Wheelsure Holdings plc

Annual Report and Accounts 2021

REGISTERED NUMBER: 04757497
(England and Wales)

Contents

Company Information

Directors:	G Dodl J Allen 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
Aquis Exchange Corporate Advisers:	Cairn Financial Advisers LLP 80 Cheapside London EC2V 6EE
Solicitors:	Gardner Leader LLP Hardwick House Prospect Place Swindon SN1 3LJ
Registrars:	Neville Registrars Limited Neville House Steelpark Road Halesowen West Midlands B62 8HD

Chairman's Statement

for the year ended 31 August 2021

We are pleased to announce our results for the year ended 31 August 2021.

Sales for the year were £144,077 (2020: £232,539). As reported at the half year this reflects a very difficult trading climate in the first half combined with a period of recovery in the final six months. A continuing tight focus on costs has helped to mitigate the losses incurred in the year.

The COVID pandemic has affected all businesses and particularly impinged on public transport systems who rely on passenger numbers and government support for their income. All such organisations have been, and, to a lesser extent, continue to be suffering significant income shortfalls. As a supplier to those organisations our order income has been put under pressure.

Against this background, I am delighted to say that we have continued to receive orders from our main European markets and this has extended into the new financial year.

Also, since the year end, we are excited to announce a worldwide rail collaboration with Sedwell Limited, an innovative Digital Technology business. This tie-up, detailed below, has resulted in the November launch of the Tracksure Digital Fastener, an exciting addition to our product range that extends our total market opportunity.

UK/Ireland
We have continued to generate orders with both London Underground (LUL) and Docklands Light Railway (DLR) and their associated sub-contractors. Our relationships are strong as we seek further opportunities to broaden our business.

Germany
Orders received in the period from Siemens AG and DB Netz, alongside previously reported orders from Thyssenkrupp, reflect the importance of our business in Germany. We are actively seeking to develop business in each of these three organisations as well as their supplier/customer bases.

Italy
Sales in Italy continued at a lower level than the pre-pandemic financial year. We are encouraged that further orders have been received since the year end.

Tracksure Digital Fastener
The collaboration with Sedwell Limited was agreed in November 2021. It forms a vital part of our strategy in allowing us to offer rail infrastructure managers Tracksure Digital Fasteners (TDF) alongside our existing range of Tracksure product. Whilst both operate on the premise that Tracksure will not loosen, TDF facilitates 100% remote asset monitoring, delivering enhanced track worker safety and real operational cost benefits.

Our collaboration is a worldwide agreement and is the basis for extending our market opportunity in the rail sector.

We are currently in dialogue with a large European infrastructure manager to establish our first ever track installation of Digital Bolting Technology, a pioneering event in Europe.

Intellectual Property (IP)
Maintaining and augmenting our IP has always been important. During this financial year we have further enhanced our portfolio with the granting of our new "dual-thread" patent titled "Locknut arrangement for adjustable threading shaft". This is the method and apparatus incorporating both left-hand and right-hand threads on a single diameter shaft, thus eliminating the length restrictions of our "Locknut system" a concentric left hand threaded reduced diameter extension to the fastener. This technology, which we have yet to market, is an innovation that will extend our product family in the rail market and, all other fastener market sectors.

Chairman's Statement

– continued

The Group's granted patents are as follows:

Locknut system –
- Europe – EP2044342 (B1) granted 2014-09-03
- US – US172496 (B2) granted 2012-05-08

Locknut arrangement for adjustable threaded shaft –
- Europe – EP3334946 (A1) granted 2018-06-20
- US- US11022166 (B2) granted 2021-06-01
- China – CN108138829 (B) granted 2021-10-08

Gerry Mulder
Finally, at the end of the financial year, The Board would like to place on record our thanks to Gerry Mulder, our outgoing Chairman who formally retired on 3 March 2021. His counsel and industry expertise during the last 9 years as Chairman has been invaluable.

We wish him and his family well in retirement

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

J Allen
Chairman

28 February 2022

Group Strategic Report

for the year ended 31 August 2021

The directors present their strategic report for the year ended 31 August 2021.

The purpose of the Strategic Report is to inform shareholders and help them to assess how the directors have performed their duties to promote the success of Wheelsure Holdings plc. The report, together with the further information in the Directors' Report and Chairman's Statement provides;

A fair and balanced review of the Group's business including:

i) The development and performance of the business during the year

ii) The position of the Group at the end of the year

A description of the principal risks and uncertainties facing the Group.

