WESTMINSTER
GROUP PLC

Interim Results

2022

THE QUEEN'S AWARDS FOR ENTERPRISE: INTERNATIONAL TRADE 2021

RNS Number : 3807W
Westminster Group PLC
18 August 2022

Westminster Group Plc
('Westminster', the 'Group' or the 'Company')
Interim Results for the six months to 30 June 2022

Westminster Group Plc (AIM: WSG), a leading supplier of managed services and technology-based security solutions, announces its unaudited interim results for the six months ended 30 June 2022 (the 'Period').

Operational Highlights:

- Delivered products and services to 41 countries around the world.
- Encouraging progress on DRC Ratification process and believed to be on track to finalise in Q4 2022.
- West African airport operations recovered from the Covid impact and now operating at record levels.
- Strong recovery in Training business with numerous new contracts including major UK airport.
- Palace of Westminster and Tower of London projects successfully underway with extension of scope in progress.
- KSA office now fully operational and new contracts being secured.

Financial Highlights:

- Group revenues up 13% from H1 2021 to £3.9 million (H1 2021: £3.5 million, H2 2021: £3.6 million).
- Gross margin increased to 51% (2021: 45%).
- Operating Loss of £0.78 million (H1 2021: Loss £0.93 million, H2 2021 Loss £0.99 million).
- Loss per share of 0.24p (H1 2021: Loss 0.32p).

Commenting on the results and current trading, Peter Fowler, Chief Executive of Westminster Group, said:

"As stated in our recent Annual Report, the outlook for 2022 is positive as the impact of the global pandemic recedes and with the worst of the disruption and travel challenges behind us. I am encouraged to see improvements in the various areas of our business that were heavily impacted during the past couple of years.

"Whilst we are seeing recovery and growth in various parts of the business, I am particularly pleased to see our West African airport operations operating at new record levels, ahead of pre-pandemic volumes. Our training business is also showing strong recovery with a number of important new contracts including a major UK airport.

"It is also encouraging to see some of the larger project opportunities we have been working on, which were delayed during the pandemic, once again looking promising.

"I am also delighted to be able to report that progress has been made on ratification process for the DRC airport security contract, which we announced in June 2021, and believe we are on track to finalise matters and commence operations in Q4 as previously stated.

"H1 2022 has performed largely to expectation, delivering an improvement on H1 2021 as our various business sectors recover from the pandemic.

"Whilst we remain mindful of global challenges, given the momentum and recovery we are seeing, together with our extensive quote bank and the number of sizeable near-term project opportunities we are working on, we remain optimistic we can meet 2022 financial year market expectations."

Westminster Group Plc	Media enquiries via Walbrook PR
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Notes:

Westminster Group plc is a specialist security and services group operating worldwide via an extensive international network of agents and offices in over 50 countries.

Westminster's principal activity is the design, supply and ongoing support of advanced technology security solutions, encompassing a wide range of surveillance, detection (including Fever Detection), tracking and interception technologies and the provision of long-term managed services contracts such as the management and running of complete security services and solutions in airports, ports and other such facilities together with the provision of manpower, consultancy and training services. The majority of its customer base, by value, comprises governments and government agencies, non-governmental organisations (NGOs) and blue-chip commercial organisations.

The Westminster Group Foundation is part of the Group's Corporate Social Responsibility activities. www.wg-foundation.org

The Foundation's goal is to support the communities in which the Group operates by working with local partners and other established charities to provide goods or services for the relief of poverty and the advancement of education and healthcare particularly in the developing world.

The Westminster Group Foundation is a Charitable Incorporated Organisation, CIO, registered with the Charities Commission number 1158653.

[THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS DEFINED IN ARTICLE 7 OF THE MARKET ABUSE REGULATION NO. 596/2014 ("MAR") WHICH IS PART OF UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018. UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN]

Chief Executive Officer's Review

Overview

We stated in our recent Annual Report that the outlook for 2022 is positive as the impact of the global pandemic recedes, despite the first few months of the year being impacted. However, with the worst of the pandemic disruption and travel challenges behind us, global uncertainty remains with conflicts and the economic crisis, and we continue to monitor events and plan accordingly.

