Wheelsure Holdings plc

Annual Report and Accounts 2020

REGISTERED NUMBER: 04757497
(England and Wales)

Contents

Company Information

Directors:	G Dodl J Allen G Mulder D Vile
Secretary:	G Cresswell
Registered Office:	235 Hunts Pond Road Fareham Hampshire PO14 4PJ
Registered Number:	04757497 (England and Wales)
Auditors:	Nexia Smith & Williamson Statutory Auditor Chartered Accountants Cumberland House 15-17 Cumberland Place Southampton Hampshire SO15 2BG
AQSE Exchange Corporate Advisor:	Cairn Financial Advisers LLP Cheyne House Crown Court 62-63 Cheapside London EC2V 6AX
Solicitors:	Clark Holt Limited Hardwick House Prospect Place Swindon SN1 3LJ
Registrars:	Neville Registrars Limited Neville House Steelpark Road Halesowen West Midlands B62 8HD

Chairman's Statement and Strategic Report

for the year ended 31 August 2020

I am pleased to report that sales for the year ended 31 August 2020 were, including royalties, £234,836 (2019: £178,444), a 32% increase over the comparable period in 2019. Losses before tax in the year were reduced as a result of this increased income and stringent fixed-cost management to £203,320 (2019: £223,855).

This second annual improvement was achieved against considerable pressure on transport spending since the spring due to the Coronavirus pandemic. Whilst we remain optimistic that the sales headway we have made will remain, the Board remains mindful of the continued effects that Covid-19 is having to working practices and ordering cycles and that this could provide for an uneven distribution of sales in the coming financial year.

As previously reported, the restructuring of our shares in May 2020 strengthened our working capital facility, allowing for implementation of our business plan in a considered manner.

The Board is working to build upon improved order intake during the year from the UK, Italy and Germany as well as realising our potential in other countries where our approvals/relationships are strong.

UK/Ireland

We continue to supply regularly to the London Underground (LUL) and the Dockland Light Railway (DLR) and their contractors. Investors will be aware of the significant financial pressures on Transport for London (TFL) as a direct result of the collapse in their income due to the pandemic. Whilst we are confident our products will save Transport for London significant sums compared to competitor products over their lifetime, the Board also acknowledges that TFL face a number of challenges which are likely to impact their procurement, maintenance and upgrade programmes and, in turn, may impact sales. Against this background we continue to maintain strong relationships and seek new and creative opportunities to build upon our excellent technical approvals.

Holland, Germany, and Austria

These countries remain a priority for our business as we seek to build upon good approvals. In 2020 we achieved a comparable level of business to 2019, building on success with both Siemens and thyssenkrupp Steel Europe AG.

Our challenge is to proliferate this success more widely throughout the Deutsche Bahn network and other industrial rail networks. This will therefore be the focus of our sales efforts and that of a specialist partner company with whom we are cooperating in the region.

Italy

Late in the year we received and processed a long-awaited order which we believe to be the first of a three-part refurbishment contract in the north of the country. As in the UK, current prevailing circumstances remain difficult but, working with our agent, we continue to build upon an excellent technical approval.

Other Markets

Whilst strongly focussing on the exploitation of the Tracksure brand in the above territories, as previously reported, the strategic collaboration with Haydale Graphene Industries plc is ongoing and the Board is judiciously looking at related opportunities to commercially develop the potential of our core patented technology.

Chairman's Statement and Strategic Report
– continued

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

	2020 **£**	2019 £
Turnover	**232,539**	171,840
Loss before tax	**203,320**	223,855

Non-financial key performance indicators include the number of new customers. For the year ended 31 August 2020 these amounted to 2 (2019: 3).

Directors' Duties – Compliance With Section 172 of the Companies Act 2006
Section 172 of the Companies Act 2006 requires directors to promote the success of the Company for the benefit of the members as a whole and in doing so have regard to the interests of stakeholders including shareholders, clients, employees, regulators and the wider society in which it operates.

We maintain regular and open communication with shareholders and continue to deliver responsibility to the communities whom are impacted by our activity.

