



WESTMINSTER
GROUP PLC

Annual Report

and Financial Statements

2021 Worldwide world
class protection



Mission Statement

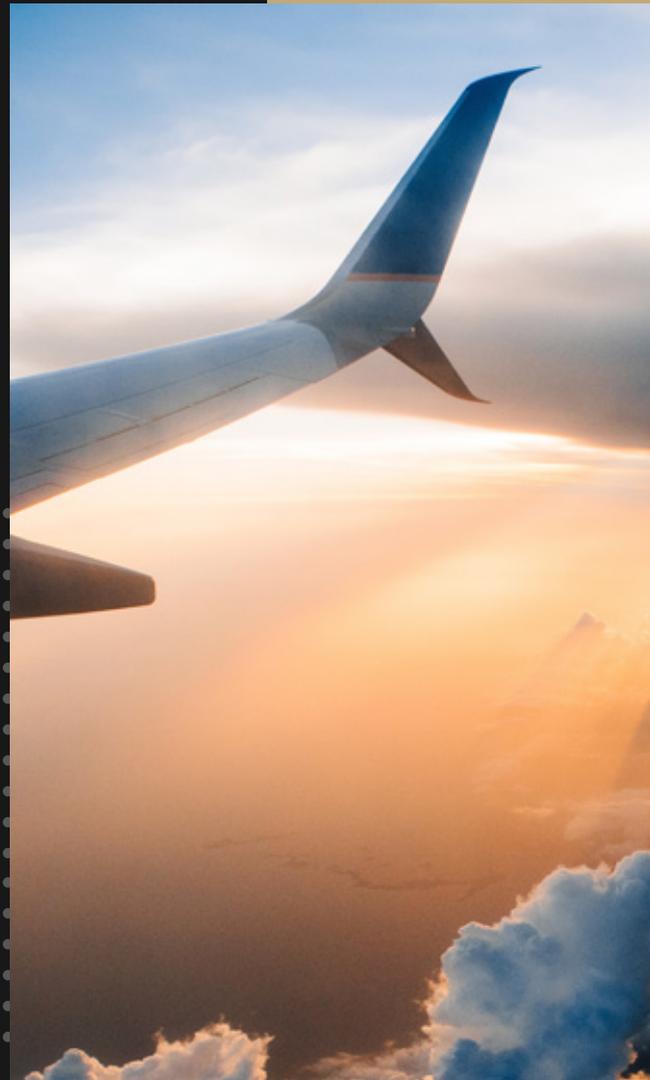
Westminster believes all citizens of the world have the right to personal safety and security and to be free from the threats of crime and terrorism particularly when travelling.

The mission of Westminster Group PLC is therefore to improve security and the quality of life for people throughout the world, regardless of race, colour or creed and will do so by the provision of advanced security solutions and long-term managed services.

Westminster endeavours to achieve this goal by acting in a professional and responsible manner, treating our employees, customers, suppliers and partners with equal courtesy and respect at all times.

About us

Westminster Group PLC is a trusted global brand delivering strategic security solutions, managed services and best in class equipment, on Land, at Sea and in the Air, to keep people safe, secure assets and maximise prosperity in high growth and emerging markets around the world.





Annual report

Contents

Highlights	02
Company Overview	04
Strategic Report	
Chairman's Statement	06
Chief Executive Officer's Report	08
Chief Financial Officer's Report	18
Risk Management	22
Stakeholder Engagement	28
Governance Report	
Board of Directors	34
Corporate Governance Report	36
Audit Committee Report	48
Nomination Committee Report	54
Remuneration Committee Report	56
Directors' Report	60
Statement of Directors' Responsibilities	62
Financial Statements	
Independent Auditor's Report	64
Consolidated Statement of Comprehensive Income	68
Consolidated and Company Statements of Financial Position	69
Consolidated Statement of Changes in Equity	70
Company Statement of Changes in Equity	72
Consolidated Cash Flow Statement	73
Company Cash Flow Statement	74
Notes to the Financial Statements	75
Company Information	114



The years

Highlights

46%

Gross Margin

17%

Increase in Services Revenue

58%

Increase in Passengers

60

Countries Supplied

242

Return Customers

241

Staff Worldwide

Operational

- Continued to navigate Covid-19 pandemic successfully despite declining market confidence and delays of Technology Division's projects.
- Services Division delivered a robust performance.
- Recognised for excellence in International Trade with a Queen's Award for Enterprise.
- Supplied products and solutions to 60 (2020: 78) countries across the world.
- Secured prestigious contract for the Tower of London.
- Entered strategic partnership with Covid-19 testing company, Certific.
- Secured 20-year managed services contract for airport security in DRC (subject to delayed ratification).
- Secured 10-year managed services contract for port security in West Africa.
- Secured \$1.7m airport security contract in Southeast Africa.
- Kept all our employees safe during Covid-19 and maintained full employment utilising the UK Government furlough scheme, where appropriate.

Financial

- Despite continuing material impact from the effects of Covid-19, achieved revenues of £7.1m (2020: £9.9m).
- Loss after tax £1.9m (2020: loss of £0.7m).
- Total Equity / Net Assets increased from £7.1m in 2020 to £7.5m in 2021.
- Commenced year debt free and remained so (other than operating lease debt under IFRS 16).
- Reduction in capital approved and implemented.

Post Period End

- West African airport ahead of expectations and nearing pre-pandemic revenue levels, with March 2022 being the highest ever March figure.
- Ghana Port performing to expectations and with the fourth berth opened late 2021, further growth is expected.
- Training & Guarding businesses recovering well and winning new business.
- Product and solution sales showing signs of significant improvement, with several delayed projects once again back in discussion.
- Successfully completed Palace of Westminster project (now in 5 year maintenance programme).
- Westminster Arabia finally established we fully expect to see KSA provide a material contribution to our 2022 and future revenues.
- \$1.7m airport security contract secured December 2021 underway and expected to be completed in the year.
- The logistics, licencing and planning phase of our new 10 year West African port project secured in 2021 is nearing completion and the operational phase is expected to begin in H2 2022.
- Closely monitoring US Iranian talks regarding JCPOA.

“Our vision is to build a global business with strong brand recognition delivering advanced security solutions and long-term managed services to high growth and emerging markets around the world, with a particular focus on long term recurring revenue* business enhancing shareholder value.”

VISION STATEMENT

[^] This is an Alternative Performance Measure – refer to Note 2 of the financial statements for further details.

Westminster Group PLC

Who we are

Westminster Group PLC is a British security and defence organisation with international offices, agents and partner companies in over 50 countries. We solve security, safety and defence problems for governments, military, non-governmental organisations (NGOs), air and seaports, critical infrastructure and major organisations and corporations worldwide.

The Group's principal activity is the design, supply and on-going support of advanced technology security solutions, encompassing a wide range of surveillance, 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 Group's various operating companies are structured into two vertically integrated operating divisions, Managed Services and Technology all focussed on deliver products, services and solutions to our three key market sectors: LAND - SEA – AIR.

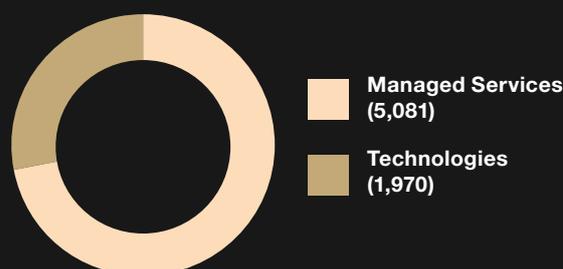
60

countries in 2021

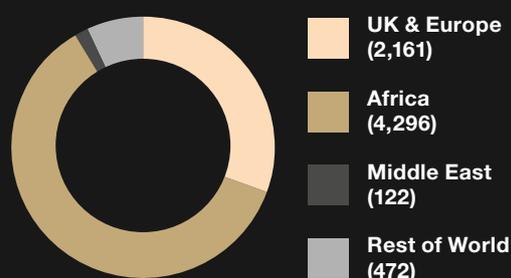
50+

agents and offices

Divisional Revenue Split (£'000)