Review of business
A review of the results for the year can be found in the Chairman's Statement on pages 4 and 5.

At the year end the Group had net liabilities of £143,873 (2020: net assets of £7,086). This is due to the Group's reliance on debt financing to cover the ongoing losses being incurred.

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

	2021 **£**	2020 £
Turnover	**144,077**	232,539
Loss before tax	**223,958**	203,320

Non-financial key performance indicators include the number of new customers. For the year ended 31 August 2021 these amounted to 1 (2020: 2).

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.

- Credit risk – the Group faces the credit risk that customers may not settle their debts when due. To mitigate this risk, new customers' credit ratings are assessed before offering credit terms.

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.

Group Strategic Report – continued

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.

Section 172(1) statement
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.

A detailed business plan has been developed and is regularly reviewed and updated in Board meetings. This is concentrated specifically on our traditional business and extending market opportunities by marketing, social media and a wider reach of agents.

We are also pursuing strategic objectives to broaden the income stream by exploiting the "technologies" more widely. Specifically we have extended the patent portfolio to include Dual Thread technology which opens new opportunities (including Wind) as well as working with a collaborative partner in the Digital arena.

The Board continues to review and optimise production and cost management whilst seeking opportunities to enhance our capabilities for future growth

Shareholders
We maintain regular and open communication with shareholders. As an AQSE listed company we release updates to the market when considered appropriate. A range of information can be found on the Group's website, www.wsgroupglobal.com.

Community and environment
The Group's aim is to develop and commercialise innovative products that meet and enhance the safety needs throughout the world. We are selling a sustainable, safer and more cost effective product which can only have a positive impact on the environment and this is confirmed with an endorsed business case from Transport For London (TFL).

Customers
We maintain regular contact with our principal customers. On-site training is offered to all customers on the correct installation of our products.

Every product we supply to the end user is accompanied by a Certificate of Conformity. Any lack on quality would disqualify the company as an approved supplier to the rail industry and indeed other industries

Suppliers
Our suppliers are vital to the success of the Group. We aim to treat all suppliers fairly by agreeing and adhering to payment terms.

To ensure ongoing stability of the business decisions made in the year included the securing of a Government-backed bounce back loan and the extension of the existing loan facilities by a further year. Further details can be found in notes 16 and 21 to these financial statements.

On behalf of the Board:

G Cresswell – Secretary

28 February 2022

Directors' Report

for the year ended 31 August 2021

The directors present their report with the financial statements of the Company and the Group for the year ended 31 August 2021.

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 2021 (2020: £nil).

Research and development

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

Events since the end of the year

Information relating to events since the end of the year is given in the notes to the financial statements.

Directors

The directors during the year under review were:

G Dodl
J Allen
G Mulder – resigned 3.3.21
D Vile

The beneficial interests of the directors holding office on 31 August 2021 in the issued share capital of the Company were as follows:

	31.8.21	1.9.20
Ordinary 1p shares		
G Dodl	**102,150**	42,150
J Allen	**50,220**	50,220
D Vile	**7,400**	7,400
Deferred 0.99p shares		
G Dodl	**4,215,000**	4,215,000
J Allen	**5,022,088**	5,022,088
D Vile	**740,000**	740,000

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

Political and charitable contributions

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

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 2020	At 31 August 2021	Exercise period	Exercise price per share
G Dodl	60,000	–	28.11.2016 – 27.11.2020	1.625p
D Vile	20,000	–	28.11.2016 – 27.11.2020	1.625p

Mr G Dodl exercised 60,000 share options during the year. The remaining share options lapsed on 27 November 2020.

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	23.67	950,000
CGWL Nominees Limited	10.26	411,911
Premier Miton Group plc	7.07	283,946
Winterflood Securities Limited	6.50	260,769
WB Nominees Limited	6.00	240,932
Larpent Newton Holdings Limited	4.87	195,299
Mr G Eves	4.53	181,800
Mr P Jewell	4.48	180,000

Disclosure in the strategic report

Information regarding financial risk management objectives, policies and future developments is included within the Strategic Report.