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

The following list highlights the principal risks:

- Financial and liquidity 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. Our cashflow is monitored carefully and fundraising needs are periodically evaluated. 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; and
- 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.

The Covid-19 pandemic continues to have an impact on all businesses. It is encouraging to note that orders are still being received from customers throughout Europe, and the Board is confident that this will not adversely affect the ability to remain as a going concern.

Finally, the Board is cognisant of the current uncertainties pertaining to Brexit and, from both the sales and supply perspective, will continue to act appropriately to minimise risk and maintain business opportunity.

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

G Mulder
Chairman

30 November 2020

Directors' Report

for the year ended 31 August 2020

The directors present their report with the financial statements of the Company and the Group for the year ended 31 August 2020.

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 2020 (2019: £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

The beneficial interests of the directors holding office on 31 August 2020 in the issued share capital of the Company were as follows:

	31.8.20	1.9.19
Ordinary 1p shares		
G Dodl	**42,150**	4,215,000
J Allen	**50,220**	5,022,088
G Mulder	**6,060**	606,000
D Vile	**7,400**	740,000
Deferred 0.99p shares		
G Dodl	**4,215,000**	–
J Allen	**5,022,088**	–
G Mulder	**606,000**	–
D Vile	**740,000**	–

The share holdings for the year ended 31 August 2020 have been updated to reflect the share consolidation which took place on 22 May 2020 (see note 17).

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:

1. Enterprise Management Incentive Option Scheme				
Name	At 1 September 2019	At 31 August 2020	Option period	Exercise price per share
G Dodl	60,000	60,000	28.11.2016 – 27.11.2020	1.625p
D Vile	20,000	20,000	28.11.2016 – 27.11.2020	1.625p

The opening position has been adjusted to reflect the share consolidation which took place on 22 May 2020 (see note 17).

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
Mr A Best	26.51	950,000
CGWL Nominees Limited	11.65	417,447
Premier Miton Group plc	7.92	283,946
WB Nominees Limited	7.88	282,401
Winterflood Securities Limited	6.99	250,573
Mr G Eves	5.07	181,800
Mr P Jewell	5.02	180,000

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 UK Corporate Governance Code, although due to the Company's AQSE Growth Market (previously called the NEX Exchange) quoted status there is no requirement to provide Corporate Governance Disclosure. 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

30 November 2020

Report of the Independent Auditors 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 2020 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).

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 31 August 2020 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 as applied to SME listed entities, 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 relating to going concern

We draw attention to note 1 in the financial statements, which indicates that the Group will generate sufficient cash through forecasted trading activity and drawing down on existing loan facilities to remain as a going concern until at least 31 December 2021, based on the budgets and cash flow forecasts produced, including consideration of the likely impact of Covid-19, however the increase and timing of forecast sales and the impact of Covid-19 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.

Key audit matters

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.

We have concluded there are no key audit matters to report upon, except for the matter described in the material uncertainty related to going concern section above.

Report of the Independent Auditors – *continued*

Our application of materiality
The materiality for the financial statements of the Group as a whole was set at £10,800. This has been determined with reference to the benchmark of the Group's gross expenditure. Materiality represents 2.5% of gross expenditure.

The materiality for the financial statement of the Parent as a whole was set at £6,260 which is 2.5% of the Company's gross expenditure.

An overview of the scope of our audit
Of the Group's four reporting components (excluding dormant components), we subjected all four components to audits for Group Reporting Purposes.

Other information
The other information comprises the information included in the Annual Report and Accounts, other than the 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.

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.

Report of the Independent Auditors *– continued*

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 7, 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.

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. This description forms part of our auditor's report.

Use of our report
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.

