tracksure product has successfully passed extensive testing to UNI EN 13481-7, the British Standards Institution standard for switches, crossings and check rails. As a result the product has now successfully been installed in a check rail application in Rome, Genoa and Turin. The in-track testing cycle will take place over a full year, a methodology which appears to be common to most rail infrastructure managers.

In addition, Tracksure continues to receive small orders from Ferrovienord, a transport company that manages the network of regional railway concessions owned by FNM S.p.A.in northern Italy, and is in discussion with this company to obtain product specification for new crossings and insulated joints in its system.

#### *Holland*

Tracksure product has recently been installed in a temporary fishplate application in a joint initiative between Prorail, the state rail operator, and a major rail maintenance contractor. A further initiative, again with the support of Prorail, is now being discussed with a second maintenance contractor to retrofit a number of switches and crossings in a main passenger line for evaluation purposes.

## *Chairman's Statement – continued*

### *North America*

Tracksure has signed Heads of Agreement with LB Foster Company, a NASDAQ listed company which is considered to be a leading US company involved in the manufacture, fabrication and distribution of railroad products and materials, under which LB Foster has expressed an interest in becoming a distributor for the Tracksure product and shall have the exclusive rights to market such product throughout North America. LB Foster has also expressed an interest to manufacture the Tracksure product in North America in the future and this is subject to negotiation in due course. It is the Board's intention that LB Foster will seek commercial opportunities for the Tracksure product with major railroad operators, building both upon Tracksure's previous independent efforts, particularly with Norfolk Southern and Chicago Metro, as well as exploiting new opportunities provided from LB Foster's network.

### *LD99*

LD99 was specifically launched to seek opportunities for the technology in industrial applications. Negotiations are ongoing with a UK rail infrastructure company to incorporate LD99 into a patented (pending) and innovative product that has wide use in a number of industries, including rail.

### **Wheelsure**

Small repeat orders from operators in the bus and coach market continue to be received and, as previously reported, a new opportunity is being explored in the UK truck market which the Board believes could develop into repeat orders in this sector.

### **Fundraising**

Following the announcement on 11 January 2013 I am pleased to advise that Wheelsure has completed the placing of 6,089,288 new ordinary shares and a further 5,963,515 new ordinary shares by way of the open offer both at 1.75p per share. This has raised, in aggregate, gross proceeds of £210,924 for working capital purposes.

Following the placing and open offer the number of ordinary shares in issue and therefore the total number of voting rights is now 82,052,317.

Finally I would take this opportunity to thank all those shareholders who participated in the placing and open offer and our staff for their continued efforts.

### **G Mulder**

Chairman

29 January 2013

# Report of the Directors

for the year ended 31 August 2012

The directors present their report with the financial statements of the Company and the Group for the year ended 31 August 2012.

## 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.

## Review of Business

The results for the year and financial position of the Company and the Group are as shown in the annexed financial statements.

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

	2012 £	2011 £
Turnover	39,215	84,445
Loss before tax	481,746	486,462

Non-financial key performance indicators include the number of new customers.

## Dividends

No dividends will be distributed for the year ended 31 August 2012.

## Research and Development

The Group continues to develop its range of safety devices for the transport industry.

## Future Developments

A review of future developments can be found in the Chairman's Statement on page 4.

## Post Balance Sheet Event

Since the year end, the Company has completed an equity placing and open offer. Further details can be found in note 13.

## Directors

The directors during the year under review were:

G Dodl

J Allen

G Mulder

D Vile

S Lawrence – resigned 31.5.12

The beneficial interests of the directors holding office on 31 August 2012 in the issued share capital of the Company were as follows:

	31.8.12	1.9.11
Ordinary 1p shares		
G Dodl	814,746	764,746
J Allen	1,192,252	1,119,472
G Mulder	120,000	120,000
D Vile	622,525	522,525

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.

## Report of the Directors – continued

### Group's Policy on Payment of Creditors

It is the Group's policy to negotiate payment terms with its suppliers in all sectors and to ensure they know the terms at which payment will take place when the business was agreed.