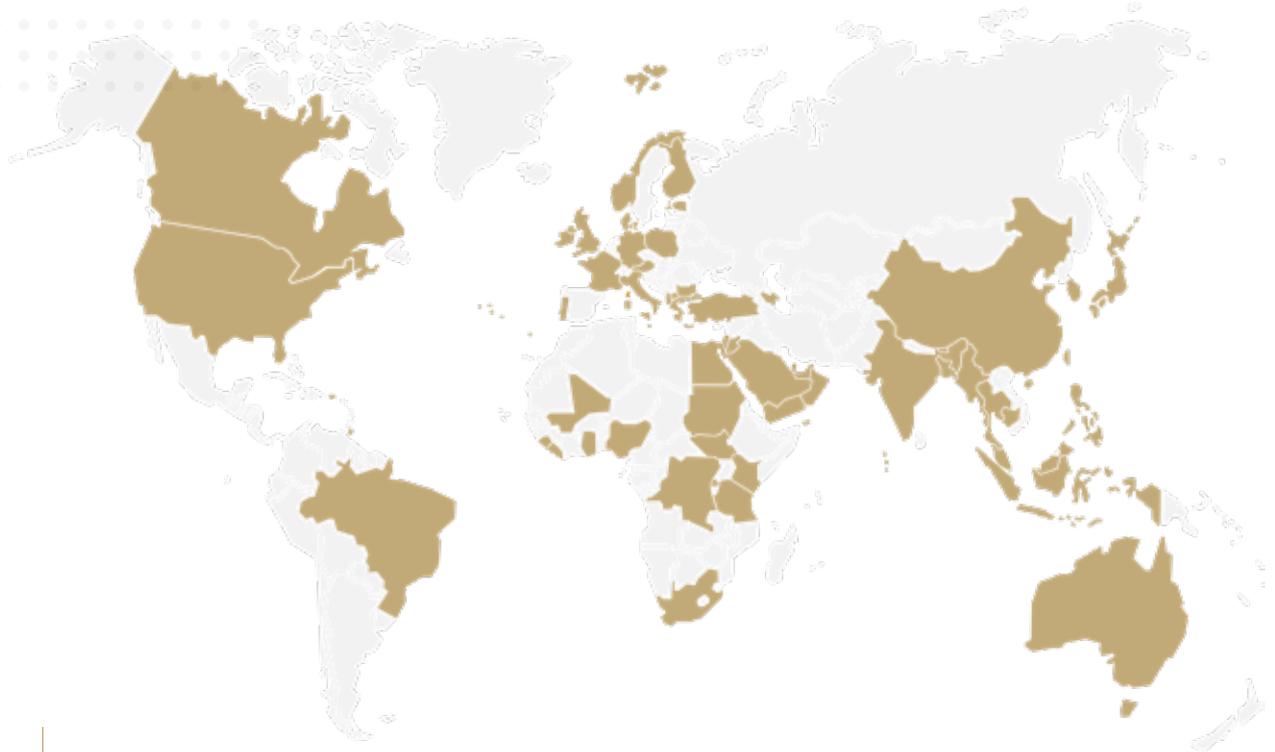


Geographical Split of Revenue (£'000)



Westminster

Around the world



Worldwide world class protection

Regional Offices

UK

Westminster Group Plc
Westminster House
Blacklocks Hill
Banbury
Oxfordshire OX17 2BS
United Kingdom

France

Euro Ops International
3 rue de Bischwihr
68280 Andolsheim
France

Germany

GLIS
Gesellschaft für Luftfahrt- und
Infrastruktur-Sicherheit GmbH
Chiemsestr. 25, D – 83233
Bernau am Chiemsee
Germany

KSA

Westminster Arabia
Building No. 482
Al Orouba Road
Olaya Street
Riyadh 11531
Saudi Arabia

Ghana

Administration Office
Tema Port
Accra
Ghana

Sierra Leone

60 Wellington Street
Freetown
Sierra Leone

Strategic report

Chairman's Statement



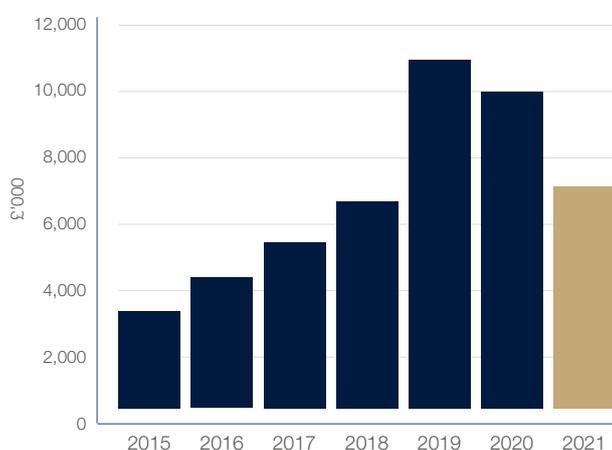
Rt. Hon Sir Tony Baldry DL
Chairman

Overview

2021 was a year of great challenges, but also of great success for Westminster. We saw the signing of two major managed services contracts in the Democratic Republic of Congo and West Africa, but also the frustration of projects right shifting into 2022 and beyond. Against a difficult year dominated by the uncertainty caused by the Covid-19 pandemic, I am pleased to present the Westminster Group PLC Final Results for the year ended 31 December 2021.

In April 2021, Westminster was recognised for its excellence in International Trade given its outstanding growth in overseas sales in the last 3 years. It was one of just 205 organisations nationally for which Her Majesty the Queen has approved the Prime Minister's recommendation that Westminster be awarded the prestigious Queen's Award for Enterprise. The significance of this prestigious award is recognised worldwide and is an indication of the growth and momentum we have achieved with our world-wide business over the past few years. To have now been selected for this distinguished award is an honour, not just for the Company but for all our employees around the world who have contributed to this success.

Revenue



The award was formally presented by the Lord Lieutenant of Oxfordshire, Sir Tim Stevenson CVO OBE, on behalf of Her Majesty the Queen, at a ceremony at Westminster House on Friday, 3 September 2021.

I am proud that the Group is recognised globally for its specialist security and services expertise, operating worldwide via an extensive international network of agents and offices in over 50 countries. Britain has always been at the forefront of innovation in security and defence solutions and this Queen's Award accolade further validates the position Westminster holds in that marketplace.

The last two years have been dominated by Covid-19, which was declared a global pandemic in March 2020, creating a worldwide healthcare crisis with hundreds of millions of citizens infected and millions tragically losing their lives. Governments around the world reacted in various ways with many closing borders, some putting large parts of their populations on lockdown and imposing travel restrictions. This has had a profound impact on the global economy and businesses across the globe, the like of which has not been seen in a generation.

We are a business that operates internationally with staff around the world, and we are heavily involved in international travel, as such we have been affected by the impact of the global disruption caused by the pandemic. During 2021, Covid-19 has had a profound impact on the global economy with much uncertainty and many travel restrictions. This did have a negative impact on the Company, with sales dropping to just under £7m and losses commensurately increased.

Corporate Conduct

As a company whose shares are traded on the AIM market of the London Stock Exchange, we recognise

the importance of sound corporate governance throughout our organisation, giving our shareholders and other stakeholders including employees, customers, suppliers and the wider community confidence in our business. We endeavour to deliver on our corporate Vision and Mission Statements in an ethical and sensitive manner irrespective of race, colour or creed. This is not only a requirement of a well-run public company but makes good commercial and business sense.

In my capacity as Executive Chairman, I have ultimate responsibility for ensuring the Board adopts and implements a recognised corporate governance code in accordance with our stock market status. Accordingly, the Board has adopted, and is working to, the Quoted Companies Alliance (QCA) Corporate Governance Code 2018. The Chief Executive Officer (CEO) has responsibility for the implementation of governance throughout our organisation, commensurate with our size of business and worldwide operations.

The QCA Corporate Governance Code 2018 has ten key principles and we set out on our website how we apply those principles to our business, and more detailed information is provided in these accounts.

We operate worldwide with a focus on emerging markets and in a sector where discretion, professionalism and confidentiality are essential. It is vitally important that we maintain the highest standards of corporate conduct. The Corporate Governance Report in this annual report sets out the detailed steps that we undertake to ensure that our standards, and those of our agents, can stand any scrutiny by Government or other official bodies.

Corporate and Social Responsibility

As a Group, we take our corporate and social responsibilities very seriously, particularly as we operate in emerging markets and in some cases in areas of poverty and deprivation. As highlighted in the Chief Executives Report we are building on our environment, social and governance strategies. I am proud of the support and assistance we as a business provide in many of the regions in which we operate, and I would like to pay tribute to our employees and other individuals and organisations for their generous support and contributions to our registered charity, the Westminster Group Foundation. We work with local partners and other established charities to provide goods or services for the relief of poverty or advancement of education or healthcare making a difference to the lives of the local communities in which we operate. For more information or to donate please visit www.wg-foundation.org.

Employees and Board

Our overriding priority however is and has been the safety and wellbeing of our people around the world and to continue to provide a valuable service to our customers. To those ends, we put in place various precautionary measures, including cost reductions and are undertaking regular risk assessments for all areas of our business, and have put in place processes and safe working practices, with a number of employees working from home. We also utilised the UK furlough scheme where appropriate.

In June 2021, Simon Barrell replaced Charles Cattaneo as a Non-Executive Director and Chairman of the Audit Committee. Simon's wealth of experience gained from a variety of business sectors, in particular working in AIM quoted companies and serving on boards of growing and successful companies, is of great value to our business as we expand and deliver on our significant potential. He has worked in groups in adjacent sectors who also serve emerging markets. This gives him an understanding which will be invaluable to Westminster in the next stage of its growth.

"I am proud that the Group is recognised globally for its specialist security and services expertise, operating worldwide."

After several years' valuable service, Lady Patricia Lewis (Patsy Baker) stepped down from her role as Non-Executive Director as of 1 November 2021. To replace her, we appointed Major General (Retired) Graham Binns, CBE, DSO, MC. Graham is a highly decorated retired British Army officer with over 10 years' experience as a senior board level executive in the commercial security sector. He served as General Officer Commanding 1st (UK) Armoured Division and then Commandant Joint Services Command and Staff College, retiring in 2010. He had previously commanded the 7th Armoured Brigade (the Desert Rats) during Operation Telic 1 when the brigade took Basra in southern Iraq. Following his military career, Graham was recruited as Chief Executive Officer of Aegis Defence Services Ltd. providing security services to governments and major corporations throughout the Middle East and Africa, with revenues of £300m and a staff of over 3,000. Following the acquisition of Aegis by GardaWorld, the world's largest privately owned security group with 122,000 employees and a turnover of \$3 billion, Graham served for several years as Senior Managing Director of GardaWorld International Protective Services, and more recently as their senior advisor on strategic client relationships.