Against that backdrop I am encouraged therefore to see improvements in the various areas of our business that were heavily impacted during the past couple of years. It is also encouraging to see some of the larger project opportunities we have been pursuing, which were delayed during the pandemic, once again looking promising.

H1 2022 has performed largely to expectation, delivering an improvement on H1 2021 as our various business sectors recover from the pandemic. Revenues for H1 2022 (£3.9m) were a 13% improvement on H1 2021 (£3.5m) whilst gross profit improved by 27% to £2.0m (H1 2021: £1.6m), resulting in an EBITDA loss of £648k (H1 2021: loss £810k).

In the Period we have supplied products and services to 41 countries around the world, including some important new contract wins such as the US military and the Organization for Security and Co-operation in Europe (OSCE). We continue to have an active business development programme and continue to develop a number of large-scale project opportunities in both our Services and Technology Divisions. Whilst there is never certainty of timing or outcome, we expect to secure one or more such projects in the current year.

A key focus during the Period has been to work with the various stakeholders and authorities within the DRC to finalise the ratification process for the airport security contract, which we announced in June 2021. I am encouraged by the progress that has now been made on this long outstanding issue and believe we are on track to finalise matters and commence operations in Q4 2022 as previously stated.

Our West Africa airport operations have recovered to pre-pandemic levels earlier than expected. June passenger numbers were the highest June total ever recorded and are not only ahead of budget but also 1.2% above the previous highest ever H1, pre-pandemic in 2019, which is very encouraging and bodes well for future trading.

Our Ghana port operations continue to perform to expectations although the recent agreement between the port operator and MPS and Ghana Ports and Harbours Authority to move 20% of container traffic out of terminal 3 for a period of 2 years commencing on 1 August 2022, is likely to have an impact and limit growth for that period.

Our other West Africa port project has yet to commence operations as we wait for our client to finalise the land allocation issues with the government, but we remain ready to start once access is granted.

I am pleased to report that our KSA office is now fully operational and starting to win business. As previously mentioned, we expect KSA will produce meaningful contribution to our future revenues.

In the UK our Palace of Westminster and Tower of London projects are running smoothly and we are already discussing additional security measures to be put in place under separate contracts.

Our Training business has also rebounded strongly and, in the Period, we have secured a number of new training contracts for clients around the world, including a sizeable contract for one of the UK's largest airports.

The forthcoming Protect Duty legislation, which is expected to come into force within the UK later this year, will set out standards to protect patrons and the general public from terrorist attacks when in crowded spaces. The Home Office estimates that 650,000 UK businesses could be affected. This could include settings such as pubs, shopping centres, music venues, parks, places of worship and any other place where gatherings of people occur. We have been extremely busy preparing for this, working in collaboration with a number of stakeholders, including public figures, magazines, industry experts and the police in readiness for the upcoming legislation. With Westminster's expertise and portfolio of products and services we are well placed to assist businesses and organisation improve their security in this respect we have already secured important new business and are in contract discussions with a number of potential customers. We believe this could be a sizeable business opportunity for the Group. For more information on protect duty see here https://www.wg-plc.com/protect-duty#

We continue to monitor the JCPOA talks and are maintaining discussions with stakeholders (including the UK Government). There is some optimism that an EU brokered deal may yet be reached to remove many of the current sanctions, including banking, and should this happen we are well placed to re-energise our airport security contract, which was signed but put on hold when the US unilaterally pulled out of the JCPOA in 2018.

Financial

Revenues at £3.9 million (H1 2021: £3.5 million) for the first half year were 13% ahead of last year. This represented a strong recovery in the Services side of the business with our West African Airport and Training leading the way.

The Group generated a gross profit of £2.0 million (H1 2021: £1.6 million) which equates to a gross margin of 51% (H1 2021: 45%). The percentage increase is due to the increase in high margin managed services sales in H1 2022 changing the margin mix.

The operating loss was £0.78 million (H1 2021: loss of £0.93 million). This is primarily driven by the drop in product sales due to market uncertainty offset by improving gross margin.