### Political and Charitable Contributions

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

### Share Options

Details of share options for each director are as follows:

<b>1. Enterprise Management Incentive Option Scheme</b>				
Name	At 1 September 2011	At 31 August 2012	Option period	Exercise price per share
G Dodl	1,500,000	1,500,000	28.01.2013 – 27.01.2017	7.75p
D Vile	500,000	500,000	28.01.2013 – 27.01.2017	7.75p
	–	200,000	26.01.2015 – 25.01.2019	3.25p
<b>2. Unapproved share option scheme</b>				
Name	At 1 September 2011	At 31 August 2012	Option period	Exercise price per share
G Dodl	350,000	350,000	08.05.2012 – 07.05.2016	5.00p
	–	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	26.01.2014 – 25.01.2017	3.25p
G Mulder	500,000	500,000	28.01.2012 – 27.01.2015	7.75p
	–	150,000	26.01.2014 – 25.01.2017	3.25p

### Principal Risks

The Group faces the financial risk that there may be insufficient cashflow in the future to continue to commercialise the products and generate revenue streams.

### 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	8.86	6,200,000
G V L Oury	8.24	5,768,581
Investec Wealth & Investment Limited	7.85	5,492,371
Gresham House plc	7.27	5,090,000
Downing Income VCT plc	6.94	4,857,143
Buckton Homes Limited	4.80	3,359,366

## *Report of the Directors – continued*

### **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;
- 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 LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Security Change Limited - Secretary

Date: 29 January 2013



## *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 2012 on pages ten to twenty four. 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 set out on page eight, 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 APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 August 2012 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.

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

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

### **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 LLP  
Chartered Accountants and Statutory Auditors  
Avebury House, St Peter Street. Winchester. Hampshire SO23 8BN

Date: 30 January 2013

## *Consolidated Profit and Loss Account*

*for the year ended 31 August 2012*

	Notes	2012 £	2011 £
<b>Turnover</b>		<b>39,215</b>	84,445
Cost of sales		<b>23,493</b>	42,930
<b>Gross Profit</b>		<b>15,722</b>	41,515
Administrative expenses		<b>497,186</b>	527,990
<b>Operating Loss</b>	3	<b>(481,464)</b>	(486,475)
Interest receivable and similar income		<b>1,272</b>	1,489
		<b>(480,192)</b>	(484,986)
Interest payable and similar charges	4	<b>1,554</b>	1,476
<b>Loss On Ordinary Activities Before Taxation</b>		<b>(481,746)</b>	(486,462)
Tax on loss on ordinary activities	5	<b>(8,897)</b>	(3,286)
<b>Loss For The Financial Year For The Group</b>		<b>(472,849)</b>	(483,176)

### **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 2012

	Notes	2012		2011	
		£	£	£	£
<b>Fixed Assets</b>					
Intangible assets	7		<b>64,520</b>		52,933
Tangible assets	8		<b>5,421</b>		10,866
Investments	9		–		–
			<b>69,941</b>		63,799
<b>Current Assets</b>					
Stocks	10	<b>62,617</b>		41,979	
Debtors	11	<b>50,166</b>		87,778	
Cash at bank		<b>115,759</b>		129,644	
		<b>228,542</b>		259,401	
<b>Creditors</b>					
Amounts falling due within one year	12	<b>59,005</b>		99,306	
			<b>169,537</b>		160,095
<b>Net Current Assets</b>					
<b>Total Assets Less Current Liabilities</b>					
			<b>239,478</b>		223,894
<b>Capital and Reserves</b>					
Called up share capital	13		<b>699,995</b>		539,496
Share premium	14		<b>3,372,145</b>		3,105,085
Profit and loss account	14		<b>(3,832,662)</b>		(3,420,687)
			<b>239,478</b>		223,894
<b>Shareholders' Funds</b>					

The financial statements were approved by the Board of Directors on 29 January 2013 and were signed on its behalf by:

**G Dodl** – Director

# Company Balance Sheet

31 August 2012

	Notes	2012		2011	
		£	£	£	£
<b>Fixed Assets</b>					
Intangible assets	7		-		-
Tangible assets	8		-		-
Investments	9		<b>106</b>		106
			<b>106</b>		106
<b>Current Assets</b>					
Debtors	11	<b>145,798</b>		346,076	
Cash at bank		<b>111,301</b>		111,037	
		<b>257,099</b>		457,113	
<b>Creditors</b>					
Amounts falling due within one year	12	<b>17,201</b>		16,441	
<b>Net Current Assets</b>			<b>239,898</b>		440,672
<b>Total Assets Less Current Liabilities</b>			<b>240,004</b>		440,778
<b>Capital and Reserves</b>					
Called up share capital	13		<b>699,995</b>		539,496
Share premium	14		<b>3,372,145</b>		3,105,085
Profit and loss account	14		<b>(3,832,136)</b>		(3,203,803)
<b>Shareholders' Funds</b>	16		<b>240,004</b>		440,778