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

28 February 2022

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 2021 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 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 at 31 August 2021 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 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 there is unpredictability in relation to the value and timing of the Group's future sales forecasts. In addition, the Group is reliant upon negotiating further extensions of its borrowing facilities and access to additional funding in the foreseeable future.

As stated in note 1, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Notwithstanding the above, in auditing the financial statements we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

The main procedures performed on the going concern assessment made by management were as follows:

- Challenging the assumptions used in the detailed forecasts prepared by management for the next 12 months;
- Comparing post year end results to those forecast;

Report of the Independent Auditors – continued

- Reviewing bank statements to monitor the cash position of the Group post year end, and obtaining an understanding of significant expected cash outflows in the forthcoming 12-month period;
- Considering the Group's funding position and requirements; and
- Reviewing the disclosures made by the directors in the financial statements in respect of the application of the going concern basis.

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

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

Going Concern – Parent and Group
Details of the work undertaken and conclusions reached in respect of this matter are included in the 'Material uncertainty related to going concern' section above.

Our application of materiality
The materiality for the group financial statements as a whole ("group FS materiality") was set at £9,200. This has been determined with reference to the benchmark of the Group's gross expenditure, which we consider to be one of the principal considerations for members of the company in assessing the Group's performance. FS materiality represents 2.5% of the Group's gross expenditure as presented on the face of the consolidated statement of comprehensive income.

The materiality for the parent company financial statements as a whole ("parent FS materiality") was set at £5,700. This has been determined with reference to the benchmark of the parent company's gross expenditure, which we consider to be one of the principal considerations for members of the company in assessing the Company's performance. Parent FS materiality represents 2.5% of the parent company's gross expenditure as presented on the face of the parent company statement of financial position.

Performance materiality for the group financial statements was set at £7,360, being 80% of group FS materiality, for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures. We have set it at this amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds FS materiality. We judged this level to be appropriate based on our understanding of the Group and its financial statements, as updated by our risk assessment procedures and our expectation regarding current period misstatements including considering experience from previous audits. It was set at 80% to reflect the fact that few misstatements were expected in the current period and there is little judgement or estimation in the financial statements.

Performance materiality for the parent company financial statements was set at £4,560 being 80% of parent FS materiality. It was set at 80% to reflect the fact that few misstatements were expected in the current period and there is little judgement or estimation in the financial statements.

An overview of the scope of the audit
Of the Group's four reporting components, we subjected all four to audits for group reporting purposes.

Report of the Independent Auditors – continued

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 contained within the Annual Report and Accounts. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 9 and 10, 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.

Report of the Independent Auditors – continued

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the Group's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations, the group's policies and procedures regarding compliance, and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the group's industry and regulation.

We understand that the Group complies with the framework through:

- Outsourcing tax compliance and accounts preparation to external experts.
- Subscribing to relevant updates from external experts and making changes to internal procedures and controls as necessary.
- The directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the Group's ability to conduct its business, and/or where there is a risk that failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Group:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.
- AQSE rules and the Market Abuse Regulations

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Valuation of intangible assets as this is an estimate made by management.
- The valuation of any stock provision, as this is an estimate made by management.
- Manipulation of the financial statements, especially revenue, via fraudulent journal entries or error.

Report of the Independent Auditors *– continued*

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Challenging management regarding the assumptions used in the estimates identified above.
- Substantive testing on revenue.
- Testing a sample of manual journal entries, selected through applying specific risk assessments based on the Group's processes and controls surrounding manual journal entries.

A further description of our responsibilities is available 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.

Kelly Jones (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

28 February 2022

Consolidated Statement of Comprehensive Income

for the year ended 31 August 2021

	Notes	2021 £	2020 £
Turnover	2	**144,077**	232,539
Cost of sales		**(75,178)**	(121,221)
Gross profit		**68,899**	111,318
Administrative expenses		**(277,825)**	(298,855)
		(208,926)	(187,537)
Other operating income	2	**–**	2,297
Operating loss	4	**(208,926)**	(185,240)
Interest payable and similar expenses	5	**(15,032)**	(18,080)
Loss before taxation		**(223,958)**	(203,320)
Tax on loss	6	**17,601**	18,192
Loss for the financial year		**(206,357)**	(185,128)
Other comprehensive income		**–**	–
Total comprehensive loss for the year		**(206,357)**	(185,128)
Basic and Diluted Loss per Share	8	**5.5p**	7.7p