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: 30 November 2020

Consolidated Statement of Comprehensive Income

for the year ended 31 August 2020

	Notes	**2020** **£**	2019 £
Turnover	2	**232,539**	171,840
Cost of sales		**(121,221)**	(76,773)
Gross Profit		**111,318**	95,067
Administrative expenses		**(298,855)**	(316,003)
		(187,537)	(220,936)
Other operating income	2	**2,297**	6,604
Operating Loss	4	**(185,240)**	(214,332)
Interest receivable and similar income		**–**	16
		(185,240)	(214,316)
Interest payable and similar expenses	5	**(18,080)**	(9,539)
Loss Before Taxation		**(203,320)**	(223,855)
Tax on loss	6	**18,192**	17,078
Loss for the Financial Year		**(185,128)**	(206,777)
Other Comprehensive Income		**–**	–
Total Comprehensive Loss for the Year		**(185,128)**	(206,777)
Basic and Diluted Loss per Share:	8	**7.7p**	8.7p

Consolidated Balance Sheet

31 August 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed Assets					
Intangible assets	9		**42,473**		51,540
Tangible assets	10		**452**		612
Investments	11		**–**		–
			42,925		52,152
Current Assets					
Stocks	12	**34,712**		37,686	
Debtors	13	**55,431**		90,674	
Cash at bank		**25,980**		9,287	
		116,123		137,647	
Creditors					
Amounts falling due within one year	14	**(151,962)**		(240,490)	
Net Current Liabilities			**(35,839)**		(102,843)
Total Assets less Current Liabilities			**7,086**		(50,691)
Capital and Reserves					
Called up share capital	17		**2,413,868**		2,402,057
Share premium	18		**3,667,640**		3,443,250
Retained earnings	18		**(6,074,422)**		(5,895,998)
Shareholders' Funds/(Deficit)			**7,086**		(50,691)

The financial statements were approved by the Board of Directors and authorised for issue on 30 November 2020 and were signed on its behalf by:

G Dodl – Director

Registered Number: 04757497 (England & Wales)

Company Balance Sheet

31 August 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed Assets					
Tangible assets	10		**452**		612
Investments	11		**114,625**		110,936
			115,077		111,548
Current Assets					
Debtors	13	**34,413**		49,083	
Cash at bank		**21,868**		8,463	
		56,281		57,546	
Creditors					
Amounts falling due within one year	14	**(332,267)**		(319,403)	
Net Current Liabilities			**(275,986)**		(261,857)
Total Assets less Current Liabilities			**(160,909)**		(150,309)
Capital and Reserves					
Called up share capital	17		**2,413,868**		2,402,057
Share premium	18		**3,667,640**		3,443,250
Retained earnings	18		**(6,242,417)**		(5,995,616)
Shareholders' Deficit			**(160,909)**		(150,309)
Company's loss for the financial year			**(253,505)**		(317,427)

The financial statements were approved by the Board of Directors and authorised for issue on 30 November 2020 and were signed on its behalf by:

G Dodl – Director

Registered Number: 04757497 (England & Wales)

Consolidated Statement of Changes in Equity

for the year ended 31 August 2020

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 September 2018	2,277,057	(5,682,471)	3,443,250	37,836
Changes in equity				
Issue of share capital	125,000	(6,750)	–	118,250
Total comprehensive loss	–	(206,777)	–	(206,777)
Balance at 31 August 2019	2,402,057	(5,895,998)	3,443,250	(50,691)
Changes in equity				
Increase in share capital	11,811	–	224,390	236,201
Total comprehensive loss	–	(185,128)	–	(185,128)
Capital contribution	–	6,704	–	6,704
Balance at 31 August 2020	2,413,868	(6,074,422)	3,667,640	7,086

Company Statement of Changes in Equity

for the year ended 31 August 2020

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 September 2018	2,277,057	(5,671,439)	3,443,250	48,868
Changes in equity				
Issue of share capital	125,000	(6,750)	–	118,250
Total comprehensive loss	–	(317,427)	–	(317,427)
Balance at 31 August 2019	2,402,057	(5,995,616)	3,443,250	(150,309)
Changes in equity				
Increase in share capital	11,811	–	224,390	236,201
Total comprehensive loss	–	(253,505)	–	(253,505)
Capital contribution	–	6,704	–	6,704
Balance at 31 August 2020	2,413,868	(6,242,417)	3,667,640	(160,909)