Cash balance as at 30 June 2022: £0.4 million (30 June 2021: £3.1 million, 31 December 2021: £0.9 million). The group also has overdraft facilities which were unutilised at 30 June 2022. We are pleased to have secured UKEF for projects and working capital continues to remain strong with debtor balances at £3.7m vs creditors of £2.1m.

Earnings per share were a loss of 0.24 pence (H1 2021: 0.32p loss).

Outlook

We continue to invest in our worldwide business development programmes in order to deliver on our growth potential, particularly in our long-term managed services projects and as previously advised we anticipate securing at least one, possibly more, additional large-scale projects this year.

In addition, with the recovery from the pandemic impact we are seeing in our existing revenue streams, together with new and expected contracts coming on stream, we remain confident of our future growth.

This year was always expected to be H2 weighted as we emerged for the global pandemic, and this remains the case. With our recurring revenues now running at circa £5m per annum and with over £3.5m in new orders secured so far this year, the majority, if not all of which, we expect to deliver in the year, we expect to secure and deliver further revenue in the remainder of H2 in line with current market expectations.

The Board is mindful of the current global situation with serious conflicts in Ukraine and potentially Taiwan, which may present both opportunities and challenges for our business, and the growing economic crisis around the world, which may yet impact our forecasts. However, given the momentum and recovery we are seeing together with our extensive quote bank and the number of sizeable near-term project opportunities we are working on, we remain optimistic we can meet 2022 financial year market expectations.

Peter Fowler,
Group Chief Executive
18 August 2022

Condensed consolidated statement of comprehensive income (unaudited)

for the six months ended 30 June 2022

	Note	**Six months ended 30 June 2022 Total £'000**	Six months ended 30 June 2021 Total £'000	Year ended 31 December 2021 Total £'000
Revenue	5	**3,916**	3,477	7,051
Cost of sales		**(1,934)**	(1,912)	(3,789)
Gross profit		**1,982**	1,565	3,262
Administrative expenses		**(2,764)**	(2,492)	(5,179)
Operating loss	7a	**(782)**	(927)	(1,917)
Analysis of operating loss		**(782)**	(927)	(1,917)
Add back depreciation and amortisation		**134**	117	244
EBITDA loss from underlying operations	6	**(648)**	(810)	(1,673)
Finance Costs	8	**(5)**	(2)	(3)
(Loss) before taxation		**(787)**	(929)	(1,920)
Taxation	7b	-	-	(11)
Total comprehensive income for the Period		**(787)**	(929)	(1,931)
Profit / (loss) and total comprehensive income attributable to:				
Owners of the parent		**(788)**	(920)	(1,921)
Non-controlling interest		**1**	(9)	(10)
Loss and total comprehensive income		**(787)**	(929)	(1,931)
Earnings per share (pence)	7c	**(0.24p)**	(0.32p)	(0.62p)

Condensed consolidated balance sheet (unaudited)

as at 30 June 2022

	Note	**As at 30 June 2022 £'000**	As at 30 June 2021 £'000	As at 31 December 2021 £'000
Goodwill		**614**	613	614
Other intangible assets		**120**	151	150
Property, plant and equipment		**1,924**	1,882	1,895
Deferred Tax		**953**	956	953
Total Non-Current Assets		**3,611**	3,602	3,612
Inventories		**795**	585	681
Trade and other receivables		**3,747**	2,328	3,661
Cash and cash equivalents		**398**	3,054	944
Total Current Assets		**4,940**	5,967	5,286
Non-current receivable		**411**	484	424
Total Assets		**8,962**	10,053	9,322

