

Company registration number 11632800 (England and Wales)

WIFI SECURITIES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2022
PAGES FOR FILING WITH REGISTRAR

WIFI SECURITIES LIMITED

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WIFI SECURITIES LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF WIFI SECURITIES LIMITED FOR THE PERIOD ENDED 31 AUGUST 2022

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of WIFI Securities Limited for the period ended 31 August 2022 which comprise, the balance sheet, the statement of changes in equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of WIFI Securities Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of WIFI Securities Limited and state those matters that we have agreed to state to the Board of Directors of WIFI Securities Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than WIFI Securities Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that WIFI Securities Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of WIFI Securities Limited. You consider that WIFI Securities Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the financial statements of WIFI Securities Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

BWM

15 March 2023

Chartered Accountants

Suite 5.1
12 Tithebarn Street
Liverpool
L2 2DT

WIFI SECURITIES LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2022

		2022	2021
	Notes	£	£
Fixed assets			
Intangible assets	5	1,163,319	1,032,602
Tangible assets	6	2,654	13,830
		<u>1,165,973</u>	<u>1,046,432</u>
Current assets			
Debtors	7	376,978	323,351
Cash at bank and in hand		84,145	4,535
		<u>461,123</u>	<u>327,886</u>
Creditors: amounts falling due within one year	8	<u>(409,234)</u>	<u>(526,827)</u>
Net current assets/(liabilities)		<u>51,889</u>	<u>(198,941)</u>
Net assets		<u>1,217,862</u>	<u>847,491</u>
Capital and reserves			
Called up share capital	10	2,126	1,598
Share premium account		1,950,815	1,465,379
Profit and loss reserves		<u>(735,079)</u>	<u>(619,486)</u>
Total equity		<u>1,217,862</u>	<u>847,491</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial period ended 31 August 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provision of FRS 102 Section 1A small entities.

The financial statements were approved by the board of directors and authorised for issue on 16 March 2023 and are signed on its behalf by:

D Morton
Director

T Ogle
Director

Company Registration No. 11632800

WIFI SECURITIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 AUGUST 2022

		Share capital	Share premium account	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 March 2020		1,331	1,218,837	(551,089)	669,079
Year ended 28 February 2021:					
Loss and total comprehensive income for the year		-	-	(68,397)	(68,397)
Issue of share capital	10	267	246,542	-	246,809
Balance at 28 February 2021		1,598	1,465,379	(619,486)	847,491
Period ended 31 August 2022:					
Loss and total comprehensive income for the period		-	-	(115,593)	(115,593)
Issue of share capital	10	528	485,436	-	485,964
Balance at 31 August 2022		2,126	1,950,815	(735,079)	1,217,862

WIFI SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2022

1 Accounting policies

Company information

WIFI Securities Limited is a private company limited by shares incorporated in England and Wales. The registered office is c/o Lonsdale & Marsh, 509 - 510 Cotton Exchange, Bixteth Street, Liverpool, L3 9LQ.

The financial year end was extended from 28 February 2022 to 31 August 2022, thus the period of accounts covers 18 months from 1 March 2021 to 31 August 2022.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis which assumes the company will continue as a going concern for the foreseeable future. Since the period end the company has raised a further £133,500. In order to continue to invest in research and development activities, in accordance with the company's business plan, the company intends to raise new equity funds within the next six months. The directors are currently in negotiations with a number of potential investors and, based on the level of investor support indicated from these discussions, the directors have a reasonable expectation that they will be successful in obtaining the necessary funding to continue to enable the company to meet its liabilities as they fall due and to execute its business plan.

1.3 Reporting period

The financial year end was extended from 28 February 2022 to 31 August 2022, thus the period of accounts covers 18 months from 1 March 2021 to 31 August 2022.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	Nil
Patents	Straight line basis over the shorter of the patent life or fifteen years

Development costs incurred in relation to the company's research and development activities have been capitalised and will be amortised over their estimated useful life once the products to which they relate become commercially available.

WIFI SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2022

1 Accounting policies (continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	33% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

The carrying value of fixed assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Any impairment in value is charged to the profit and loss account. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss account.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at cost.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and other loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

WIFI SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2022

1 Accounting policies

(continued)

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax charge or credit is based on the result for the year and takes into account deferred taxation which is provided using the liability method on temporary timing differences between the tax bases of the assets and liabilities and their carrying amounts in the financial statements.

The tax charge or credit is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when temporary differences reverse.

Deferred tax

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which accumulated tax losses are reversing timing differences can be relieved.