Consolidated Cash Flow Statement

for the year ended 31 August 2020

	Notes	**2020** **£**	2019 £
Cash flows from operating activities			
Cash generated from operations	21	**(136,837)**	(231,598)
Tax received		**36,395**	23,950
Net cash used in operations		**(100,442)**	(207,648)
Cash flows from investing activities			
Purchase of intangible fixed assets		**(6,421)**	(1,211)
Purchase of tangible fixed assets		**–**	(639)
Net cash from investing activities		**(6,421)**	(1,850)
Cash flows from financing activities			
New loans in year		**125,000**	75,000
Share issue		**–**	125,000
Share issue costs		**–**	(6,750)
Interest paid		**(1,444)**	(1,447)
Interest received		**–**	16
Net cash from financing activities		**123,556**	191,819
Increase/(decrease) in cash and cash equivalents		**16,693**	(17,679)
Cash and cash equivalents at beginning of year	22	**9,287**	26,966
Cash and cash equivalents at end of year	22	**25,980**	9,287

Company Cash Flow Statement

for the year ended 31 August 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	21	**(146,546)**	(211,320)
Tax received		**36,395**	23,950
Net cash used in operations		**(110,151)**	(187,370)
Cash flows from investing activities			
Purchase of tangible fixed assets		**–**	(639)
Interest received		**–**	16
Net cash from investing activities		**–**	(623)
Cash flows from financing activities			
New loans in year		**125,000**	75,000
Share issue		**–**	125,000
Share issue costs		**–**	(6,750)
Interest paid		**(1,444)**	(1,447)
Net cash from financing activities		**123,556**	191,803
Increase in cash and cash equivalents		**13,405**	3,810
Cash and cash equivalents at beginning of year	22	**8,463**	4,653
Cash and cash equivalents at end of year	22	**21,868**	8,463

Notes to the Consolidated Financial Statements

for the year ended 31 August 2020

1. Accounting policies

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 235 Hunts Pond Road, Fareham, Hampshire, PO14 4PJ.

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 2020. 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 capital raised in the year, as disclosed in the Chairman's Statement, the directors have approved budgets and cash flows for the Group for the period to 31 December 2021. These budgets and cash flows forecast that the Group will have sufficient cash resources to remain as a going concern until at least 31 December 2021.

The directors remain mindful of the continued effects that Covid-19 is having to working practices and ordering cycles and that this could provide for an uneven distribution of sales in the coming financial year.

The directors are confident that by achieving the forecast level of sales and drawing down on existing loan facilities they will achieve the required cash flow.

However given the unpredictability of sales forecasts and the reliance on drawing down the loan facilities negotiated in the year, there exists a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern regarding the value and timing of these future forecast sales. If the Group was not a going concern, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

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, by meeting revenue forecasts to continue in operational existence until at least 31 December 2021 and for this reason they continue to adopt the going concern basis in preparing the financial statements of the Group.

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.

Notes to the Consolidated Financial Statements – *continued*

1. Accounting policies (continued)

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 that potentially have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Group are as follows:

- Obsolete Stock Provision – At each reporting date, the Group's stock holding is analysed on a line by line basis 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 £34,712 (2019: £37,686).

Management exercise judgement in respect of the following areas of the financial statements:

- Impairment of intangible assets – The intangible asset of £42,473 (2019: £51,540) is assessed by management for impairment at each year end based on the knowledge of market conditions and other impairment indicators. In the current year, based on the judgement of Management, no impairment is recognised.

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 assets 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

Notes to the Consolidated Financial Statements – *continued*

1. Accounting policies (continued)

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.

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.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity.

Where the terms of a financial liability are renegotiated and the Group issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

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 subsequently 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)

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 subsequently 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.