Both Lady Patricia Lewis and Charles Cattaneo stepped down in order to spend more time on their other commitments. I would like to thank them both for their dedication and hard work over the past few years. They made a positive contribution to the Group and were valued board members.

I would finally like to extend my appreciation to our investors for their continued support and to our strategic investors who are bringing their expertise to help deliver value for all.

Rt. Hon Sir Tony Baldry DL
Chairman

28 April 2022

Strategic report

Chief Executive Officer's Report

Business Description

The Westminster Group is a global integrated security services company delivering niche security solutions and long-term managed services to high growth and emerging markets around the world, with a particular focus on long term recurring revenue[^] business.

Our target customer base is primarily governments and governmental agencies, critical infrastructure (such as airports, ports & harbours, borders and power plants), and large-scale commercial organisations worldwide.

We deliver our wide range of Land, Sea and Air solutions and services through a number of operating companies that are currently structured into two operating divisions, Services and Technology, both primarily focused on international business as follows:

Services Division

Focusing on long term (typically 10 – 25 years) recurring revenue managed services contracts such as the management and operation of security solutions in airports, ports and other such facilities, together with the provision of manpower, consultancy and training services.

Technology Division

Focussing on providing advanced technology led security solutions encompassing a wide range of surveillance, detection, tracking, screening and interception technologies to governments and organisations worldwide.

In addition to providing our business with a broad range of opportunities, these two divisions offer cost effective dynamics and vertical integration with the Technology Division providing vital infrastructure and complex technology solutions and expertise to the Services Division. This reduces both supplier exposure and cost and provides us with increasing purchasing power. Our Services Division provides a long-term business platform to deliver other cost-effective incremental services from the Group.



Peter Fowler
Chief Executive Officer

We have a successful track record of delivering a wide range of solutions to governments and blue-chip organisations around the world. Our reputation grows with each new contract delivered - this in turn underpins our strong brand and provides a platform from which we can expand our business.

Overview

The defining aspect of 2021 was, of course, the ongoing global impact of the Covid-19 pandemic, whilst one of the main highlights of the year was the prestigious Queen's Award for Enterprise in recognition of Westminster's outstanding contribution to International Trade, which recognised Westminster's many achievements, particularly given the challenges presented by the global pandemic.

In January 2021, the UK entered its third national lockdown from the ongoing Covid-19 pandemic, which lasted until March 2021. Many areas of the world similarly had ongoing travel restrictions, all of which

“We have a successful track record of delivering a wide range of solutions to governments and blue-chip organisations around the world.”

[^] This is an Alternative Performance Measure – refer to Note 2 of the financial statements for further details.

impacted large parts of our business. However, with such restrictions beginning to ease in Q2 2021, the expectation was that we would see a recovery in H2 2021 and that some of our delayed projects would once again begin to come on stream. Ultimately, this was not to be the case. With lockdowns and travel restrictions continuing in many parts of the world, together with a lack of business confidence causing many companies to defer capital expenditure etc., exasperated by the Omicron variant outbreak sweeping the world in the later part of the year, the events materially impacted parts of our business for the full year, with resultant reductions in revenues.

However, I am pleased to report that, despite parts of our business being adversely impacted by lockdowns and travel restrictions, the strength of our business model, with multiple revenue streams from multiple sources around the world, together with our global footprint has meant that we were better placed than many companies to deal with the numerous challenges created by the Covid-19 pandemic and despite the challenges we did manage to secure a number of notable achievements, not least of which was the Queen's Award for Enterprise in recognition of Westminster's outstanding contribution to International Trade.

This prestigious award was formally presented by the Lord Lieutenant of Oxfordshire, Sir Tim Stevenson CVO OBE on behalf of Her Majesty the Queen, at an Award Ceremony and Open Day at Westminster House on Friday, 3 September 2021. The event proved to be a huge success and was attended by over 100 guests including many Ambassadors, High Commissioners, Embassy staff and Government representatives from countries around the world, as well as customers, partners, and shareholders. In presenting the award Sir Tim Stevenson said, *"The Queen's Award for Enterprise is not an easy award to achieve, and Westminster's performance has been extraordinarily impressive demonstrating impressive sales growth."*

The significance of this prestigious award is recognised worldwide and is an indication of the growth and momentum we have achieved with our world-wide business over the past few years.

Given the ongoing worldwide impact of the global Covid-19 pandemic, 2021 has been another challenging year but a year in which we have still achieved a number of successes to move our business forward and I am proud of how our staff have pulled together and how we have managed to navigate the crisis. We have continued to keep our people safe, fully employed (utilising the UK government's furlough scheme where appropriate) and maintained our global operations, albeit some on reduced levels.

Notwithstanding the many challenges, we continued to deliver important new business and develop new opportunities, with parts of our business performing well but with other parts, particularly Technology Division sales, being materially impacted. The Services Division increased revenues by 16% to £5.1m (2020: £4.4m),

despite still being impacted by Covid-19 travel and lockdown restrictions which shows the value of this division, particularly the long-term managed services, as recovery gets underway. However, the Technology Division revenues reduced to £2.0m (2020: £5.6m). This was largely due to a lack of business confidence and uncertainty through the Covid-19 pandemic and a reluctance from many companies to commit to capital expenditure resulting in a number of expected contract awards being delayed and the ensuing revenues being delayed.

We have continued to deliver on business opportunities and, in 2021, we supplied goods and service to 60 countries around the world, including some notable contract wins. We have continued to invest in our worldwide business development programmes in order to deliver on our growth potential, particularly in our long-term major managed services projects.

"The Queen's Award for Enterprise is not an easy award to achieve, and Westminster's performance has been extraordinarily impressive demonstrating impressive sales growth."

SIR TIM STEVENSON

Divisional Review

Services Division

Our Services Division has performed well and delivered some notable achievements in the period.

In our 2020 Annual Report, we stated one of our key goals for 2021 was to secure at least one more long-term managed services contract and in that respect, I am delighted that we have secured two significant new long-term contract wins.

On 15 June 2021, we signed a 20-year managed services contract to provide security services to 5 airports in the Democratic Republic of the Congo ("DRC"), Central Africa. The contract is subject to a formal ratification process and whilst this process has taken far longer than anticipated, largely due to the client's internal procedures, the contract is an exciting development for the company. There is considerable pressure on the airport authority to conclude this process and we expect this to be finalised by Q4 this year. Once the process is completed, it will not only deliver meaningful long-term revenues but means we will have established an important presence in a new region of Africa.

Strategic report

Chief Executive Officer's Report

In addition, on 16 June 2021, we further announced that we had signed another long-term managed service contract to provide port screening services in West Africa for the next 10+ years. We had been pursuing and developing this opportunity for several years and it is another important win for the Company that further extends our global footprint and profile in the port screening sector. The majority of preliminary works required at the port, such as acquisition of the required land for the port security operations and export licencing requirements, have now largely been completed and we anticipate revenues from this long-term project will commence in H2 2022.

Furthermore, in early July, we announced that we had been awarded yet another high-profile contract to supply security services to help protect the historic Royal Palace and Fortress of the Tower of London. Security of such a landmark building, which is open to the public, is paramount and Westminster has been contracted to provide, inter alia, professional security services to the pedestrian and vehicular entrances.

These important new contract wins demonstrate our global reach but, as we have stated on a number of occasions, that large-scale projects such as these do take time to develop and negotiate and in securing such contracts, we equally demonstrate that we have the skills and resources required to successfully deliver on such opportunities. Together these new contracts alone will add, once fully operational, several million pounds to our annual revenues and together with our other managed services and recurring revenue contracts, underpin confidence in our future forecasts and growth.

In addition to these important new contracts, we are encouraged in the recovery and growth of our existing operations during the latter part of 2021 as the worst of the Covid-19 challenges are hopefully put behind us.

Our West African Airport managed services operation which, like aviation across the world, had been severely impacted by lockdowns and travel restrictions but encouragingly has seen a strong bounce back through 2021. In January 2021, we were running at 39% of the pre-Covid-19 pandemic 2019 levels but, by the end of the year in December 2021, we were running at around 84% of pre-pandemic levels and I am pleased to say this trend has continued into 2022 with the first few months of the year ahead of budget expectations and nearing pre-pandemic levels.

Overall, in 2021, the Services Division revenue achieved around 60% of pre-pandemic revenues and due to the operational gearing of these projects, most of the 40% lost revenues would have flowed through to the bottom line and in turn would have materially improved the performance for the year.

Our port managed services operations in Ghana have not been materially affected by Covid-19 and continue to perform well. The 4th berth became operational in late 2021 and we expect to see further growth with this important project.

Both our guarding and training businesses were heavily impacted by Covid-19 lockdowns and travel restrictions, but we are encouraged by the recovery we are seeing in both businesses, and we expect this to continue into 2022 as travel restrictions around the world continue to ease.

Our guarding business has already secured important new business in 2021 that will benefit future years and we are currently pursuing a number of interesting new opportunities which could see revenues from this business increase dramatically.

We are also pleased to see our training business securing new contracts from governments and organisations and is now operating ahead of budget. The global Covid-19 pandemic has demonstrated the importance of distance and online training and the strategic decision we took some time ago to invest in building an online training capability, both in house and through strategic partnerships, will prove to be very beneficial and we expect this part of our business to continue to grow.

“We are also pleased to see our training business securing new contracts from governments and organisations and is now operating ahead of budget.”