The deferred tax asset is determined using the rate of tax expected to apply when the provision is reversed.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Where material, the cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Where relevant, termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

WIFI SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of intangible fixed assets - Development costs

Intangible fixed assets are tested for impairment whenever events or circumstances indicate that their carrying value might be impaired. Impairment losses may be recognised on these assets if changes become necessary to the assumptions underlying the estimated future cash flows to be derived from product development. The carrying value of development costs and patents is shown in note 5.

3 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2022 Number	2021 Number
Total	5	8

4 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	(61,531)	(77,444)
Adjustments in respect of prior periods	(19,949)	(3,605)
Total current tax	(81,480)	(81,049)
Deferred tax		
Tax losses carried forward	(104,902)	(26,086)
Total tax credit	(186,382)	(107,135)

WIFI SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2022

5 Intangible fixed assets

	Development costs	Patents	Total
	£	£	£
Cost			
At 1 March 2021	900,587	157,749	1,058,336
Additions	147,567	-	147,567
At 31 August 2022	1,048,154	157,749	1,205,903
Amortisation and impairment			
At 1 March 2021	-	25,734	25,734
Amortisation charged for the period	-	16,850	16,850
At 31 August 2022	-	42,584	42,584
Carrying amount			
At 31 August 2022	1,048,154	115,165	1,163,319
At 28 February 2021	900,587	132,015	1,032,602

6 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 March 2021	26,687
Additions	1,339
At 31 August 2022	28,026
Depreciation and impairment	
At 1 March 2021	12,857
Depreciation charged in the period	12,515
At 31 August 2022	25,372
Carrying amount	
At 31 August 2022	2,654
At 28 February 2021	13,830

WIFI SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2022

7 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Corporation tax recoverable	61,531	77,444
Other debtors	58,426	93,788
	<u>119,957</u>	<u>171,232</u>
Deferred tax asset	257,021	152,119
	<u>376,978</u>	<u>323,351</u>

8 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	194,639	326,918
Taxation and social security	795	37,651
Other creditors	213,800	162,258
	<u>409,234</u>	<u>526,827</u>

9 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2022	Assets 2021
	£	£
Balances:		
Accelerated capital allowances	609	(967)
Tax losses	256,412	153,086
	<u>257,021</u>	<u>152,119</u>
		<u>2022</u>
Movements in the period:		£
Liability/(Asset) at 1 March 2021		(152,119)
Credit to profit or loss		(104,902)
		<u>(257,021)</u>
Liability/(Asset) at 31 August 2022		<u>(257,021)</u>

WIFI SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2022

10 Called up share capital

	2022	2021
	£	£
Ordinary share capital		
Issued and fully paid		
2,118,493 A ordinary shares of 0.1p each	2,118	1,590
5 B ordinary shares of £1 each	5	5
982 C ordinary shares of 0.1p each	1	1
1,600 D ordinary shares of 0.1p each	2	2
	<u>2,126</u>	<u>1,598</u>

Voting rights

The holders of A class shares are only entitled to vote on any matter concerning the rights attaching to that class of share and to approve any dividend declared on that class of share.

The holders of B class shares are not entitled to vote.

The holders of C class shares are entitled to vote at general meetings of the company.

The holders of D class shares are not entitled to vote.

Distribution of capital

In the case of a distribution of capital (including on liquidation or winding up) to the members each class of share will be entitled to receive the proportion of assets attaching to that class of share, in each case, pro-rata to the proportionate holding of the members within each class of share.

Issue of shares

During the year the company issued 528,221 (2021: 267,272) A ordinary shares at a premium of £0.999 per share realising a total premium of £527,693 (2021: £268,005).

Arrangement fees

The issue of 528,221 (2021: 267,272) A ordinary shares was arranged by Norcliffe Capital Limited and associated firms who introduce investors to the company. The fees charged in connection with this amounted to £42,258 (2021: £21,462) which have been charged to the share premium account, as permitted by Section 610 of the Companies Act 2006, leaving £485,435 (2021: £246,543) to be credited to the share premium account.

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2022	2021
	£	£
Within one year	-	3,176
	<u>-</u>	<u>3,176</u>

WIFI SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2022

12 Events after the reporting date

The company has successfully raised further investment since 31 August 2022. A new plan has been devised setting out the next phase of product development which has commenced.

13 Related party transactions

Transactions with related parties

During the period the company entered into the following transactions with related parties:

S Sullivan is also a director of Traffic Observation via Management Limited.

At the period end, WIFI Securities Limited owed £128,197 to Traffic Observation via Management Limited for the purchase of a patent.

At the period end, Traffic Observation via Management Limited owed £46,730 to WIFI Securities Limited in relation to expenditure recharges.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.