Called up share capital	9	**331**	16,322	331
Share premium account		**-**	16,346	-
Merger relief reserve		**-**	300	-
Share based payment reserve		**1,007**	1,050	1,043
Revaluation reserve		**139**	139	139
Retained earnings		**5,589**	(25,162)	6,340
Equity attributable to				
Owners of the parent		**7,066**	8,995	7,853
Non-controlling interest		**(389)**	(544)	(390)
Total Shareholders' Equity		**6,677**	8,451	7,463
Non-current borrowings	10	**49**	16	12
Total Non-Current Liabilities		**49**	16	12
Current borrowing	10	**60**	32	32
Contractual liabilities		**69**	97	87
Trade and other payables		**2,107**	1,457	1,728
Total Current Liabilities		**2,236**	1,586	1,847
Total Liabilities		**2,285**	1,602	1,859
Total Liabilities and Shareholders' Equity		**8,962**	10,053	9,322

Condensed consolidated statement of changes in equity (unaudited)

for the six months ended 30 June 2022

	Called up share capital	Share premium account	Merger relief reserve	Share based payment reserve	Revaluation reserve	Retained earnings	Total	No
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	
As at 1st January 2022	331	-	-	1,043	139	6,340	7,853	
Loss for the Period	-	-	-	-	-	(788)	(788)	
Total comprehensive expense for the Period	-	-	-	-	-	**(788)**	**(788)**	
Transactions with owners in their capacity as owners:								
Lapse of share options	-	-	-	(36)	-	36	-	
Other movement in equity	-	-	-	-	-	1	1	
	-	**-**	**-**	**(36)**	**-**	**37**	**1**	

As at 30th June 2022	**331**	**-**	**-**	**1,007**	**139**	**5,589**	**7,066**

for the six months ended 30 June 2021

	Called up share capital	Share premium account	Merger relief reserve	Share based payment reserve	Revaluation reserve	Retained earnings	Total	Non-controlling interest	Total share-holders' equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1st January 2021	16,278	14,069	300	1,050	139	(24,242)	7,594	(535)	7,059
Loss for the Period	-	-	-	-	-	(920)	(920)	(9)	(929)
Total comprehensive expense for the Period	-	-	-	-	-	(920)	(920)	(9)	(929)
Transactions with owners in their capacity as owners:									
Shares issued for cash	44	2,456	-	-	-	-	2,500	-	2,500
Cost of share issues	-	(179)	-	-	-	-	(179)	-	(179)
	44	2,277	-	-	-	-	2,321	-	2,321
As at 30th June 2021	16,322	16,346	300	1,050	139	(25,162)	8,995	(544)	8,451

for the twelve months ended 31 December 2021

	Called up share capital	Share premium account	Merger relief reserve	Share based payment reserve	Revaluation reserve	Retained earnings	Total	contr in
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
AS AT 1 JANUARY 2021 as previously stated	16,278	14,069	300	1,050	139	(24,242)	7,594	
Prior year adjustment	-	-	-		-	(150)	(150)	
AS AT 1 JANUARY 2021 Restated	16,278	14,069	300	1,050	139	(24,392)	7,444	
Shares issued for cash	44	2,456	-	-	-	-	2,500	
Cost of share issues	-	(179)	-	-	-	-	(179)	
Lapse of share options	-	-	-	(7)	-	7	-	
Exercise of warrants and share options	-	9	-	-	-	-	9	
Capital Reduction	(15,991)	(16,355)	(300)	-	-	32,646	-	
TRANSACTIONS WITH OWNERS	(15,947)	(14,069)	(300)	(7)	-	32,653	2,330	
Total comprehensive expense for the year	-	-	-	-	-	(1,921)	(1,921)	
AS AT 31 DECEMBER 2021	331	-	-	1,043	139	6,340	7,853	

Consolidated Cash Flow Statement (unaudited)

for the six months ended 30 June 2022

	Note	**Six months ended 30 June 2022**	Six months ended 30 June 2021	Year ended 31 December 2021
		Total	Total	Total
	Note	**£'000**	£'000	£'000