The financial statements were approved by the Board of Directors on 29 January 2013 and were signed on its behalf by:

**G Dodl** – Director

## *Consolidated Cash Flow Statement*

*for the year ended 31 August 2012*

	Notes	2012 £	2011 £
<b>Net cash outflow from operating activities</b>	18	<b>(424,276)</b>	(427,901)
<b>Returns on investments and servicing of finance</b>	19	<b>(282)</b>	13
<b>Taxation</b>		<b>-</b>	2,273
<b>Capital expenditure</b>	19	<b>(16,886)</b>	(12,407)
		<b>(441,444)</b>	(438,022)
<b>Financing</b>	19	<b>427,559</b>	448,911
<b>(Decrease)/increase in cash in the period</b>		<b>(13,885)</b>	10,889
<b>Reconciliation of net cash flow to movement in net funds</b>	20		
(Decrease)/increase in cash in the period		<b>(13,885)</b>	10,889
Change in net funds resulting from cash flows		<b>(13,885)</b>	10,889
<b>Movement in net funds in the period</b>		<b>(13,885)</b>	10,889
<b>Net funds at 1 September</b>		<b>129,644</b>	118,755
<b>Net funds at 31 August</b>		<b>115,759</b>	129,644

# *Notes to the Consolidated Financial Statements*

*for the year ended 31 August 2012*

## **1. Accounting Policies**

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### **Accounting convention**

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

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 August 2012. 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 financial statements have been prepared on a going concern basis which assumes that the Group will continue to trade, without significant curtailment, for the foreseeable future.

In arriving at this view, the directors acknowledge the inherent uncertainty akin to the current economic climate and the inherent risks that surround the achievability and timing of the projected income. The commencement of the income streams deriving from the Wheelsure technology have begun to flow at the point of finalising these financial statements and based on their current knowledge, the directors remain confident that the Group will achieve the positive forecast results and cashflows for the next 12 months.

The Company has also raised funds for the Group via the issue of shares, sufficient to enable the Group to continue trading for the foreseeable future.

The directors have concluded that, after considering the financial position of the Company, they have reasonable expectations that it will have adequate resources to continue in operational existence and for this reason, they continue to adopt the going concern basis in preparing the financial statements.

### **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

	2012 £	2011 £
Wages and salaries	146,223	148,482
Social security costs	15,722	16,118
Other pension costs	9,488	9,488
Share based payment transactions	54,795	69,218
	<b>226,228</b>	243,306

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

	2012	2011
Directors	5	5

## Notes to the Consolidated Financial Statements – continued

### 3. Operating Loss

The operating loss is stated after charging:

	2012 £	2011 £
Depreciation – owned assets	5,895	13,344
Patents & trademarks amortisation	4,849	4,026
Research and development	11,515	3,419
Fees payable to the Group's auditor for the audit of the Group's annual accounts	3,500	5,100
Fees payable to the Group's auditor for the audit of its subsidiaries	6,000	6,900
Directors' remuneration	149,370	152,456
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 £9,000 (2011: £1,000) paid to Mr S Lawrence and £12,000 (2011: £12,000) paid to Mr G Mulder.

Information regarding the highest paid director is as follows:

	2012 £	2011 £
Emoluments etc	82,000	82,000
Pension contributions to money purchase schemes	4,100	4,100

### 4. Interest Payable and Similar Charges

	2012 £	2011 £
Loan interest	1,554	1,476



## Notes to the Consolidated Financial Statements – continued

### 5. Taxation

#### Analysis of the tax credit

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

	2012 £	2011 £
Current tax:		
(Under)/over provision of research and development tax credit	(527)	3,689
Research and development tax credit	(8,370)	(6,975)
Tax on loss on ordinary activities	(8,897)	(3,286)

#### 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:

	2012 £	2011 £
Loss on ordinary activities before tax	(481,746)	(486,462)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2011 – 20%)	(96,349)	(97,292)
Effects of:		
Expenses not deductible for tax purposes	12,610	15,017
Depreciation in excess of capital allowances	626	485
R&D tax credit	(8,897)	(3,286)
Tax losses not utilised	83,113	81,790
Current tax credit	(8,897)	(3,286)

#### Factors that may affect future tax charges

The Group has unutilised tax losses of approximately £3,437,000 (2011: £2,948,000) 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 £689,207 (2011: £308,085), primarily as a result of provisions made against intercompany debt of £649,000 (2011: £242,000).