Consolidated Balance Sheet

31 August 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed Assets					
Intangible assets	9		**48,621**		42,473
Tangible assets	10		**292**		452
Investments	11		–		–
			48,913		42,925
Current assets					
Stocks	12	**32,034**		34,712	
Debtors	13	**54,036**		55,431	
Cash at bank		**18,747**		25,980	
		104,817		116,123	
Creditors					
Amounts falling due within one year	14	**(252,545)**		(151,962)	
Net current liabilities			**(147,728)**		(35,839)
Total assets less current liabilities			**(98,815)**		7,086
Creditors					
Amounts falling due after more than one year	15		**(45,058)**		–
Net (liabilities)/assets			**(143,873)**		7,086
Capital and reserves					
Called up share capital	18		**2,418,171**		2,413,868
Share premium	19		**3,713,311**		3,667,640
Retained earnings	19		**(6,275,355)**		(6,074,422)
Shareholders' (deficit)/funds			**(143,873)**		7,086

The financial statements were approved by the Board of Directors and authorised for issue on 28 February 2022 and were signed on its behalf by:

G Dodl – Director

Registered Number: 04757497 (England & Wales)

Company Balance Sheet

31 August 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed Assets					
Tangible assets	10		**292**		452
Investments	11		**91,348**		114,625
			91,640		115,077
Current assets					
Debtors	13	**29,935**		34,413	
Cash at bank		**11,326**		21,868	
		41,261		56,281	
Creditors					
Amounts falling due within one year	14	**(423,930)**		(332,267)	
Net current liabilities			**(382,669)**		(275,986)
Total assets less current liabilities			**(291,029)**		(160,909)
Creditors					
Amounts falling due after more than one year	15		**(45,058)**		–
Net liabilities			**(336,087)**		(160,909)
Capital and reserves					
Called up share capital	18		**2,418,171**		2,413,868
Share premium	19		**3,713,311**		3,667,640
Retained earnings	19		**(6,467,569)**		(6,242,417)
Shareholders' (deficit)/funds			**(336,087)**		(160,909)
Company's loss for the financial year			**(230,576)**		(253,505)

The financial statements were approved by the Board of Directors and authorised for issue on 28 February 2022 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 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 September 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
Changes in equity				
Increase in share capital	4,303	–	45,671	49,974
Total comprehensive loss	–	(206,357)	–	(206,357)
Capital contribution	–	5,424	–	5,424
Balance at 31 August 2021	2,418,171	(6,275,355)	3,713,311	(143,873)

Company Statement of Changes in Equity

for the year ended 31 August 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 September 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)
Changes in equity				
Increase in share capital	4,303	–	45,671	49,974
Total comprehensive loss	–	(230,576)	–	(230,576)
Capital contribution	–	5,424	–	5,424
Balance at 31 August 2021	2,418,171	(6,467,569)	3,713,311	(336,087)

Consolidated Cash Flow Statement

for the year ended 31 August 2021

	Notes	**2021** £	2020 £
Cash flows from operating activities			
Cash generated from operations	23	**(209,323)**	(136,837)
Tax received		**17,613**	36,395
Net cash from operating activities		**(191,710)**	(100,442)
Cash flows from investing activities			
Purchase of intangible fixed assets		**(11,280)**	(6,421)
Net cash from investing activities		**(11,280)**	(6,421)
Cash flows from financing activities			
New loans in year		**150,000**	125,000
Share issue		**50,974**	–
Share issue costs		**(1,000)**	–
Interest paid		**(4,217)**	(1,444)
Net cash from financing activities		**195,757**	123,556
(Decrease)/increase in cash and cash equivalents		**(7,233)**	16,693
Cash and cash equivalents at beginning of year	24	**25,980**	9,287
Cash and cash equivalents at end of year	24	**18,747**	25,980

Company Cash Flow Statement

for the year ended 31 August 2021

	Notes	**2021** £	2020 £
Cash flows from operating activities			
Cash generated from operations	23	**(223,912)**	(146,546)
Tax received		**17,613**	36,395
Net cash from operating activities		**(206,299)**	(110,151)
Cash flows from financing activities			
New loans in year		**150,000**	125,000
Share issue		**50,974**	–
Share issue costs		**(1,000)**	–
Interest paid		**(4,217)**	(1,444)
Net cash from financing activities		**195,757**	123,556
(Decrease)/increase in cash and cash equivalents		**(10,542)**	13,405
Cash and cash equivalents at beginning of year	24	**21,868**	8,463
Cash and cash equivalents at end of year	24	**11,326**	21,868

Notes to the Consolidated Financial Statements

for the year ended 31 August 2021

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 2021. 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
The directors have approved budgets and cash flows for the Group for the period to 28 February 2023. These budgets and cash flows forecast that the Group will have sufficient cash resources to remain as a going concern until at least 28 February 2023.