Loss after taxation		**(787)**	(929)	(1,931)
Tax		**-**	-	11
Loss before taxation		**(787)**	(929)	(1,920)
Non-cash adjustments	**8**	**136**	122	244
Net changes in working capital	**8**	**175**	(517)	(1,632)
Cash outflow from operating activities		**(476)**	(1,324)	(3,308)
Investing activities				
Purchase of property, plant and equipment		**(132)**	(65)	(160)
Purchase of intangible assets		**-**	-	(41)
Cash outflow from investing activities		**(132)**	(65)	(201)
Financing activities				
Gross proceeds from the issue of ordinary shares and exercise of warrants		**-**	2,500	2,509
Costs of share issues		**-**	(179)	(179)
Increase / (decrease) in finance lease debt		**65**	(19)	(17)
Finance cost on lease liabilities		**(3)**	(2)	(3)
Cash inflow from financing activities		**62**	2,300	2,310
(Decrease) / increase in cash and cash equivalents in the Period		**(546)**	911	(1,199)
Cash and cash equivalents at the beginning of the Period		**944**	2,143	2,143
Cash and cash equivalents at the end of the Period		**398**	3,054	944

Notes to the unaudited financial statements

for the six months ended 30 June 2022

1. General information and nature of operations

This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2022 has been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting. These unaudited interim financial statements were approved by the board on 17 August 2022. The 31 December 2021 numbers are extracted from the Group's audited accounts.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2021 and any public announcements made by Westminster Group Plc during the interim reporting period

Westminster Group Plc (the "Company") was incorporated on 7 April 2000 and is domiciled and incorporated in the United Kingdom and quoted on AIM. The Group's financial statements for the six-month period ended 30 June 2022 consolidate the individual financial information of the Company and its subsidiaries. The Group designs, supplies and provides advanced technology security solutions and services to governmental and non-governmental organisations on a global basis.

The Group does not show any distinct seasonality.

2. Significant changes in the current reporting period

The impact of the pandemic is receding, but uncertainty remains in the global economy. However, we continue to supply globally with an active business development program. The West African Airport has returned from the pandemic hiatus to levels above the pre-pandemic passenger numbers. Training is also recovering strongly with a buoyant market both in the UK and overseas.

3. Basis of preparation

This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2022 has been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2021 and any public announcements made by Westminster Group Plc during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period and the adoption of new and amended standards as set out below.

These consolidated interim financial statements for the six months ended 30 June 2022 have neither been audited nor formally reviewed by the Group's auditors. The financial information for the year ended 31 December 2021 set out in this interim report does not constitute statutory accounts as defined in section 435 of the Companies Act 2006 but is derived from those accounts. The statutory financial statements for the year ended 31 December 2021 have been reported on by the Company's auditors and delivered to the Registrar of Companies. A copy is available at https://www.wsg-corporate.com/investor-relations/publications/.

3(a) New and amended standards adopted by the Group

There are no new or amended standards relevant to the group which became applicable for the current reporting period. However, the group has adopted early the following amended Standards:

- IAS 16 - Property, Plant and Equipment
- IAS 37 - Provisions, Contingent Liabilities and Contingent Assets

The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

3(b) Impact of standards issued but not yet applied by the entity

The Group does not expect to be significantly impacted by the adoption of standards issued but not yet applied.

4. Going concern

The directors have considered the impact of Covid-19 and the way the Group has traded positively through the crisis although at a lower level. Projections have demonstrated that the group has sufficient funds to perform its obligations. At the time of approving this interim report, and in view of the foregoing, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

5. Segment reporting

Operating segments

The Board considers the Group on a Business Unit basis. Reports by Business Unit are used by the chief decision-makers in the Group. The Business Units operating during the Period are the main operating work streams, Services and Technology (products and solutions).

6 Months to **30 June 2022**

	Services	Technology	Group and Central	Group Total
	£'000	£'000	£'000	£'000
6 MONTHS TO JUNE 2022				
Supply of products	-	621	-	621
Supply and installation contracts	-	-	-	-
Maintenance and services	3,014	155	-	3,169
Training courses	126	-	-	126
Revenue	**3,140**	**776**	**-**	**3,916**
Segmental underlying EBITDA	1,705	(184)	(2,169)	(648)
Depreciation & amortisation	(72)	(2)	(60)	(134)
Segment operating result	**1,633**	**(186)**	**(2,229)**	**(782)**
Finance cost	-	(1)	(4)	(5)
Profit/ (loss) before tax	1,633	(187)	(2,233)	(787)
Income tax charge	-	-	-	-
Profit/(loss) for the financial year	**1,633**	**(187)**	**(2,233)**	**(787)**
Segment assets	5,182	1,142	2,638	8,962
Segment liabilities	1,194	550	541	2,285
Capital expenditure	117	-	15	132