As the pandemic impacted parts of our business, we continued to develop new opportunities and initiatives such as our partnership with Certific in its Covid-19 testing programme for which Westminster is providing verification services. This new initiative delivered six figure revenues in 2021 although, as the requirements for Covid-19 testing reduce, we anticipate this service will cease to be material going forward.

Technology Division

We continue to experience healthy enquiry levels and during 2021 have secured orders for our products and services from 60 countries around the world, although effects of Covid-19, including travel restrictions, have caused some delays in delivery.





“The Queen’s Award for Enterprise is not an easy award to achieve, and Westminster’s performance has been extraordinarily impressive demonstrating impressive sales growth.”



**LORD LIEUTENANT OF OXFORDSHIRE,
SIR TIM STEVENSON CVO OBE**



Strategic report

Chief Executive Officer's Report

The caution on spending by many companies during 2020 continued into 2021 which meant that purchasing decisions regarding some of our larger technology project opportunities have been deferred. We are encouraged however that several of these opportunities are once again beginning to move forward.

An example of such delayed projects was the \$1.7m airport security contract for two airports in Southeast Africa, which we announced in December 2021. This contract, which is being funded by the European Investment Bank, was expected to be announced in early 2021 after a lengthy international competitive tender process and involves the upgrading of security equipment, including new x-ray screening and metal detection equipment, an advanced CCTV surveillance system and new control and command centres at both airports. Had the contract been awarded, as expected in 2021, it would have been completed that year, however, it is now expected to be undertaken and completed in 2022.

“The caution on spending by many companies during 2020 continued into 2021 which meant that purchasing decisions regarding some of our larger technology project opportunities have been deferred.”

In the UK, we were pleased to report the Palace of Westminster contract, however it is another project that suffered delays due to the Covid-19 pandemic. It was initially secured in 2020 but could not be started until later in 2021. The project was successfully completed in early 2022 and we are already in discussions regarding extensions to this project.

As previously advised, we have been working on the establishment of Westminster Arabia in the Kingdom of Saudi Arabia jointly with our partners Hazar International and this process, which had been delayed by various lockdowns and restrictions. I am delighted to report that this has now been completed and we expect Saudi Arabia to be an important contributor to future revenues with some substantial project opportunity already being discussed and pursued.

Our German subsidiary, situated to the Southeast of Munich, is focussed on supplying security technology and solutions to the European market. Post Brexit the business is particularly well positioned to serve the Group's EU clients. The team has secured a number of important new clients including US military bases and is developing substantial business opportunities in the region.

In addition, a key project opportunity for the team is the 15 year, €24 million per annum contract for airport security at Tehran International Airport in Iran, which was signed, with the full support of the British Government, in 2019 but was put on hold when President Trump unilaterally withdrew from JCPOA. We are closely monitoring geo-political events with regards to the US and Iran regarding the JCPOA agreement. We remain in close contact with our partners and the UK Government regarding current talks regarding resumption of the JCPOA agreement and potential outcomes. Should circumstances change and US and international sanctions, including banking, be lifted, there remains an opportunity for our German office to revisit this prospect and other opportunities.

Our French business, Euro Ops, which we acquired in May 2019, continues to be a valuable strategic addition to the Group. The company provides aviation focussed services such as humanitarian flights and logistics, emergency flights, flight operations, charter and storage management. The company has not only brought new skills, services and revenues to the Group but provides greatly improved access to Francophone countries for the wider Group services, with some interesting project opportunities being pursued. Our DRC contract was secured as a direct result of this enhanced access to Francophone countries and is just one of several such opportunities in the region we are pursuing.

Summary

On a wider front, despite all the challenges we continued to face in 2021, we have continued to progress various existing and new large-scale managed services project opportunities around the world which can and will provide step changes in growth when secured. No two opportunities are the same and each can have their own idiosyncrasies and challenges. As we have previously advised, project opportunities of this size and nature, particularly in emerging markets, are not only time-consuming and involve complex negotiations with numerous commercial and political bodies, but discussions can ebb and flow over many months, with periods of intense activity which can be followed by long periods of inactivity. This has been particularly the case with the added disruption of the Covid-19 pandemic. It is however precisely because of such challenges that competition is limited and the opportunities offer transformational growth opportunities.

Whilst there is never certainty as to timing or outcome of the many project opportunities we are pursuing, we are making progress on a number of fronts, and we will provide market updates on material developments when appropriate and in line with our regulatory responsibilities.

In summary, despite the ongoing challenges created by Covid-19, and in some cases because of it, 2021 was a busy year and whilst our results for the year have been impacted by lockdowns, travel restrictions and lack of business confidence around the world, we continued to make progress on a number of fronts, and it was pleasing that some of our achievements were recognised by the Queen's Award. We continued to deliver on business opportunities and during the year supplied goods and services to countries around the world, including some notable contract wins. We have continued to invest in our worldwide business development programmes in order to deliver on our growth potential, particularly in our long-term major managed services projects. The benefits from these achievements will begin to be seen in 2022 and beyond and the Board and I remain excited by our growth prospects.

Strategy

Our vision is to build a global business with strong brand recognition delivering advanced security solutions and long-term managed services, on Land, at Sea and in the Air, primarily to high growth and emerging markets around the world, with a particular focus on building multiple revenue streams, many of which involve long term recurring revenue business, from diverse sources in varying parts of the world, providing a degree of resilience to external events and enhancing shareholder value. The value of this strategy has been demonstrated during the Covid-19 pandemic where Westminster has been able to maintain and grow revenues from parts of the business helping to offset reductions in other parts, such as its airport security, training and guarding businesses, all of which were materially impacted by the Covid-19 pandemic.

The Board considers strategy at each regular Board Meeting and has at least one 'off-site' strategy day each year to review the Company's rolling five-year Strategic Growth Plan and to consider new short-, medium- and long-term strategies that could be implemented to achieve our goals and to deal with changing global and economic issues.

The last two years of the global Covid-19 pandemic have demonstrated the challenges and impact global events can have on businesses and our flexible and proactive approach to strategy has helped us mitigate some of the adverse impacts on our business. For example, in 2020, we took early action to stock up with and market

“We have continued to invest in our worldwide business development programmes in order to deliver on our growth potential, particularly in our long-term major managed services projects.”

suitable products and systems, such as fever screening and sanitisation systems, greatly increasing our sales in this respect helping to offset other impacted areas of the business. In 2021, whilst demand for fever screening and certain other Covid-19 related products diminished, our strategic alliances in the field of Covid-19 testing systems also proved a valuable new revenue stream offsetting reduction elsewhere.

Covid-19 is of course not the first and will not be the last external challenge for which we need to have strategies in place to deal with. In 2014, the world experienced the West African Ebola outbreak which caused huge problems for the region, and now, in 2022, the Russian invasion of Ukraine has world-wide implications. I am confident the strategies we have now and will further put in place, together with our diverse business model, will help us not only manage the challenges but seek new opportunities from them.

Whilst we still believe that the opportunities we have been developing, primarily in emerging and high growth markets, are what will deliver exponential growth over the next few years, these can and do take time to develop and as we have seen, can be disproportionately impacted by global, regional and local events. Accordingly, one of the strategies we are now developing is to balance some of that risk by building more core business in the UK and developed world areas. We have made a good start with prestigious contracts such as the Tower of London, Palace of Westminster, Scottish Parliament, HM Prisons, UK Border force, and we will be looking to materially increase such business through 2022 and beyond.

One initiative we are pursuing regarding building our UK business relates to the forthcoming new legislation in the UK, Protect Duty. Protect Duty was born out of Martyn's Law, named after Martyn Hett, who at 29 years was killed in the Manchester Arena terrorist attack in

Strategic report

Chief Executive Officer's Report

May 2017. Martyn's mother, Figen Murry, has been a tireless campaigner and the force behind Protect Duty, formally Martyn's Law legislation that will require many businesses giving access to the general public, to formally assess and take measures to address terrorism risks for the first time.

Protect Duty is set to have a profound and lasting effect on security provision in the UK – encompassing Publicly Accessible Locations (PALs) and requiring them to actively protect visitors and staff. The Home Office estimates that 650,000 UK businesses could be affected by Protect Duty, and this offers substantial business opportunities for Westminster's extensive portfolio of products and services. The Westminster Group has been working on this opportunity for over a year, in collaboration with a number of stakeholders, including public figures, magazines, industry experts and the police, in readiness for the upcoming legislation and can not only provide support and consultancy to assist venues understand the requirements but can provide all the equipment, training and support services required.

As part of our strategy for growth, we will also continue to improve and enhance our Board and senior management team and have made a number of key appointments broadening our range of experience and expertise. If we are to maximise the substantial growth opportunities we are developing, particularly with our managed services operations, it is essential we have the right strategies, people, processes and systems in place to successfully deliver such growth.

Given budget constraints for many companies resulting from the global Covid-19 pandemic, another strategy we are exploring is with debt funding and leasing providers to transition large scale projects from a 'capital' purchase to a longer term, 5+ years, revenue model, which would also include maintenance and training, along with value-add services such as Big Data acquisition for applications such as border crossings. Given that some of these project opportunities can be multi-million dollars in value, we believe that this model brings added value which sets us apart from the competition and will be attractive to many potential clients; indeed, we are already in discussions with a few government bodies on this basis. With large scale projects such as these, there is never certainty of outcome or timing, but we are very optimistic this initiative will lead to material and additional long-term revenues.