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 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 a significant loan facility falling due for repayment on 28 February 2023 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 and the requirement to negotiate further extensions of its borrowing facilities and access to additional funding in the foreseeable future.

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 28 February 2023 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 these items are written off. The carrying amount of stock at the year end was £32,034 (2020: £34,712). At the year end, the provision in place against obsolete stock items was £nil (2020: £nil).

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

- Impairment of intangible assets – The intangible asset of £48,621 (2020: £42,473) 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.
- Impairment of investments – The investments in group undertakings are assessed for impairment at each year end taking into account the net assets within those group undertakings. The carrying value of these investments was £91,348 (2020: £114,625) and a further provision of £23,277 (2020: £3,689 reversal) was made during the year.

Revenue
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group 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

Notes to the Consolidated Financial Statements – *continued*

1. Accounting policies (continued)

Tangible fixed assets

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

Plant and machinery – 25% on cost
Fixtures and fittings – 25% on cost

Stocks

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

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.

Notes to the Consolidated Financial Statements – *continued*

1. Accounting policies (continued)

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

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

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

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

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

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

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

Pension costs and other post-retirement benefits
The Group operates a defined contribution pension scheme. Contributions payable to the Group's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Consolidated Financial Statements – *continued*

2. Turnover

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

An analysis of turnover by geographical market is given below:

	2021 **£**	2020 £
United Kingdom	**74,329**	140,034
Italy	**15,846**	32,729
Holland	**–**	141
Germany	**53,902**	59,635
United States of America	**–**	2,297
	144,077	234,836

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

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:

	2021 **£**	2020 £
Customer A	**54,414**	115,643
Customer B	**32,549**	40,425
Customer C	**N/A**	32,729
Customer D	**19,915**	N/A

3. Employees and directors

	2021 **£**	2020 £
Wages and salaries	**127,407**	128,099
Social security costs	**9,958**	10,077
Other pension costs	**4,100**	4,100
	141,465	142,276

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

	2021	**2020**
Directors	**4**	4
Administration	**1**	1
	5	5

Notes to the Consolidated Financial Statements – continued

3. Employees and directors (continued)

All staff costs relate to the parent company.

	2021	2020
	£	£
Directors' remuneration	**115,407**	116,099
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

4. Operating loss

The operating loss is stated after charging:

	2021	2020
	£	£
Depreciation – owned assets	**160**	160
Loss on disposal of fixed assets	**680**	10,847
Patents & trademarks amortisation	**4,452**	4,641
Research and development	**1,830**	2,180
Fees payable to the Group's auditor for the audit of the Group's annual accounts	**10,000**	7,834
Fees payable to the Group's auditor for the audit of its subsidiaries	**6,000**	8,500
Foreign exchange gains and losses	**3,102**	3,621

5. Interest payable and similar expenses

	2021	2020
	£	£
Loan interest	**15,032**	18,080

Notes to the Consolidated Financial Statements – *continued*

6. Taxation

Analysis of the tax credit

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

	2021 £	2020 £
Current tax:		
Over/(under) provision of research and development tax credit	**343**	(236)
Research and development tax credit	**(17,944)**	(17,956)
Tax on loss	**(17,601)**	(18,192)

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:

	2021 £	2020 £
Loss before tax	**(223,958)**	(203,320)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 – 19%)	**(42,552)**	(38,631)
Effects of:		
Expenses not deductible for tax purposes	**77**	79
R&D tax credit	**(18,053)**	(18,603)
Tax losses not recognised	**45,581**	51,897
Tax losses not previously recognised utilised in period	**(2,654)**	(12,934)
Total tax credit	**(17,601)**	(18,192)

Factors that may affect future tax charges

The Group has unutilised tax losses of approximately £5,802,000 (2020: £5,632,000) available against future corporation tax liabilities. The potential deferred taxation asset of £1,451,000 (2020: £1,070,000) 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 £206,357 (2020: £185,128) and on 3,765,337 (2020: 2,415,000) ordinary shares, being the weighted average number of ordinary shares in issue during the period.