6 Months to 30 JUNE 2021

	Services	Technology	Group and Central	Group Total
	£'000	£'000	£'000	£'000
6 MONTHS TO JUNE 2021				
Supply of products	10	678	-	688
Supply and installation contracts	-	329	-	329

Maintenance and services	2,209	153	-	2,362
Training courses	51	47	-	98
Revenue	**2,270**	**1,207**	**-**	**3,477**
Segmental underlying EBITDA	966	1,060	(2,836)	(810)
Depreciation & amortisation	(54)	(4)	(59)	(117)
Segment operating result	**912**	**1,056**	**(2,895)**	**(927)**
Finance cost	-	-	(2)	(2)
Profit/ (loss) before tax	912	1,056	(2,897)	(929)
Income tax charge	-	-	-	-
Profit/(loss) for the financial year	**912**	**1,056**	**(2,897)**	**(929)**
Segment assets	3,912	1,136	5,005	10,053
Segment liabilities	716	474	412	1,602
Capital expenditure	20	-	45	65

Marketing segments

Our extensive portfolio of products and services are categorised in three key focus sectors - Land, Sea and Air. We are starting to report on these sectors.

	Six months ended 30 June 2022	Six months ended 30 June 2021	Twelve months ended 31 December 2021
	£'000	£'000	£'000
Land	**1,056**	1,069	1,300
Sea	**593**	1,175	3,379
Air	**2,267**	1,233	2,372
Total revenue	**3,916**	3,477	7,051

Geographical areas

The Group's international business is conducted on a global scale, with agents present in all major continents. The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services.

	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
	£'000	£'000	£'000
United Kingdom and Europe	**1,005**	805	2,161
Africa	**2,710**	1,934	4,296
Middle East	**58**	51	122
Rest of the World	**143**	687	472
Total revenue	**3,916**	3,477	7,051

6. Reconciliation of adjusted EBITDA

A reconciliation of adjusted EBITDA to operating profit before income tax is provided as follows:

	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
	£'000	£'000	£'000
(Loss) from Operations	**(782)**	(927)	(1,917)
Depreciation, amortisation and impairment charges	**134**	117	244
Reported EBITDA	**(648)**	(810)	(1,673)
Share based expense	**-**	-	-
Exceptional Items	**-**	-	-
Adjusted EBTIDA (loss)			

	(648)	(810)	(1,673)

Adjusted EBITDA is an alternative reporting measure. For further details refer to the 31 December 2021 accounts.

7. Income statement information

a. Significant Items

Profit for the half year to 30 June 2022 includes no items that are unusual because of their nature, size or incidence.

b. Income Tax

Income tax expense is recognised based on management's estimate. The Group has significant tax losses in the UK brought forward from prior years and does not expect to have to provide any material amount for tax.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The Group's projections show the expectation of future profits, hence in 2018 a deferred tax asset was recognised. Reviews were performed in 2019, 2020, 2021 and again this year, considering Covid-19, which has confirmed those expectations.

c. Earnings per share

Earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the Period. For diluted earnings per share the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. Only those outstanding options that have an exercise price below the average market share price in the Period have been included. For each period, the issue of additional shares on exercise of outstanding share options would decrease the basic loss per share and therefore there is no dilutive effect.