Whilst we continue to pursue our many organic growth opportunities, we continue to identify potential acquisitions and strategic joint ventures (JVs) in key markets and regions, and we believe that this strategy will enable the Company to expand its sphere of operations in a controlled and effective way.

The challenges of the last two years have impacted our performance against our stated goals and accordingly, the Board has reset its key goals for 2022 as:

- 1. Improve ratio of enquiries received/ quotations issued by number and quotations issued/orders received by value;**
- 2. Increase product portfolio and sales achieved;**
- 3. Increase sales in the UK and other first world countries;**
- 4. Secure at least one more long-term managed services contract;**
- 5. Deliver another year of significant recurring revenue growth;**
- 6. Deliver a material improvement in revenue and a move to profitability;**
- 7. Deliver a sustained and material improvement in our share price;**
- 8. Develop a more formal and structured Environment, Social, and Governance (ESG) strategy;**
- 9. Instigate an Investors in People programme; and**
- 10. Deliver on Market Expectations.**

Environment, Social, and Governance (ESG) Strategy

The Westminster Group takes its corporate and social responsibilities very seriously and recognises that sustainability across our various business sectors is important to us and our future growth, important to our shareholders and wider stakeholders. In this respect, one of our key goals for 2022 is to develop our existing corporate social responsibility and governance activities into a more formal and focussed ESG strategy.

The various ways in which we currently monitor and undertake governance, including environmental and social responsibilities of our business, are laid out in the Corporate Governance Report on pages 30-39 of this annual report.

Our people are our most valued asset, and we recognise that a happy and motivated workforce is important. We are an equal opportunities employer and endeavour to treat all our staff, equally, fairly and to assist them reach their maximum potential. We do this by having structured systems to support staff in their job roles and in providing training programmes to improve their skills. We hold regular meetings and appraisals with staff and welcome input and feedback suggestions.

We provide flexible working arrangements, including home working where possible. We provide free fruit and refreshments, allow gym time to help keep our staff healthy and provide medical support where appropriate. We organise team building and social events across our business units (although this has been challenging over the past 2 years). We are looking to implement an Investors in People programme.

We take our social responsibilities very seriously including supporting the communities in which we operate and, in this respect, have our own registered charity – the Westminster Group Foundation – see here www.wg-foundation.org

Equally, we take our environmental responsibilities seriously and look to minimise our carbon footprint, for example by use of electric vehicles where possible. As an international business, travel has always featured heavily in our business activities. One thing the lockdown has demonstrated is that some of this travel can be replaced by remote meetings and conference by systems such as Microsoft Teams and Zoom, which has now become commonplace and far more accepted across the world. Accordingly, as the pandemic subsides, we intend to focus, where possible, of reducing travel by continuing with remote meetings. Where international travel is still necessary, we are investigating carbon offset programmes. We are also working towards ISO 14001 Environmental Management (EMS).

Performance Indicators

The Group constantly monitors various key performance indicators for factors affecting the overall performance. At Group level, the revenues and gross margin are monitored to give a constant view of the Group's operational performance. A key focus for the Group is in building its recurring revenue base from contracted income relating to its managed services projects, our maintenance and guarding contracts and this is a key metric being monitored. As employment costs are the single largest cost base for the Group, the number of employees and employee costs are also monitored to ensure best use of resources. Day's sales outstanding is used to measure the cash conversion of revenue and identifies debtor aging issues this has returned to more normal levels following an unusually low 2020 year end position.

“Our people are our most valued asset, and we recognise that a happy and motivated workforce is important. We are an equal opportunities employer and endeavour to treat all our staff, equally, fairly and to assist them reach their maximum potential.”



Strategic report

Chief Executive Officer's Report

The Services Division measures its performance in the four key areas of its deliverables – passengers served in its airport operations, vehicles and containers served in its port and border operations, the number of days training delivered by our training businesses and the number of guarding hours delivered by our guarding businesses.

The Technology Division measures its sales activity by reference to the number of enquiries received per month and the number of orders received. The number of countries and number of return customers are monitored to give a view on the performance of the division. It is pleasing that we are seeing higher levels of return customers even though overall market activity is down due primarily to the uncertainty caused by the pandemic.

Current Trading & Business Outlook

The outlook for 2022 is looking positive as the worst impact of the global Covid-19 pandemic recedes and travel restrictions are lifted in many areas, although we remain mindful that global outlook remains uncertain, not least with the Russian invasion of Ukraine.

Building on 2021's Covid impacted revenues, we are targeting a number of incremental revenue growth opportunities and anticipate increases in our various services, solutions and product sales revenue streams. We are targeting growth in product sales (£2.5-£3.5m),

solution sales (£3.5m-£4.5m), existing services (3.5m-£4.5m) and new services (£5.5-£6.5m). These growth targets are based on the recovery and growth we are seeing in our various business sectors as shown below.

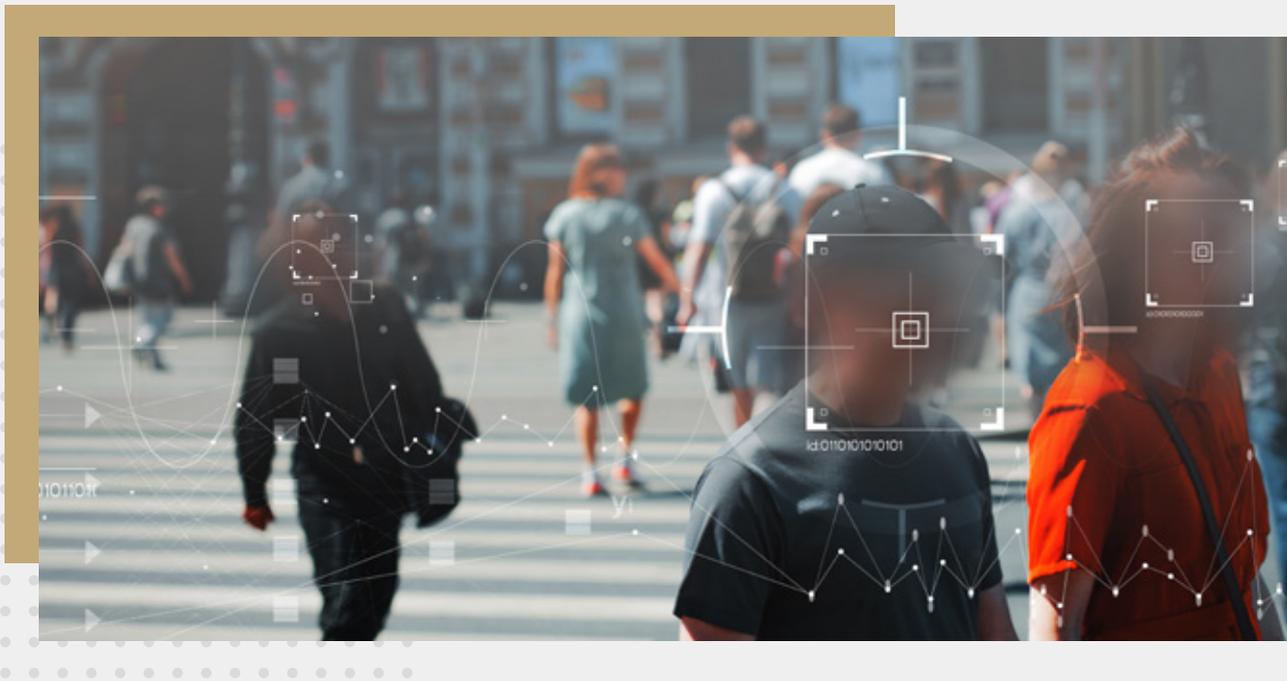
We are encouraged to see our West African airport operations have recovered strongly ahead of expectations. The recovery we saw in the latter part of 2021 has continued into 2022 and we start the year nearing pre-pandemic levels and with March 2022 passengers exceeding pre-pandemic levels, being the highest March volume ever.

“The outlook for 2022 is looking positive as the worst impact of the global Covid-19 pandemic recedes and travel restrictions are lifted in many areas.”

Group	2021	2020
Revenue	£7.1m	£9.9m
Gross Margin	46%	40%
Recurring Revenues	£5.4m	£4.5m
Days Sales Outstanding	57	19
Number of Employees	241	239
Average Employee Cost Per Head	£18,129	£16,264

Managed Services	2021	2020
Passengers Served ('000)	77	51
Vehicles/Containers Served ('000)	1,090	1,003
Training Hours Delivered	1,136	1,520
Guarding Hours Delivered	29,677	38,962

Technology Division	2021	2020
Average Enquiries Per Month	293	356
Average Number of Orders Per Month	37	54
Number of Countries Supplied	60	78
Number of Return Customers	242	70



Our Ghana port security operations continue to generate healthy revenues and with the fourth berth having come on stream at the end of 2021 we expect this to continue, which demonstrates the value of this long-term managed services contract. In addition, our business in Ghana is growing and we are now securing other important new business in the country and are pleased to be the Gold Sponsors of the Queen's Platinum Birthday Celebration in Ghana on 26 April 2022 organised by the British High Commission, which will be a high-profile event and an excellent opportunity to expand our profile.

Due to the delays we have encountered with the DRC ratification process, we now expect revenues will commence in Q4 2022, although given the momentum we are seeing elsewhere in the business we do not anticipate this will have a material impact on market expectations.