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:

	2020	2019
	£	£
United Kingdom	**140,034**	94,969
Italy	**32,729**	10,546
Holland	**141**	939
Germany	**59,635**	65,257
Austria	**–**	129
United States of America	**2,297**	6,604
	234,836	178,444

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

Notes to the Consolidated Financial Statements – continued

2. Turnover (continued)

The Board 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 3 customers accounted for more than 10% of the Group's total revenue as follows:

	2020 £	2019 £
Customer A	**115,643**	76,998
Customer B	**40,425**	56,115
Customer C	**32,729**	N/A

3. Staff costs

	2020 £	2019 £
Wages and salaries	**124,000**	120,525
Social security costs	**10,077**	10,787
Other pension costs	**4,100**	4,100
Benefits in kind	**4,099**	4,086
	142,276	139,498

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

	2020	2019
Directors	**4**	5
Administration	**1**	–
	5	5

All staff costs relate to the Parent Company.

	2020 £	2019 £
Directors' remuneration	**116,099**	124,611
Directors' pension contributions to money purchase schemes	**4,100**	4,100

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

Money purchase schemes	**1**	1

Notes to the Consolidated Financial Statements – continued

4. Operating loss

The operating loss is stated after charging:

	2020	2019
	£	£
Depreciation – owned assets	**160**	111
Loss on disposal of fixed assets	**10,847**	18,078
Patents & trademarks amortisation	**4,641**	8,497
Research and development	**2,180**	1,380
Fees payable to the Group's auditor for the audit of the Group's annual accounts	**7,834**	5,770
Fees payable to the Group's auditor for the audit of its subsidiaries	**8,500**	8,500
Foreign exchange gains and losses	**3,621**	1,898

Directors' remuneration includes consultancy fees of £nil (2019: £2,000) paid to Mr G Mulder.

5. Interest payable and similar expenses

	2020	2019
	£	£
Loan interest	**18,080**	9,539

6. Taxation

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

	2020	2019
	£	£
Current tax:		
(Under)/over provision of research and development tax credit	**(236)**	400
Research and development tax credit	**(17,956)**	(17,478)
Tax on loss	**(18,192)**	(17,078)

Notes to the Consolidated Financial Statements – *continued*

6. Taxation (continued)

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:

	2020 **£**	2019 £
Loss before tax	**(203,320)**	(223,855)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019 – 19%)	**(38,631)**	(42,532)
Effects of:		
Expenses not deductible for tax purposes	**79**	25
R&D tax credit	**(18,603)**	(17,420)
Tax losses not recognised	**51,897**	50,089
Tax losses not previously recognised utilised in period	**(12,934)**	(7,240)
Total tax credit	**(18,192)**	(17,078)

Factors that may affect future tax charges

The Group has unutilised tax losses of approximately £5,632,000 (2019: £5,399,000) available against future corporation tax liabilities. The potential deferred taxation asset of £1,070,000 (2019: £918,000) 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 £185,128 (2019: £206,777) and on 2,415,000 (2019: 2,370,893) ordinary shares, being the weighted average number of ordinary shares in issue during the period, as adjusted for the share capital reorganisation that took place on 22 May 2020.

The diluted loss per share is stated as the same amount as the basic loss per share 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 £
Cost			
At 1 September 2019	117,613	103,502	221,115
Additions	–	6,421	6,421
Disposals	–	(15,819)	(15,819)
At 31 August 2020	117,613	94,104	211,717
Amortisation			
At 1 September 2019	117,613	51,962	169,575
Amortisation for year	–	4,641	4,641
Eliminated on disposal	–	(4,972)	(4,972)
At 31 August 2020	117,613	51,631	169,244
Net book value			
At 31 August 2020	–	42,473	42,473
At 31 August 2019	–	51,540	51,540

10. Tangible fixed assets

Group	Plant and machinery £	Fixtures and fittings £	Totals £
Cost			
At 1 September 2019 and 31 August 2020	64,882	10,587	75,469
Depreciation			
At 1 September 2019	64,882	9,975	74,857
Charge for year	–	160	160
At 31 August 2020	64,882	10,135	75,017
Net book value			
At 31 August 2020	–	452	452
At 31 August 2019	–	612	612

Notes to the Consolidated Financial Statements – continued

10. Tangible fixed assets (continued)

Company	Fixtures and fittings £
Cost	
At 1 September 2019 and 31 August 2020	639
Depreciation	
At 1 September 2019	27
Charge for year	160
At 31 August 2020	187
Net book value	
At 31 August 2020	452
At 31 August 2019	612

11. Fixed asset investments

Company	Shares in group undertakings £
Cost	
At 1 September 2019 and 31 August 2020	4,643,191
Provisions	
At 1 September 2019	4,532,255
Reversal of provision	(3,689)
At 31 August 2020	4,528,566
Net book value	
At 31 August 2020	114,625
At 31 August 2019	110,936

Notes to the Consolidated Financial Statements – *continued*

11. Fixed asset investments (continued)

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 235 Hunts Pond Road, Fareham, Hampshire, PO14 4PJ.