## Notes to the Consolidated Financial Statements – continued

### 7. Intangible Fixed Assets

Group	Goodwill £	Patents & trademarks £	Totals £
<b>Cost</b>			
At 1 September 2011	117,613	217,553	335,166
Additions	–	16,436	16,436
At 31 August 2012	117,613	233,989	351,602
<b>Amortisation</b>			
At 1 September 2011	117,613	164,620	282,233
Amortisation for year	–	4,849	4,849
At 31 August 2012	117,613	169,469	287,082
<b>Net Book Value</b>			
At 31 August 2012	–	64,520	64,520
At 31 August 2011	–	52,933	52,933

### 8. Tangible Fixed Assets

Group	Plant and machinery £	Fixtures and fittings £	Totals £
<b>Cost</b>			
At 1 September 2011	54,608	8,870	63,478
Additions	450	–	450
At 31 August 2012	55,058	8,870	63,928
<b>Depreciation</b>			
At 1 September 2011	43,742	8,870	52,612
Charge for year	5,895	–	5,895
At 31 August 2012	49,637	8,870	58,507
<b>Net Book Value</b>			
At 31 August 2012	5,421	–	5,421
At 31 August 2011	10,866	–	10,866

All assets relate to subsidiary companies.

## Notes to the Consolidated Financial Statements – continued

### 9. Fixed Asset Investments

Company	Shares in group undertakings £
<b>Cost</b>	
At 1 September 2011 and 31 August 2012	20,106
<b>Provisions</b>	
At 1 September 2011 and 31 August 2012	20,000
<b>Net Book Value</b>	
At 31 August 2012	106
At 31 August 2011	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

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 2012 £	2011 £
Stocks	<b>62,617</b>	41,979

## Notes to the Consolidated Financial Statements – continued

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

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Trade debtors	3,636	54,516	–	–
Amounts owed by group undertakings	–	–	118,286	326,706
Other debtors	1,000	1,000	–	–
Tax	15,871	6,975	15,871	6,975
VAT	6,502	6,417	1,996	2,658
Prepayments	23,157	18,870	9,645	9,737
	<b>50,166</b>	<b>87,778</b>	<b>145,798</b>	<b>346,076</b>

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

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Trade creditors	27,273	76,233	2,686	4,053
Social security and other taxes	4,600	4,613	4,600	4,613
Other creditors	2,250	2,250	–	–
Accrued expenses	24,882	16,210	9,915	7,775
	<b>59,005</b>	<b>99,306</b>	<b>17,201</b>	<b>16,441</b>

### 13. Called Up Share Capital

Allotted, issued and fully paid:			2012	2011
Number:	Class:	Nominal value:	£	£
69,999,514 (2011 – 53,949,575)	Ordinary	1p	699,995	539,496

During the year the Company issued 9,799,939 ordinary shares at 3.5p per share for cash, and a further 6,250,000 ordinary shares at 2.0p, also for cash.

At 31 August 2012 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

## Notes to the Consolidated Financial Statements – continued

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

At 31 August 2012 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	3.5p	21.12.2011	21.12.2013 – 20.12.2016
500,000	3.25p	26.01.2012	26.01.2014 – 25.01.2017

On 29 January 2013 shareholders authorised the issue of 12,052,803 shares at a value of 1.75p per share. This equity placing and open offer has generated additional funds of £181,582 (net of expenses).

### 14. Reserves

Group	Profit and loss account £	Share premium £	Totals £
At 1 September 2011	(3,420,687)	3,105,085	(315,602)
Deficit for the year	(472,849)	–	(472,849)
Cash share issue	–	267,060	267,060
Share based payment transactions	60,874	–	60,874
At 31 August 2012	(3,832,662)	3,372,145	(460,517)

Company	Profit and loss account £	Share premium £	Totals £
At 1 September 2011	(3,203,803)	3,105,085	(98,718)
Deficit for the year	(689,207)	–	(689,207)
Cash share issue	–	267,060	267,060
Share based payment transactions	60,874	–	60,874
At 31 August 2012	(3,832,136)	3,372,145	(459,991)

## Notes to the Consolidated Financial Statements – continued

### 15. 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 Security Change Limited £14,000 (2011: £17,000) for accountancy, professional and company secretarial services. At the year end the Group owed Security Change Limited £1,491 (2011: £1,356).