The logistics, licencing and planning phase of our new 10 year West African port project secured in 2021 is nearing completion and the operational phase is expected to begin in H2 2022.

Our guarding and training businesses continue to recover from the impact of lockdowns and travel restrictions and both businesses are not only delivering on existing contracts, such as the Tower of London, but also winning important new business.

We continue to receive a healthy flow of enquiries for our products and services and are already seeing improved product sales and in the first quarter of 2022, we have already supplied goods and services to 31 countries.

Over the past couple of years, we have not seen any large-scale solution sales due to the economic impact of Covid-19, however we are now once again seeing movement in a number of the large-scale opportunities we have been pursuing and, in this respect, the \$1.7m contract for security solutions at two airports

in Southeast Africa, we secured at the end of 2021, and which will be fully delivered in 2022 is an encouraging example.

We are pleased to have successfully completed in Q1 2022 the installation phase of the Palace of Westminster contract and for which we are now providing maintenance services and we are already in discussions on other matters and extensions.

We are pleased to report that Westminster Arabia is now finally established and together with our local partners, Hazar we are working on a number of exciting project opportunities, and we fully expect to see Westminster Arabia provide a material contribution to our 2022 revenues.

We continue to invest in our worldwide business development programmes in order to deliver on our growth potential, particularly in our long-term major managed services projects and our expectation is that we will secure at least one more long-term managed services contract in 2022 with the potential to secure more.

The foregoing, outlining the recovery we are seeing in existing revenue streams and new contracts, together with our business model and the opportunities we have been developing over the years, despite the challenges and setbacks we have experienced from the global Covid-19 pandemic, underpin our confidence for the future growth of our business. Whilst there is still uncertainty in the world, particularly with evolving global events, we remain optimistic that we can meet 2022 financial year market expectations.

Peter Fowler

Chief Executive Officer

28 April 2022

Strategic report

Chief Financial Officer's Report

Revenue

2021 revenues of approximately £7.1m (2020: £9.9m) reduced on 2020 levels because we suffered a full year of Covid-19 pandemic trading (2020 was 9 months) without the benefit of a surge in fever detection sales, which happened in 2020. Projects continued to be delayed awaiting confidence that the world was returning back to more normal times.

Services revenues increased by 17% to over £5.0m (2020: £4.4m), despite being impacted by Covid-19 travel and lockdown restrictions. This was partly as a result of a strong bounce back of our West African Airport passenger levels during the year. In January 2021, we were running at 39% of the pre-pandemic 2019 passenger numbers but by December 2021, we were close to 84%. This improvement has continued into 2022, reaching just over 100% of 2019 in Q1 2022.

Westminster's Technology Division revenues reduced to £2.0m (2020: £5.6m). This was largely due to a lack of business confidence and uncertainty through the pandemic and a reluctance from many companies to commit to capital expenditure resulting in a number of expected contract awards being delayed.



Mark L W Hughes
Chief Financial Officer

Gross Margin

The higher margin Services Division sales dominated the Company's 2021 revenue, increasing the Gross Margin Percent to 46% (2020: 40%). Another reason for the increase in the Gross Margin for 2021 was the lack of large solutions sales which typically operate at a lower margin level of approximately 15%. Thus, we had a better margin mix.

Operating Cost Base

Group administrative costs increased to £5.2m (2020: £4.7m) in total. When the Covid-19 pandemic began, the Group made redundancies and other cost cuts. In 2021 continuing into 2022, we are "building back better", increasing our sales force to be ready to take advantage of the expected pent-up demand. However, the long lead time on our sales cycle means that this investment will

Reconciliation to EBITDA [^] from underlying operations	2021	2020
	£,000	£,000
Loss from operations	(1,917)	(744)
Depreciation, amortisation and impairment charges	244	225
Reported EBITDA	(1,673)	(519)
Share based expense	-	-
Exceptional items	-	-
EBITDA [^] from operations	(1,673)	(519)

[^] This is an Alternative Performance Measure refer to Note 2 for further details.

not fully bear fruit until 2022 and beyond. We also benefited from more government furlough support in 2020.

We have taken advantage of the UK Government furlough scheme, receiving £141,000 in 2021, which is less than 2020 (£214,000). This has meant that we were able to keep key staff such as trainers employed who had no work due to lockdowns and other restrictions imposed.

Effect of Covid-19

Whilst Westminster has mitigated certain effects of the Covid-19 pandemic due to its multi revenue stream business model and early action taken by management to plan for the crisis, there is no doubt that Covid-19 did have a significant impact on the business and the performance in 2021.

Operational EBITDA[^] from underlying continuing and discontinued operations

The Group's loss from operations was £1.9m (2020: £0.7m). When adjusted for the exceptional and non-cash items and depreciation and amortisation, as set out below, the Group recorded an EBITDA[^] loss from underlying continuing and discontinued operations of £1.67m (2020: £0.52m loss).

Finance Costs

Total finance costs for 2021 were £0.0m (2020: £0.0m), because the Group has remained debt free other than the debt imputed from leased assets under IFRS 16. There was an underlying cash charge of £0.0m (2020: £0.3m).

Result for the Year

The Group loss before taxation was £1.9m (2020: Loss before tax of £0.8m) and the loss per share was 0.62p (2020: Loss per share of 0.45p).

Statement of Financial Position

The Group's gross assets amounted to £9.3m on 31 December 2021 compared with £9.5m on 31 December 2020. The main movement was a reduction in cash offsetting a £1.6m increase in working capital and funding the losses.

The Group's net current assets amounted to £5.3m on 31 December 2021 (2020: £5.4m) for the same reasons as the change in total Group assets.

The Group's trade and other receivables balance as at 31 December 2021 was £3.7m (2020: £2.4m). Average days sales outstanding at the year-end were 57 (2020: 19). This represents a return to more normal levels of debtor days.

Cash and cash equivalents were £0.9m at 31 December 2021 compared with £2.1m at 31 December 2020. The decrease is mainly due to losses and an unfavourable movement in working capital.

Trade and other payables were £1.8m (2020: £2.3m) and average creditor days were 43 (2020: 50).

A deferred tax asset of £1.0m (2020: £1.0m) was held at the year end.

Total equity on 31 December 2021 stood at a surplus of £7.5m (2020: £7.1m).

Key Performance Indicators

The Key Performance Indicators by which we measure performance of our business are set out in the Chief Executive Officer's Report on page 16.

Convertible Loan Notes (CLN) and Convertible Unsecured Loan Notes (CULN)

Summary of movements in loan notes at principal value £'000	2021	2021	2021	2020	2020	2020
	CULN	CLN	Total	CULN	CLN	Total
At 1 January	-	-	-	171	2,245	2,416
Fair Value adjustment on Conversion/ Repayment	-	-	-	19	-	19
Conversion	-	-	-	-	(213)	(213)
Repaid	-	-	-	(190)	(2,032)	(2,222)
At 31 December	-	-	-	-	-	-

Strategic report

Chief Financial Officer's Report

Equity Issues

Date	Type	Number of Shares	Price per share (p)	Funds Raised £'000
18 June 2021	Equity placing	43,859,649	5.7	2,500
22 October 2021	Warrant Redemption	127,500	7	9
		<u>43,987,149</u>		<u>2,509</u>

Summary of Warrants

As at 31 December 2021 the warrants outstanding were:

Number	Holder	Strike Price (p)	Issued	Life (years)	Vesting Criteria
170,455	S P Angel	22.0	31 January 2018	5	At grant
3,499,222	RiverFort	5.2	21 January 2020	4	6 months after grant: - detachable
24,872,500	Various Holders	7.0	22 December 2020	2	At grant: - detachable

127,500 of the 7p warrants issued on 22 December 2020 were exercised in October 2021.

For further details on warrants, refer to Note 21 pages 101-103.

Capital Reduction

At the AGM on 24 June 2021, the Shareholders voted to approve reduction of capital. This was subsequently ratified by court order in November 2021.

The reduction of capital involved a cancellation of the deferred shares, cancellation of the share premium account, capitalisation and immediate cancellation thereafter of the share merger reserve account which then enabled the creation of distributable reserves in order to enhance the Company's ability to pay dividends and/or to make other forms of distributions to its shareholders in the future.

Capital Reduction	£,000
Deferred Shares Cancellation	15,991
Share Premium Cancellation	16,355
Merger Reserve Cancellation	300
Distributable Reserves	<u>32,646</u>

[^] This is an Alternative Performance Measure refer to Note 2 for further details.

Prior Year Adjustment

The 2021 financial statements include restated balances for both 2020 and 2019. A prior year adjustment has been made in respect of the minority interest in a Sierra Leonean subsidiary, Facilities Operations Management Limited, which had erroneously been recorded as being 90% owned but investigations have revealed that it is wholly owned by the group. Note 28 identifies the changes from the signed financial statements of 2020 and 2019 to the restated balances in these financial statements.

Cash Flow Statement

During the year, the Group had an operating cash outflow of £3.3m (2020: outflow £1.9m) which arose from the loss and an unfavourable working capital movement of £1.6m (2020: £1.0m) which was primarily an increase in receivables and investment in the new projects.

During the year, the Group raised £2.51m gross from the issue of new equity (2020: £6.96m).



Reconciliation from adjusted EBITDA [^] to normalised operating cash flow	2021	2020
	£,000	£,000
Adjusted EBITDA [^]	(1,673)	(519)
Net changes in working capital	(1,632)	(1,033)
Movement on tax	(11)	31
Net Cash used in underlying operating activities	(3,316)	(1,521)

Net cash used in underlying operating activities is presented excluding exceptional items, share options expense, and depreciation and amortisation.