12. Stocks

Group	2020 £	2019 £
Stocks of raw materials	**34,712**	37,686

13. Debtors: amounts falling due within one year

	Group		Company	
	2020 **£**	2019 £	**2020** **£**	2019 £
Trade debtors	**26,279**	34,424	**–**	–
Amounts owed by group undertakings	**–**	–	**163**	108
Research and development tax credit	**17,956**	36,159	**17,956**	36,159
VAT	**658**	1,643	**5,756**	2,256
Prepayments	**10,538**	18,448	**10,538**	10,560
	55,431	90,674	**34,413**	49,083

14. Creditors: amounts falling due within one year

	Group		Company	
	2020 **£**	2019 £	**2020** **£**	2019 £
Other loans (see note 15)	**78,449**	182,268	**78,449**	182,268
Trade creditors	**35,702**	23,247	**5,891**	2,643
Amounts owed to group undertakings	**–**	–	**216,256**	102,891
Social security and other taxes	**4,608**	4,478	**4,608**	4,478
Accrued expenses	**33,203**	30,497	**27,063**	27,123
	151,962	240,490	**332,267**	319,403

Notes to the Consolidated Financial Statements – continued

15. Loans

An analysis of the maturity of loans is given below:

	Group		Company	
	2020	2019	**2020**	2019
	£	£	**£**	£
Amounts falling due within one year or on demand:				
Other loans	**78,449**	182,268	**78,449**	182,268

Other loans are repayable on demand and attract interest of between 8% and 12% per annum.

Since the year end the other loan holders have agreed to extend the existing facilities to 31 January 2022.

16. Financial instruments

The Group and Company have the following financial instruments:

	Group		Company	
	2020	2019	**2020**	2019
	£	£	**£**	£
Financial assets that are debt instruments measured at amortised cost				
Trade debtors	**26,279**	34,424	**–**	–
Amounts owed by Group undertakings	**–**	–	**163**	108
	26,279	34,424	**163**	108
Financial liabilities measured at amortised cost				
Other loans	**78,449**	182,268	**78,449**	182,268
Trade creditors	**35,702**	23,247	**5,891**	2,643
Accruals	**33,203**	30,497	**27,063**	27,123
Amounts owed to Group undertakings	**–**	–	**216,256**	102,891
	147,354	236,012	**327,659**	314,925

17. Called up share capital

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	**2020** **£**	2019 £
3,583,058 (2019 – 240,205,726)	Ordinary	1p	**35,831**	2,402,057
240,205,800	Deferred	0.99p	**2,378,037**	–
			2,413,868	2,402,057

Notes to the Consolidated Financial Statements – *continued*

17. Called up share capital (continued)

At a General Meeting on 22 May 2020 shareholders approved the restructuring of the Company's share capital. The Company's share capital was reorganised such that each ordinary share was sub-divided into one ordinary share of 0.01 pence and 1 deferred share of 0.99 pence and, subsequently, every 100 ordinary shares of 0.01 pence each was consolidated into one new ordinary share of 1 penny ("New Ordinary Share"). As detailed in the Company's circular of 6 May 2020, immediately prior to the consolidation taking place, the Company issued 74 ordinary shares of 0.01p at par in order that the number of shares in issue prior to the reorganisation is divisible by 100.

On 28 August 2020, loan facilities totalling £236,200 were converted into ordinary shares at a price of 20p per ordinary share resulting in a further 1,181,000 ordinary shares being issued.