Security Change Limited is a wholly owned subsidiary of Gresham House plc a major shareholder.

During the year, consultancy fees totalling £12,000 (2011: £12,000) were paid to Mr G Mulder, and consultancy fees of £9,000 (2011: £1,000) were paid to Mr S Lawrence.

Consultancy fees to Friars Management Services Limited totalling £1,875 (2011: £nil) were accrued for during the year. Mr A P Stirling, a major shareholder, has an interest in Friars Management Services Limited.

### 16. Reconciliation of movements in Shareholders' Funds

Group	2012 £	2011 £
Loss for the financial year	(472,849)	(483,176)
Issue of shares	427,559	448,911
Share based payment transactions	60,874	74,551
<b>Net addition to shareholders' funds</b>	<b>15,584</b>	40,286
Opening shareholders' funds	223,894	183,608
<b>Closing shareholders' funds</b>	<b>239,478</b>	223,894
Company	2012 £	2011 £
Loss for the financial year	(689,207)	(308,085)
Issue of shares	427,559	448,911
Share based payment transactions	60,874	74,551
<b>Net (reduction)/addition to shareholders' funds</b>	<b>(200,774)</b>	215,377
Opening shareholders' funds	440,778	225,401
<b>Closing shareholders' funds</b>	<b>240,004</b>	440,778

## Notes to the Consolidated Financial Statements – continued

### 17. Share Based Payment Transactions

For details of share option schemes in place during the year see note 13.

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

	2012		2011	
	No	WAEP (Pence)	No	WAEP (Pence)
Outstanding at the beginning of the period	<b>4,600,000</b>	<b>7.08</b>	4,961,493	8.58
Granted during the period	<b>1,400,000</b>	<b>3.38</b>	500,000	5.00
Lapsed during the period	<b>(500,000)</b>	<b>3.50</b>	(861,493)	13.65
Outstanding at the end of the period	<b>5,500,000</b>	<b>6.46</b>	4,600,000	7.08
Exercisable at the end of the period	<b>2,100,000</b>	<b>7.29</b>	–	–

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

	2012	2011
Expected volatility %	<b>47%</b>	28%
Expected life	<b>5-7 years</b>	5-7 years
Risk free rate (%)	<b>4.75%</b>	4.75%
Dividend yield (%)	<b>0%</b>	0%

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

The Group recognised total expenses of £60,874 (2011: £74,551) in respect of share based payment transactions.

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

	2012 £	2011 £
Operating loss	<b>(481,464)</b>	(486,475)
Depreciation charges	<b>10,744</b>	17,370
Share based payment transactions	<b>60,874</b>	74,551
Increase in stocks	<b>(20,638)</b>	(30,826)
Decrease/(increase) in debtors	<b>46,508</b>	(44,521)
(Decrease)/increase in creditors	<b>(40,300)</b>	42,000
Net cash outflow from operating activities	<b>(424,276)</b>	(427,901)

## Notes to the Consolidated Financial Statements – continued

### 19. Analysis of Cash Flows for headings netted in the Cash Flow Statement

	2012 £	2011 £
<b>Returns on investments and servicing of finance</b>		
Interest received	1,272	1,489
Interest paid	(1,554)	(1,476)
<b>Net cash (outflow)/inflow for returns on investments and servicing of finance</b>	<b>(282)</b>	13
<b>Capital expenditure</b>		
Purchase of intangible fixed assets	(16,436)	(4,506)
Purchase of tangible fixed assets	(450)	(7,901)
<b>Net cash outflow for capital expenditure</b>	<b>(16,886)</b>	(12,407)
<b>Financing</b>		
Share issue	427,559	448,911
<b>Net cash inflow from financing</b>	<b>427,559</b>	448,911

### 20. Analysis of changes in Net Funds

	At 1.9.11 £	Cash flow £	At 31.8.12 £
Net cash:			
Cash at bank	129,644	(13,885)	115,759
	129,644	(13,885)	115,759
Total	129,644	(13,885)	115,759



# *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 Seymour Pierce, 20 Old Bailey, London EC4M 7EN on 08 March 2013 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 2012 together with the report of the auditors;
2. To re-elect as a director J Allen who retires by rotation and offers himself for re-election;
3. To appoint Rothmans 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 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; and
  - (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £140,000.

# 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  
Security Change Limited  
Company Secretary

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

29 January 2013

### Notes to the Notice of Annual General Meeting

- (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 6.00 p.m. on 06 March 2013 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.