Principle risks and uncertainties

The principal risk and uncertainties facing the Group are outlined on pages 22– 27.

Going Concern

The assessment of Going Concern is summarised in the Directors' Report on page 61.

Events after the Reporting Period

These are fully set out in note 29 on page 111.

Mark L W Hughes
Chief Financial Officer

28 April 2022

Risk Management

Risk Management

Westminster, as a specialist security and managed services group operating in an international environment, primarily emerging markets, is exposed to a variety of risks and uncertainties which are monitored and controlled by the Group's internal risk management framework.

Overall responsibility for risk management lies with the Board who ensure that risk awareness is set at an appropriate level.

To ensure that risk awareness is set at an appropriate level the Board has delegated responsibility for the risk identification and assessment to a Risk Committee comprising of Executive Directors and Senior Management.

The Risk Committee is responsible for identifying risks, defining the Group's risk management strategy and maintaining the Group's Risk Register.

The Risk Committee liaises with Divisional Management to help identify operational and commercial risks and to ensure Divisional Management undertake agreed mitigation strategies.

The Risk Committee reports to the Audit Committee and the Audit Committee is responsible for reviewing the adequacy and effectiveness of the Group's risk management systems and the Risk Register.

The Chairman of the Audit Committee reports to the Board on risks and risk management.

The Board reviews the Audit Committee reports on a regular basis and considers whether the Risk Management Committee has appropriately identified the principal risks and mitigation strategies to which the Group is exposed.

The Board monitors the Group's risk management systems through this consultation and also through the Group's divisional monthly management meetings, where at least two executive Directors are present. The risks and trends are a focus of each division's monthly management meeting, where their performance is also assessed against budget, forecast and prior year. In addition, key performance indicators are used to benchmark operational performance for all operations.

While it is acknowledged that the Group faces a variety of risks, the Board, through the processes set out above, has identified the principal risks and uncertainties that could potentially impact upon the Group's short to medium term strategic goals and these are shown below, together with how we manage or mitigate them:

Risk Management Responsibilities and Reporting Structure

The Board

Overall Responsibility for Risk Management



Audit Committee

Reviews the effectiveness of the Group's Risk Management System, the Risk Register and audit arrangements



Risk Management Committee

Identifies risks, defines risk management strategy and maintains the Group's Risk Register



Divisional Management

Assist the Risk Management Committee identify risks and implements mitigation strategies

Risk Management Committee

The Committee's Terms of Reference were last reviewed and approved by the Board on 24 March 2022 and can be viewed on the Corporate Governance section of the Company's website (www.wsg-corporate.com).

The Terms of Reference are reviewed by the Board annually and amended where appropriate.

The Committee will be appointed by the Board and should be a balance of executive directors and senior management.

The purpose of the Risk Management Committee (the "Committee") is to perform centralised oversight and policy setting of risk management activities and to provide communication to the Audit and Risk Committee which communicates with the Board of Directors (the "Board") of the Westminster Group (the Company) regarding important risks and related risk management activities. The Committee's key areas of responsibility are:

- Oversight of risk;
- Adherence to internal risk management policies and procedures;
- Compliance with risk-related regulatory requirements;
- External risk assessments in relation to the Company's international business; and
- Maintenance of the Group's Risk Register.

The Committee monitors the Group's risk management and internal control processes through detailed discussions with management and executive directors, the review and approval of the reports and position papers which focus on the areas of greatest risk to the Group.

As part of its standing schedule of business, the committee carried out an annual risk assessment of the business to formally identify the key risks facing the Group. Full details of this risk assessment and the key risks identified are set out in the Risk & Risk Management section of this Annual Report on pages 22 to 27.

Committee Membership

The current Risk Management Committee members are:

- **Peter Fowler (Group CEO) (Chair)**
- Mark Hughes (Group CFO)
- Stuart Fowler (Group COO)
- Roger Worrall (Group Company Secretary)
- Joanna Fowler (Head of Services Division)
- Hamish Russell (General Manager Technology Division)

The Board considers that the committee as a whole has an appropriate and experienced blend of commercial, financial and industry expertise to enable it to fulfil its duties.

The principal risks and uncertainties which could have a material impact on the Group's business, performance or reputation are set out below. The principal risks are identified by the Risk Management Committee based on the likelihood of occurrence and the potential impact on the Group as a whole.

In addition to the risks disclosed below, the Risk Management Committee monitors and manages a wide range of other risks to which the Group may be exposed.

Risk Flags

	Likelihood	Impact
	Unlikely	Will have an impact but easily dealt with
	Possible	Impact will be moderate but may cause some difficulties
	Expected	Major impact which could result in a material adverse effect on the Group and / or its stakeholders

Strategic report

Risk Management

Macro-economic Risks

Material Government Action

● Likelihood ● Impact

Risk

The Group operates in emerging and frontier markets and could be exposed to the political, geographic and economic risks of such territories:

- Arbitrary action by governments or governmental entities disrupting operations, cancelling contracts, unfair calling of bonds or other direct interference.
- Changes in governmental policy around environment, trade, investment or foreign policy could adversely affect the Groups operations.

Mitigation Strategy

- Develop strong relationships with trade bodies and industry partners.
- Develop and maintain relationship with local embassies.
- Use local advisors and partners where possible.
- Use insurances where possible to provide cover.
- Work to ensure that the Group's activities are not significantly concentrated in any one individual customer or territory.
- Develop and maintain links with governments in project territories.

War & Terrorism

● Likelihood ● Impact

Risk

There is an ever-present risk of war or terrorism around the world which is both an opportunity and risk for the Group:

- Terrorist explosives planted in luggage or smuggled through Airport/Port secured by Westminster.
- War or Terrorist event anywhere around the world can have adverse effects on global trade and travel and which would therefore affect the Groups operations.

Mitigation Strategy

- Ensure staff are adequately trained for and informed of the risks surrounding their role in the Group's operations.
- Adopt additional technologies such as AI to enhance our detection capabilities.
- Adopt a code of conduct for staff in relation to their actions whilst at work and on deployment overseas.
- Use multiple brands in across the business to reduce exposure to reputational damage.
- Ensure regular risk assessments are undertaken for major projects and that mitigation actions are in place.
- Maintain an incident response plan for all major projects.
- Source independent reports of project country status.

Physical / Staff Risks

Staff Incident

● Likelihood ● Impact

Risk

We operate in often physically challenging locations that present a range of risk for our staff:

- Medical Emergencies such as Typhoid and Malaria etc.
- Accidents at work or whilst on assignment in a country.
- Personal Security from the threats of theft, attack or kidnap etc.
- Incidents whilst travelling.

Mitigation Strategy

- Adopt policies/code of conduct for staff in relation to their actions whilst at work and on deployment overseas.
- Undertake regular health and safety reviews.
- Maintain insurance cover including medical evacuation and other risks.
- Carry out staff training and provide country briefings prior to any deployment overseas.
- Keep a log of employee medical requirements.
- Local retained doctor and first aiders.
- Secure compounds/safe assessed hotels/guards.
- Maintain emergency response plans.

Financial Risks

Material Government Action

 Likelihood  Impact

Risk

As a growing company there are financial risks which must be carefully managed:

- Lack of available cash flow to undertake or complete projects.
- Changes in Tax regimes could have a negative effect on the Groups results.
- A material bad debt could have a significant effect on the Groups results and cash flows.
- Forex & exchange control risks on international transactions.

Mitigation Strategy

- Regular cash flow management.
- Manage & minimise cash need of projects where possible by matching supplier and customer payment terms.
- Use direct settlement e.g. IATA or Letters of Credit.
- Undertake regular active debtor management.
- Use milestone payments on projects.
- Closely monitor large debtors, undertake credit checks and use credit insurance where possible.
- Where possible match purchases and sales in same currency.
- Hedging where appropriate.

Increased Cost of Capital

 Likelihood  Impact

Risk

Some of the larger opportunities which the Group are working towards have a significant requirement for financing. Should this financing come with a higher than expected cost this may adversely affect the financial expectations of these projects.

Mitigation Strategy

- Maintain regular dialogue with multiple funding sources, put in place project finance facility.
- Build reserves to cover potential funding milestones.

Legal & Compliance Risks

Breach of Legislation

 Likelihood  Impact

Risk

The Group is exposed to regulations and legislation in the UK and in the countries in which the Group operates or purchases from. Risks could include:

- Breach of corruption or anti bribery legislation.
- Breach of sanctions or export controls.
- Breach of stock market regulations.

Mitigation Strategy

- Maintain strict policies for all compliance risks and regularly review policies against best practice.
- Ensure regular staff training is undertaken including ensuring new staff fully understand anti bribery, sanctions/controls and stock market requirements.
- Ensure any agent or business partner contractually commit to obligations regarding compliance and undertake background checks ahead of their appointment.
- Ensure up-to-date export control policy and check new products for export controlled content.
- Use software tools where possible to monitor and ensure compliance with regulations.
- Regular contact with Nomad and close control of price sensitive information.

Change in Sanctions

 Likelihood  Impact

Risk

Some of the countries in which the Group operates could be affected by sanctions:

- Change in sanctions status of operational country could prevent the continuation of a project.
- Change in sanctions status in supplier country may increase project costs and require resourcing.