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 2020	117,613	94,104	211,717
Additions	–	11,280	11,280
Disposals	–	(4,442)	(4,442)
At 31 August 2021	117,613	100,942	218,555
Amortisation			
At 1 September 2020	117,613	51,631	169,244
Amortisation for year	–	4,452	4,452
Eliminated on disposal	–	(3,762)	(3,762)
At 31 August 2021	117,613	52,321	169,934
Net book value			
At 31 August 2021	–	48,621	48,621
At 31 August 2020	–	42,473	42,473

10. Tangible fixed assets

Group	Plant and machinery £	Fixtures and fittings £	Totals £
Cost			
At 1 September 2020 and 31 August 2021	64,882	10,587	75,469
Depreciation			
At 1 September 2020	64,882	10,135	75,017
Charge for year	–	160	160
At 31 August 2021	64,882	10,295	75,177
Net book value			
At 31 August 2021	–	292	292
At 31 August 2020	–	452	452

Notes to the Consolidated Financial Statements – *continued*

10. Tangible fixed assets (continued)

Company	Fixtures and fittings £
Cost	
At 1 September 2020 and 31 August 2021	639
Depreciation	
At 1 September 2020	187
Charge for year	160
At 31 August 2021	347
Net book value	
At 31 August 2021	292
At 31 August 2020	452

11. Fixed asset investments

Company	Shares in group undertakings £
Cost	
At 1 September 2020 and 31 August 2021	4,643,191
Provisions	
At 1 September 2020	4,528,566
Provision for year	23,277
At 31 August 2021	4,551,843
Net book value	
At 31 August 2021	91,348
At 31 August 2020	114,625

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.

Notes to the Consolidated Financial Statements – *continued*

12. Stocks

Group	2021 £	2020 £
Stocks of raw materials	**32,034**	34,712

13. Debtors: amounts falling due within one year

	Group		Company	
	2021 **£**	2020 £	**2021** **£**	2020 £
Trade debtors	**25,525**	26,279	**–**	–
Amounts owed by group undertakings	**–**	–	**256**	163
R&D tax credit	**17,944**	17,956	**17,944**	17,956
VAT	**272**	658	**1,440**	5,756
Prepayments	**10,295**	10,538	**10,295**	10,538
	54,036	55,431	**29,935**	34,413

14. Creditors: amounts falling due within one year

	Group		Company	
	2021 **£**	2020 £	**2021** **£**	2020 £
Bank loans and overdrafts (see note 16)	**5,324**	–	**5,324**	–
Other loans (see note 16)	**179,488**	78,449	**179,488**	78,449
Trade creditors	**24,926**	35,702	**2,212**	5,891
Amounts owed to group undertakings	**–**	–	**200,739**	216,256
Social security and other taxes	**4,334**	4,608	**4,334**	4,608
Accrued expenses	**38,473**	33,203	**31,833**	27,063
	252,545	151,962	**423,930**	332,267

15. Creditors: amounts falling due after more than one year

	Group		Company	
	2021 **£**	2020 £	**2021** **£**	2020 £
Bank loans (see note 16)	**45,058**	–	**45,058**	–

Notes to the Consolidated Financial Statements – *continued*

16. Loans

An analysis of the maturity of loans is given below:

	Group		Company	
	2021	2020	**2021**	2020
	£	£	**£**	£
Amounts falling due within one year or on demand:				
Bank loans	**5,324**	–	**5,324**	–
Other loans	**179,488**	78,449	**179,488**	78,449
	184,812	78,449	**184,812**	78,449
Amounts falling due between one and two years:				
Bank loans – 1-2 years	**10,648**	–	**10,648**	–
Amounts falling due between two and five years:				
Bank loans – 2-5 years	**29,086**	–	**29,086**	–
Amounts falling due after five years:				
Bank loans – over 5 years	**5,324**	–	**5,324**	–

The Group secured a Government-backed Bounce-Back loan during the year. The loan is interest and repayment free for the first 12 months, at which point interest of 2.5% will be charged.