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
80,000	1.625p	28.11.2013	28.11.2016 – 27.11.2020

18. Reserves

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

Retained earnings – includes all current and prior period retained profits and losses, including transaction costs associated with the issuing of shares at par.

19. Related party disclosures

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

During the year, consultancy fees totalling £nil (2019: £2,000) were paid to Mr G Mulder.

Mr A Best, a significant shareholder, has provided a convertable loan facility of up to £500,000 to the Group. At the year end £200,000 (2019: £75,000) was drawn on this facility. £175,000 of this facility was converted into 875,000 ordinary shares on 28 August 2020. The outstanding balance at the year end was £25,000 (2019: £75,000). Interest accrued on this loan amounted to £11,063 (2019: £1,313).

The directors are considered the only key management personnel and their compensation totalled £133,711 (2019: £139,498).

Notes to the Consolidated Financial Statements – continued

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:

	2020		2019	
	No	**WAEP (Pence)**	No	WAEP (Pence)
Outstanding at the beginning of the period	**12,467,133**	**1.40**	12,667,133	1.43
Lapsed during the period	**(4,467,133)**	**1.00**	(200,000)	3.25
Adjustment for share reorganisation (note 18)	**(7,920,000)**	**–**	–	–
Outstanding at the end of the period	**80,000**	**1.625**	12,467,133	1.40
Exercisable at the end of the period	**80,000**	**1.625**	12,467,133	1.40

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

	2020	2019
Expected volatility %	**60%**	60%
Expected life	**1-5 years**	1-5 years
Risk free rate (%)	**0.25%**	0.25%
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 £nil (2019: £nil) in respect of share based payment transactions.

21. Reconciliation of loss for the financial year to cash generated from operations

Group	**2020 £**	2019 £
Loss for the financial year	**(185,128)**	(206,777)
Depreciation charges	**4,801**	8,608
Loss on disposal of fixed assets	**10,847**	18,078
Finance costs	**18,080**	9,539
Finance income	**–**	(16)
Taxation	**(18,192)**	(17,078)
	(169,592)	(187,646)
Decrease/(increase) in stocks	**2,974**	(951)
Decrease/(increase) in trade and other debtors	**17,040**	(26,747)
Increase/(decrease) in trade and other creditors	**12,741**	(16,254)
Cash used in operations	**(136,837)**	(231,598)

Notes to the Consolidated Financial Statements – continued

21. Reconciliation of loss for the financial year to cash generated from operations (continued)

Company	2020 £	2019 £
Loss before taxation	**(271,697)**	(334,505)
Depreciation charges	**160**	27
Impairment losses	**(3,689)**	79,536
Finance costs	**18,080**	9,539
Finance income	**–**	(16)
	(257,146)	(245,419)
Increase in trade and other debtors	**(3,533)**	(152)
Increase in trade and other creditors	**114,133**	34,251
Cash used in operations	**(146,546)**	(211,320)

22. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statements in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 August 2020	Group		Company	
	31.8.20	1.9.19	**31.8.20**	1.9.19
	£	£	**£**	£
Cash and cash equivalents	**25,980**	9,287	**21,868**	8,463

Year ended 31 August 2019	Group		Company	
	31.8.19	1.9.18	31.8.19	1.9.18
	£	£	£	£
Cash and cash equivalents	9,287	26,966	8,463	4,653

23. Analysis of changes in net debt

Group	At 1.9.19 £	Cash flow £	Other non-cash changes £	At 31.8.20 £
Net cash				
Cash at bank	9,287	16,693		**25,980**
	9,287	16,693		**25,980**
Debt				
Debts falling due within 1 year	(182,268)	(125,000)	228,819	**(78,449)**
	(182,268)	(125,000)	228,819	**(78,449)**
Total	(172,981)	(108,307)	228,819	**(52,469)**

Notes to the Consolidated Financial Statements – *continued*

23. Analysis of changes in net debt (continued)

Company	At 1.9.19 £	Cash flow £	Other non-cash changes £	**At 31.8.20** **£**
Net cash				
Cash at bank	8,463	13,405		**21,868**
	8,463	13,405		**21,868**
Debt				
Debts falling due within 1 year	(182,268)	(125,000)	228,819	**(78,449)**
	(182,268)	(125,000)	228,819	**(78,449)**
Total	(173,805)	(111,595)	228,819	**(56,581)**