The weighted average number of ordinary shares is calculated as follows:

	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
	'000	'000	'000
Number of issued ordinary shares at the start of period	**330,515**	286,528	286,528
Effect of shares issued during the period	-	841	23,576
Weighted average basic and diluted number of shares for period	**330,515**	287,369	310,104
	£'000	£'000	£'000
Loss and total comprehensive expense	**(787)**	(929)	(1,931)
Loss per share	**(0.24)p**	(0.32)p	(0.62)p

8. Cash flow adjustments and changes in working capital

	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
	Total	Total	Total
	£'000	£'000	£'000
Adjustment for non-cash items			
Depreciation, amortisation and impairment of non-financial assets	**134**	117	244
Lease liabilities	**5**	2	(3)
(Profit) / loss on disposal of non-financial assets	**(2)**	3	-
IFRS 16 interest adjustment	**(1)**	(1)	-
Decrease in deferred tax asset	-	-	3
FX effect on goodwill	-	1	-
Total adjustments	**136**	122	244
Net changes in working capital:			
Decrease / (increase) in inventories	**(114)**	188	92
Decrease / (increase) in trade and other receivables	**(86)**	110	(1,223)
Decrease / (increase) in long term receivables	**13**	-	60
Increase / (decrease) in contract liabilities	**(18)**	(3)	(13)
Increase / (decrease) in trade and other payables	**380**	(812)	(548)
Total increase / (decrease) in working capital	**175**	(517)	(1,632)

9. Called up share capital

Ordinary Share Capital	**6 months to 30th June 2022**		6 months to 30th June 2021		Year to 31st December 2021	
	Number	**£'000**	Number	£'000	Number	£'000
At the beginning of the period	**330,514,660**	**331**	286,527,511	287	286,527,511	287
Arising on exercise of share options and warrants	**-**	**-**	-	-	127,500	-
Other issue for cash	-	-	43,859,649	44	43,859,649	44
At the end of the period	**330,514,660**	**331**	330,387,160	331	330,514,660	331

Deferred share capital	**6 months to 30th June 2022**		6 months to 30th June 2021		Year to 31st December 2021	
	Number	**£'000**	Number	£'000	Number	£'000
At 1 January	-	-	161,527,511	15,991	161,527,511	15,991
Share capital reorganisation to create deferred shares	-	-	-	-	(161,527,511)	(15,991)
At the end of the period	-	-	161,527,511	15,991	-	-

Total Share Capital	**6 months to 30th June 2022**		6 months to 30th June 2021		Year to 31st December 2021	
	Number	**£'000**	Number	£'000	Number	£'000
Ordinary Share Capital	**330,514,660**	**331**	330,387,160	331	330,514,660	331
Deferred share capital	-	-	161,527,511	15,991	-	-
	330,514,660	**331**	491,914,671	16,322	330,514,660	331

10. Borrowings

	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
	£'000	£'000	£'000
Current borrowings (due < 1 year)			
Lease Debt	**60**	32	32
Total current borrowings	**60**	32	32
Non-current borrowings (due > 1 year)			
Lease Debt	**49**	16	12
Total non-current borrowings	**49**	16	12
Total borrowings	**109**	48	44

11. Contingencies

The RiverFort EPSA was described in the 2020 and 2021 accounts. In summary, in 2020 the company issued 14m ordinary shares and received a £1.5m mezzanine loan under the RiverFort EPSA. At the same time under the EPSA the company issued 14m shares and booked a sundry debt of £1.75m. The loan was to be repaid and the sundry debt settled by selling down the shares. The mezzanine loan was fully repaid in December 2020. As at the 30 June 2022 there remained shares still to be sold and a residual sundry debt for those shares. Because of the low share price, had the remaining shares been sold at 30 June 2022 there would have been a loss of £ 1,066,000 (31 Dec 2021: £885,000) on this debt. However, the shares do not have to be fully sold at this time; and there is reason to believe that it will be at a price higher in the future than the current price level which will be enough to recoup the losses.

In February 2021, Clydesdale Bank PLC trading as Yorkshire Bank offered the Group an overdraft and other banking facilities. As a condition of these facilities the Company entered into a multilateral charge and guarantee in respect of bank overdrafts and other facilities of all companies within the Group.

12. Events after the Reporting Period

There were no material events which occurred after the Period end.

13. Copies of interim financial statements

A copy of these interim financial statements is available on the Company's website, www.wsg-corporate.com and from the Company Secretary at the company's registered office, Westminster House, Blacklocks Hill, Banbury, Oxfordshire, OX17 2BS.

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