Other loans are repayable on demand and attract interest of between 0% and 8% per annum.

Other loans include a convertible loan facility of £125,000 (2020: £25,000).

Since the year end the other loan holders have agreed to extend the existing facilities to 28 February 2023.

17. Financial instruments

The Group and Company have the following financial instruments:

	Group		Company	
	2021	2020	**2021**	2020
	£	£	**£**	£
Financial assets that are debt instruments measured at amortised cost				
Trade debtors	**25,525**	26,279	**–**	–
Amounts owed by Group undertakings	**–**	–	**256**	163
	25,525	26,279	**256**	163
Financial liabilities measured at amortised cost				
Other loans	**179,488**	78,499	**179,488**	78,449
Bank loans	**50,382**	–	**50,382**	–
Trade creditors	**24,926**	35,702	**2,212**	5,891
Accruals	**38,473**	33,203	**31,833**	27,063
Amounts owed to Group undertakings	**–**	–	**200,739**	216,256
	293,269	147,404	**464,654**	327,659

Notes to the Consolidated Financial Statements – *continued*

18. Called up share capital

Allotted, issued and fully paid: Number:	Class:	Nominal value:	**2021** **£**	2020 £
4,013,428 (2020 – 3,583,058)	Ordinary	1p	**40,134**	35,831
240,205,800	Deferred	0.99p	**2,378,037**	2,378,037
			2,418,171	2,413,868

370,370 Ordinary shares of 1p each were allotted as fully paid at a premium of 12.5p per share during the year.

Mr G Dodl exercised 60,000 share options during the year resulting in the issuance of 60,000 Ordinary shares of 1p each.

19. 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.

20. Related party disclosures

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

Mr A Best, a significant shareholder, has provided a convertible loan facility of up to £500,000 to the Group. At the year end £300,000 (2020: £200,000) 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 £125,000 (2020: £25,000). Interest accrued on this loan amounted to £17,833 (2020: £11,063).

During the year, the Group purchased marketing services with a value of £270 (2020: £nil) from a close family member of a director. At the year end, there was no balance outstanding (2020: £nil).

The directors are considered the only key management personnel and their compensation totalled £133,025 (2020: £133,711).

21. Post balance sheet events

Since the year end a further £50,000 has been drawn against the convertible loan facility provided by Mr A Best. There remains £150,000 left to draw on this facility.

Notes to the Consolidated Financial Statements – continued

22. Share based payment transactions

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

	2021		2020	
	No	**WAEP (Pence)**	No	WAEP (Pence)
Outstanding at the beginning of the period	**80,000**	**1.625**	12,467,133	1.40
Lapsed during the period	**(20,000)**	**1.625**	(4,467,133)	1.00
Exercised during the period	**(60,000)**	**1.625**	–	–
Adjustment for share reorganisation	**–**	**–**	(7,920,000)	–
Outstanding at the end of the period	**–**	**–**	80,000	1.625
Exercisable at the end of the period	**–**	**–**	80,000	1.625

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

	2021	2020
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 (2020: £nil) in respect of share based payment transactions.

Notes to the Consolidated Financial Statements – *continued*

23. Reconciliation of loss before taxation to cash generated from operations

Group	2021 £	2020 £
Loss before taxation	**(223,958)**	(203,320)
Depreciation charges	**4,612**	4,801
Loss on disposal of fixed assets	**680**	10,847
Finance costs	**15,032**	18,080
	(203,634)	(169,592)
Decrease in stocks	**2,678**	2,974
Decrease in trade and other debtors	**1,383**	17,040
(Decrease)/increase in trade and other creditors	**(9,750)**	12,741
Cash generated from operations	**(209,323)**	(136,837)

Company	2021 £	2020 £
Loss before taxation	**(248,177)**	(271,697)
Depreciation charges	**160**	160
Impairment losses	**23,277**	(3,689)
Finance costs	**15,032**	18,080
	(209,708)	(257,146)
Decrease/(increase) in trade and other debtors	**4,466**	(3,533)
(Decrease)/increase in trade and other creditors	**(18,670)**	114,133
Cash used in operations	**(223,912)**	(146,546)

24. 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 2021	Group		Company	
	31.8.21 £	1.9.20 £	**31.8.21 £**	1.9.20 £
Cash and cash equivalents	**18,747**	25,980	**11,326**	21,868