Wheelsure Holdings plc

(incorporated in England and Wales with registered number 04757497)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at 34 Newport Rd, Woolstone, Milton Keynes MK15 0AA on 21 January 2021 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, of which each of resolutions 1, 2, 3 and 4 will be proposed as an ordinary resolution 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 2020 together with the report of the auditors.
2. TO re-elect as a Director Mr. John Allen, who retires by rotation.
3. TO re-appoint Nexia Smith & Williamson as auditors and to authorise the directors to fix their remuneration.
4. THAT, in accordance with Section 551 of the Companies Act 2006 (**Act**), the directors be generally and unconditionally authorised to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for, or convert any security into shares in the Company:

   a. up to a maximum aggregate nominal amount of £35,000; and

   b. comprising equity securities (as defined in Section 560(1) of the Act) of the Company up to a further nominal amount of £35,000 in connection with an offer by way of a rights issue.

   These authorities shall apply in substitution for all previous authorities pursuant to Section 551 of the Act except for those granted at the general meeting of the Company on 22 May 2020 to which these authorities shall be in addition, and expire on the date of the next Annual General Meeting, but, in each case 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 under any such offer or agreement as if the authority conferred by this resolution had not expired. For the purposes of this resolution, "rights issue" means an offer to:

   i. ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

   ii. people who are holders of other equity securities if this is required by the rights of those securities or, if the directors consider it necessary, as permitted by the rights of those securities,

   to subscribe further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject in both cases to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory.

Wheelsure Holdings plc

(incorporated in England and Wales with registered number 04757497) – continued

Notice of Annual General Meeting (continued)

SPECIAL RESOLUTION

5. THAT subject to the passing of resolution 4, and in accordance with Section 570 of the Act, the directors be generally empowered to allot equity securities (as defined in Section 560(1) of the Act) for cash:

   a. pursuant to the authority given by paragraph (a) of resolution 4 above or where the allotment constitutes an allotment of equity securities by virtue of Section 560(3) of the 2006 Act in each case:

      i. in connection with a pre-emptive offer; and

      ii. otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount of £23,500; and

   b. pursuant to the authority given by paragraph (b) of resolution 4 above in connection with a rights issue, as if Section 561(1) of the 2006 Act did not apply to any such allotment.

   These authorities shall apply in substitution for all previous authorities pursuant to Section 570 of the Act except for those granted at the general meeting of the Company on 22 May 2020 to which these authorities shall be in addition, and expire on the date of the next Annual General Meeting of the Company, 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 under any such offer or agreement as if the authority conferred by this resolution had not expired.

   For the purposes of this resolution:

   i. "rights issue" has the same meaning as in resolution 4 above;

   ii. "pre-emptive offer" means an offer of equity securities open for acceptance for a period fixed by the directors to (a) holders (other than the Company) on the register on a record date fixed by the directors of ordinary shares in proportion to their respective holdings and (b) other persons so entitled by virtue of the rights attaching to any other equity securities held by them, but subject in both cases to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory;

   iii. references to an allotment of equity securities shall include a sale of treasury shares; and

   iv. the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

By order of the Board

Gary Cresswell
Company Secretary

Registered office:
235 Hunts Pond Road
Fareham
Hampshire
PO14 4PJ

30 November 2020

Wheelsure Holdings plc

(incorporated in England and Wales with registered number 04757497) – continued

Notes

1. In view of the ongoing COVID-19 pandemic the following arrangements will apply to the Annual General Meeting. Shareholders may not attend the Annual General Meeting in person and, instead, will need to exercise their right to submit proxy votes. Anyone (other than the two Shareholders who will form the quorum) seeking to attend the meeting in person will be refused entry.

2. 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.

3. 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, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD not less than 48 hours (excluding non-working days) 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.

4. 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 19 January 2021 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.

5. 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.

6. 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 Limited (CREST ID: 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.

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