



Wheelsure

Wheelsure Holdings plc

INTERIM REPORT 2022

Chairman's statement

We are pleased to announce our results for the half year ended 28 February 2022.

Sales for the 6 months were £93,268 (6 months ended 28 February 2021: £55,683, Year ended 31 August 2021: £144,077). This increase reflects a slight improvement in trading conditions after the exceptional circumstances of the pandemic. Sales are from the UK and major European countries and continue into the post-reporting period.

UK

Despite the continued shortfall in passenger traffic on London Underground (LUL) and the associated financial issue, we have received good repeat business from them, as well as Docklands Light Railway (DLR). Our relationships and strong supply chain remain in place to benefit from their recovery following Covid.

Germany

Repeat orders received in the period from Siemens AG, DB Netz, and Thyssenkrupp, are encouraging signs for our German business and they continue into the post-reporting period. The business from DB Netz Wuppertal is particularly positive, in that it establishes supplies directly into the supply chain of this major operator.

In common with all EU business, post-Brexit complexities have increased the costs associated with export and the lead-times. We have worked hard to overcome these challenges and the Board is confident in growing this vital business.

Italy

Business in Italy has picked up and shows signs of greater consistency following a very quiet time. This market remains very important and the Board see it as a strategic priority to build on recent progress and realise the potential of our very strong technical approvals.

Holland

Following our collaboration agreement with Sedwell (reported in the year-end accounts), we have been discussing an exciting project utilising Tracksure Digital Fasteners in the Netherlands. The project scope has now been agreed and the Board is delighted to report that that it will take place in the summer of 2022.

Spain

Our first order for the Barcelona Metro (TMB) was received in this period. Once again, we enjoy a very good technical approval in Spain and we will be aiming to build upon this important breakthrough.

Tracksure Digital Fastener/ Tracksure Dual Thread Technology

As previously reported, these two new product developments are very exciting developments for the Company. During this financial year we will be looking to use this wider product range to broaden our customer base and seek new representation in important rail markets. The Dutch project detailed above will be the first time that we have incorporated Digital Fasteners into rail track and it opens the door for "remote condition monitoring", a term that is a main objective for most progressive rail infrastructure businesses.

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

John Richard Allen
Interim Chairman
31 May 2022

**Unaudited consolidated statement of comprehensive income
for the six months ended 28 February 2022**

	Six months ended 28.02.2022 £	Six months ended 28.02.2021 £	Year ended 31.08.2021 £
TURNOVER	93,268	55,683	144,077
Cost of sales	<u>(53,640)</u>	<u>(26,592)</u>	<u>(75,178)</u>
GROSS PROFIT	39,628	29,091	68,899
Administrative expenses	<u>(134,668)</u>	<u>(142,053)</u>	<u>(277,825)</u>
OPERATING LOSS	(95,040)	(112,962)	(208,926)
Interest payable and similar charges	<u>(10,211)</u>	<u>(4,112)</u>	<u>(15,032)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(105,251)	(117,074)	(223,958)
Tax on loss on ordinary activities	<u>-</u>	<u>(343)</u>	<u>17,601</u>
LOSS FOR THE PERIOD AFTER TAXATION	<u>(105,251)</u>	<u>(117,417)</u>	<u>(206,357)</u>
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u><u>(105,251)</u></u>	<u><u>(117,417)</u></u>	<u><u>(206,357)</u></u>
BASIC AND DILUTED LOSS PER SHARE (NOTE 3)	<u><u>2.6p</u></u>	<u><u>3.3p</u></u>	<u><u>5.5p</u></u>

**Unaudited consolidated balance sheet
as at 28 February 2022**

	As at 28.02.2022		As at 28.02.2021		As at 31.08.2021	
	£	£	£	£	£	£
FIXED ASSETS						
Intangible assets		46,527		48,194		48,621
Tangible assets		212		372		292
		<u>46,739</u>		<u>48,566</u>		<u>48,913</u>
CURRENT ASSETS						
Stocks	27,368		34,125		32,034	
Debtors	50,089		75,774		54,036	
Cash at bank	4,533		159		18,747	
	<u>81,990</u>		<u>110,059</u>		<u>104,817</u>	
CREDITORS						
Amounts falling due within one year	<u>(377,853)</u>		<u>(269,956)</u>		<u>(252,545)</u>	
NET CURRENT LIABILITIES		<u>(295,863)</u>		<u>(159,897)</u>		<u>(147,728)</u>
NET LIABILITIES		<u>(249,124)</u>		<u>(111,331)</u>		<u>(143,873)</u>
CAPITAL AND RESERVES						
Called up share capital		2,418,171		2,413,868		2,418,171
Share premium		3,713,311		3,666,640		3,713,311
Profit and loss account		<u>(6,380,606)</u>		<u>(6,191,839)</u>		<u>(6,275,355)</u>
SHAREHOLDERS' DEFICIT		<u>(249,124)</u>		<u>(111,331)</u>		<u>(143,873)</u>