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

Notes to the Consolidated Financial Statements – *continued*

25. Analysis of changes in net debt

Group	At 1.9.20 £	Cash flow £	**At 31.8.21** **£**
Net cash			
Cash at bank	25,980	(7,233)	**18,747**
	25,980	(7,233)	**18,747**
Debt			
Debts falling due within 1 year	(78,449)	(106,363)	**(184,812)**
Debts falling due after 1 year	–	(45,058)	**(45,058)**
	(78,449)	(151,421)	**(229,870)**
Total	(52,469)	(158,654)	**(211,123)**

Company	At 1.9.20 £	Cash flow £	**At 31.8.21** **£**
Net cash			
Cash at bank	21,868	(10,542)	**11,326**
	21,868	(10,542)	**11,326**
Debt			
Debts falling due within 1 year	(78,449)	(106,363)	**(184,812)**
Debts falling due after 1 year	–	(45,058)	**(45,058)**
	(78,449)	(151,421)	**(229,870)**
Total	(56,581)	(161,963)	**(218,544)**

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 the offices of Cairn Financial LLP, 80 Cheapside, London EC2V 6EE on 4 May 2022 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 each of resolutions 5 and 6 will be proposed as special resolutions.

ORDINARY RESOLUTIONS

1. TO receive and adopt the report of the directors and the accounts for the year ended 31 August 2021 together with the report of the auditors.

2. TO re-elect as a Director Mr. Gerhard Dodl, who retires by rotation.

3. TO re-appoint Nexia Smith & Williamson as auditors and to authorise the directors to fix their remuneration.

4. THAT the Board be generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the **Act**) to exercise all the powers of the Company to allot shares (as defined in Section 540 of the Act) in the Company and to grant rights to subscribe for or to convert any security into shares in the Company:

    a. up to an aggregate nominal amount of £13,364.71[1]; and

    b. comprising equity securities (as defined in Section 560 of the Act) up to an aggregate nominal amount of £26,769.56[2] (such amount to be reduced by any allotments or grants made under paragraph (a) of this Resolution 17) in connection with an offer by way of a rights issue:

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

        ii. to holders of other equity securities (as defined in Section 560 of the Act) as required by the rights of those securities, or subject to such rights, as the Board otherwise considers necessary,

    save that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, such authority to apply until the end of next year's Annual General Meeting but during this period the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not expired. These authorities shall be in addition to those granted at the general meeting of the Company on 22 May 2020.

[1] 33.3% of issued share capital
[2] 66.7% of issued share capital

Wheelsure Holdings plc

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

SPECIAL RESOLUTIONS

5. That if Resolution 4 is passed, the Board be generally and unconditionally authorised to allot equity securities (as defined in Section 560 of the Act) for cash under the authority given by that Resolution and/or to sell Ordinary Shares held by the Company as treasury shares for cash as if Section 561 of the Act did not apply to any such allotment or sale, such power to be limited:

   a. in the case of the authority granted under Resolution 4 to the allotment of equity securities and sale of treasury shares in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of Resolution 4, by way of a rights issue only):

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

      ii. to holders of other equity securities, as required by the rights of those securities, or as the Board otherwise considers necessary,

      and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

   b. in the case of the authority granted under paragraph (a) of Resolution 4 and/or in the case of any sale of treasury shares, to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £2,006.71[3], such authority to apply until the end of next year's Annual General Meeting but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the expiry of these authorities and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authorities had not expired.

      These authorities shall be in addition to those granted at the general meeting of the Company on 22 May 2020.

6. THAT the name of the Company be changed to WS Group plc.

By order of the Board

Gary Cresswell
Company Secretary

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

28 February 2022

[3] 5% of issued share capital

Wheelsure Holdings plc

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

Notes

(1) A member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and vote, on a poll, instead of him. If a member appoints more than one proxy, each proxy must be entitled to exercise the rights attached to different shares. A proxy need not be a member of the Company. The appointment of a proxy will not preclude a member from attending and voting at the meeting in person should he subsequently decide to do so.

(2) A proxy may only be appointed using the procedures set out in these notes and the enclosed proxy form. To be valid, the proxy form must reach the Company's Registrars, Neville Registrars, at 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.

(3) Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001, the Company specifies that only those Shareholders of the Company on the register at 11.00 a.m. on 29 April 2022 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

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