**Unaudited consolidated statement of changes in equity
for the six months ended 28 February 2022**

Six months ended 28 February 2022	Called up share capital £	Share Premium £	Retained earnings £	Total equity £
Balance at 1 September 2021	2,418,171	3,713,311	(6,275,355)	(143,873)
Changes in equity				
Total comprehensive loss	-	-	(105,251)	(105,251)
Balance at 28 February 2022	<u>2,418,171</u>	<u>3,713,311</u>	<u>(6,380,606)</u>	<u>(249,124)</u>
Six months ended 28 February 2021	Called up share capital £	Share Premium £	Retained earnings £	Total equity £
Balance at 1 September 2020	2,413,868	3,667,640	(6,074,422)	7,086
Changes in equity				
Issue of share capital	-	(1,000)	-	(1,000)
Total comprehensive loss	-	-	(117,417)	(117,417)
Balance at 28 February 2021	<u>2,413,868</u>	<u>3,666,640</u>	<u>(6,191,839)</u>	<u>(111,331)</u>
Year ended 31 August 2021	Called up share capital £	Share Premium £	Retained earnings £	Total equity £
Balance at 1 September 2020	2,413,868	3,667,640	(6,074,422)	7,086
Changes in equity				
Issue of 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	<u>2,418,171</u>	<u>3,713,311</u>	<u>(6,275,355)</u>	<u>(143,873)</u>

**Unaudited consolidated cash flow statement
for the six months ended 28 February 2022**

	<i>Notes</i>	Six months ended 28.02.2022 £	Six months ended 28.02.2021 £	Year ended 31.08.2021 £
Cash flows from operating activities				
Cash used in operations	4	(62,383)	(108,819)	(209,323)
Tax received		-	17,613	17,613
Net cash used in operating activities		<u>(62,383)</u>	<u>(91,206)</u>	<u>(191,710)</u>
Cash flows from investing activities				
Capital expenditure		(119)	(7,878)	(11,280)
Net cash used in investing activities		<u>(119)</u>	<u>(7,878)</u>	<u>(11,280)</u>
Cash flows from financing activities				
New loans in period		50,000	75,000	150,000
Share issue proceeds		-	-	50,974
Share issue costs		-	(1,000)	(1,000)
Interest paid		(1,712)	(737)	(4,217)
Net cash from financing activities		<u>48,288</u>	<u>73,263</u>	<u>195,757</u>
(Decrease)/increase in cash and cash equivalents		(14,214)	(25,821)	(7,233)
Cash at bank and in hand at start of period		<u>18,747</u>	<u>25,980</u>	<u>25,980</u>
Cash at bank and in hand at period end		<u><u>4,533</u></u>	<u><u>159</u></u>	<u><u>18,747</u></u>

Notes to the unaudited financial statements for the six months ended 28 February 2022

1. Reporting entity

Wheelsure Holdings plc (the “Company”) is a company incorporated and domiciled in the United Kingdom. The address of the Company’s registered office is 235 Hunts Pond Road, Fareham, Hampshire, PO14 4PJ.

The consolidated interim financial statements of the Group as at and for the half year ended 28 February 2022 comprise the Company and its subsidiaries (together referred to as the “Group”). The financial information set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group’s statutory financial statements for the year ended 31 August 2021 have been filed with the Registrar of Companies. The auditor’s report on those financial statements was unqualified but contained an emphasis of matter paragraph in relation to going concern and did not contain a statement under Section 498(2) of the Companies Act 2006. The consolidated financial statements of the Group as at and for the year ended 31 August 2021 are available at <http://www.wsgroupglobal.com>.

2. Basis of preparation

These consolidated financial statements for the half year ended 28 February 2022 are unaudited. They have been prepared and approved by the directors following the recognition and measurement principles of Financial Reporting Standard (FRS 102) and with the requirements of the Companies Act 2006. This information has not been reviewed by the Group’s auditors.

The interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 August 2021.

The information in the interim financial statements has not be reviewed by the Group’s auditors.

3. Basic and diluted loss per share

	Six months ended 28.02.2022	Six months ended 28.02.2021	Year ended 31.08.2021
	£	£	£
Loss for the period	(105,251)	(117,417)	(206,357)
Weighted average number of ordinary shares in issue during the period	4,013,428	3,583,058	3,765,337
Basic and diluted loss per share	<u>2.6p</u>	<u>3.3p</u>	<u>5.5p</u>

No shares were deemed to have been issued at nil consideration as a result of the share options granted.

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

4. Reconciliation of operating loss to net cash outflow from operating activities

	Six months ended 28.02.2022	Six months ended 28.02.2021	Year ended 31.08.2021
	£	£	£
Operating loss for the period	(95,040)	(112,962)	(208,926)
Depreciation and amortisation charges	2,293	2,237	4,612
Loss on disposal of fixed assets	-	-	680
	<u>(92,747)</u>	<u>(110,725)</u>	<u>(203,634)</u>
Decrease in stocks	3,947	587	2,678
Decrease / (increase) in trade and other debtors	4,666	(38,300)	1,383
Increase / (decrease) in trade and other creditors	<u>21,751</u>	<u>39,619</u>	<u>(9,750)</u>
Net cash outflow from operating activities	<u>(62,383)</u>	<u>(108,819)</u>	<u>(209,323)</u>