Mitigation Strategy

- Sanctions Policy.
- Maintain sanctions list within CRM system to flag potential sanctioned enquiries.
- Regularly check sanctions for high risk projects.

Corporate Criminal Offence

 Likelihood  Impact

Risk

The Group operates across multiple tax jurisdictions and needs to ensure its various businesses and all employees operate in accordance with relevant tax laws. The UK's 2017 Corporate Criminal Offence covers two areas:

- The evasion of UK tax; and
- The evasion of foreign tax.

Mitigation Strategy

- Operate in compliance with taxation legislation in areas of operation.
- Seek professional advice where appropriate.
- Monitor and audit the Group's financial operations and HR.
- Maintain a Corporate Criminal Offence Policy.

Strategic report

Risk Management

Information Technology Risks

Failure of Major IT Equipment

● Likelihood ● Impact

Risk

The Group's systems and data are subject to security and availability risks, particularly in some of the territories the Group operates in:

- Loss of hardware systems and data.
- Loss of phone or email communications.
- Loss of cloud-based software and data.

Mitigation Strategy

- Implement redundant systems where possible.
- Move to web-based systems.
- Ensure regular backups of company data.
- Where possible provide dual internet connectivity options.
- Ensure fail over services are provided where possible.

Cyber Attack

● Likelihood ● Impact

Risk

The Group's profile around the world and sectors within which it operates heightens the risks of cyber-attack.

- Cyber-attack to the website reduces selling opportunities and/or damages the Group's reputation.
- The loss of customer data through a cyber-attack causing reputational damage.
- A ransomware or similar attack restricting the Groups access to Company data hindering the Groups operations.
- Cyber-attack on corporate and financial system.
- Fraud through eCommerce.

Mitigation Strategy

- Implement industry standard protection software for all Company equipment and websites.
- Provide staff training and updates on the latest potential threats and vulnerabilities.
- Where possible segregate project services and data in unconnected systems.
- Move to cloud storage and maintain back up data.
- Anti-virus software and email checking software.
- Risk committee to review IT policy against evolving threats.
- Staff training on eCommerce transactions.

Contractual Risks

Major Project Failure

● Likelihood ● Impact

Risk

The failure to deliver a project to the required standard could result in a major incident and significantly damage the reputation of the Group.

Mitigation Strategy

- Recruitment of appropriate qualified and experienced staff.
- Internal audits against international standards.
- Contractual liability limited (such as no airside liability taken) and implement adequate insurances.
- Carry out regular risk assessments.
- Contingency plans established for all staff positions.

Material Contract Failure

● Likelihood ● Impact

Risk

Failure to deliver a contract in a timely manner, according to an agreed specification could lead to higher costs, penalties and reputational damage.

- Material breach of contractual terms.
- Unable to fulfil contractual obligations.
- A contract becomes onerous.
- Employee bribery causes breach of contract.

Mitigation Strategy

- Ensure employees are aware of contract terms for project on which they are working.
- Carry out regular monitoring of employee's progress on projects with training / mentoring and monitoring as needed.
- Regularly rotate employees where complacency or fatigue may develop.
- Where possible ensure alternative sources are available for project requirements.
- Undertake regular credit checks on suppliers.
- Proper review to ensure the Group does not take on a project where requirements are unachievable.
- Make sure contractual terms are adequate within proposals.
- Maintain good relationships with overseeing stakeholders
- Regular staff anti bribery training.

Major incident within a contract.

- Use AI Detection on screening systems where possible.
- Maintain a press plan and emergency response plan.

Business Disruption

Loss of Key Staff

● Likelihood ● Impact

Risk

The loss of key personnel or the failure to have an adequate succession plan could have an impact on the Group's overall performance.

Mitigation Strategy

- Restrict travel for multiple key staff on a single trip.
- Maintain up to date job descriptions and recruitment plans.
- Ensure competitive remuneration packages.
- Cross training between staff.
- Succession planning.

Hostile Action

● Likelihood ● Impact

Risk

The effects of outside hostile interference in contracts and operations could have a significant effect on the Group.

Mitigation Strategy

- Ensure we have good professional advisors and that our contract information is sound.

Global Events

● Likelihood ● Impact

Risk

Business is affected by War, Civil Unrest or Natural Disaster.

Mitigation Strategy

- Monitor global situations.
- Have contingency plans including emergency response team.

A worldwide business global events such as SARS in 2008, the Ebola crisis in 2014 or the Coronavirus Covid-19 pandemic can have serious consequences for the Group's operations and results.

- Build the business with multiple revenue streams coming from multiple customers in multiple regions to help limit impact.
- Maintain cash reserves as buffer to unforeseen events.
- Seek government support where available.
- Maintain regularly updated Risk Assessments.
- Maintain social distancing within offices.
- Use home working as much as possible.
- Use online meetings where possible.
- Undertake risk assessments of all proposed travel.
- Undertake risk/reward analysis of the merits of any travel.

Failure of Infrastructure

● Likelihood ● Impact

Risk

Westminster's performance is dependent on the availability and quality of its physical infrastructure, its information technology.

Mitigation Strategy

- Implement a disaster recovery plan.
- Maintain disaster recovery insurance.
- Expand use and setup of home working solutions.
- Reduce reliance on paper records.

The effects of outside hostile interference in contracts and operations could have a significant effect on the Group.

Stakeholder Engagement

Section 172 Statement

The Directors are well aware of their duty under section 172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;

- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

The Board recognises that the long-term success of the Westminster Group requires positive interaction with its stakeholders. Positive engagement with stakeholders will enable our stakeholders to better understand the activities, needs and challenges of the business and enable the Board to better understand and address relevant stakeholder views which will assist the Board's in its decision making and to discharge its duties under Section 172 of the Companies Act 2006.

In the following section we identify our key stakeholders, how we engage with them and key activities we have undertaken during the period in question.

Stakeholders

Our People

Our People are our most valuable asset and are critical to the delivery of our strategy and the future growth of our business. We directly employed an average of 241 (2020: 239) people in 2021 and indirectly many more people around the world. We are fortunate to have a great team of talented and motivated people in our Group and it is important to retain and develop them and that we can attract and inspire new people to join us as we grow our operations worldwide.

How we engage

- Whilst we have reporting structures in place with line country and divisional management teams, we operate an open-door policy and employees can speak to senior management or Board Directors about issues or ideas.
- The Board and senior management engage with employees through a range of formal and informal channels, including regular meetings and team briefings, and in certain territories involving trade unions.
- We have formal induction and appraisal systems in place for new and existing employees.
- We operate a companywide intranet system with useful information for our people and we utilise Microsoft Teams for collaboration amongst our diverse teams and businesses.
- We hold social events in different jurisdictions for our people in various locations when local rules allow i.e. outside of lockdown periods.
- The Group CEO provides updates and presentations to our people on important Company developments.

- The Group Chairman regularly meets individual employees when appropriate.
- We encourage our people to have a culture of respect and integrity and operate a whistle blowing policy.

Key Activity During 2021

- We continued with our employee appraisal system throughout our business.
- Our employees participated in the ceremony presenting the Queens Award on 3 September 2021.
- We expanded our workforce with excellent new people in the UK and overseas.
- We held several employee awards ceremonies virtually in the year recognising individual achievements.
- We continued to engage directly with employees via video conference in the pandemic.
- Furloughed underutilised staff on the UK government Job Retention Scheme.
- Appointed two new Non-Executive Directors to replace retiring board members.
- Regular Covid-19 risk assessments to keep our staff around the world safe. Implemented social distancing and safe working practices throughout the organisation.

Our Strategic Partners

In previous Annual Reports, we have stated that, in addition to our organic growth, one of the growth strategies we had instigated was to look at targeted strategic alliances and joint ventures in key markets and regions, which would enable the Company to expand its sphere of operations in a controlled and cost-effective way. Our network of agents around the world also remain an important part of our global footprint and we need to ensure our agents are kept informed and motivated.

How we engage

- We identify regions and markets where the added strength and local knowledge of a strategic partners would enable us to better penetrate that market.
- We analyse the suitability of such markets including legal and financial implications of entering into agreements etc.
- We enter into dialogue and if appropriate confidential commercial and contractual negotiations led by our CEO and CFO.
- We liaise with our agent network around the world on new products, services and opportunities.

Key Activity During 2021

- Continued to work with our Saudi Arabian Joint Venture partner, Hazar, to enable Westminster Arabia to be authorised to trade.
- Translated Westminster brochures, presentations and other documents to provide materials in various languages.
- We held regular virtual meetings and dialogues with all our Strategic Partners.
- Continued a review and re-engagement programme with our network of agents.
- Formed a strategic partnership with Certific to deliver Covid testing.
- Signed an MOU on a strategic alliance with Raxa Security Services Limited (a subsidiary of GMR in India).
- Set up a strategic alliance with Africa Union Financial Service in the DRC.

Our Shareholders

The support of shareholders is vital to the long-term success of the Group. We are fortunate to have many supportive individual and strategic investors, however the Board is committed to expanding its institutional investor base. The Board recognises that maintaining good communication and having constructive dialogue with its shareholders, providing them with access to relevant information, is important although this must be balanced against the confidential and commercially sensitive nature of what we do. A list of significant shareholders holding 3% or more of the Company's shares is set out on page 58 of this report.

How we engage

- Our investor website (www.wsg-corporate.com) provides all required regulatory information as well as additional information shareholders may find helpful including: share services, information on Board members, advisors and significant shareholdings, a historical list of the Company's announcements, its financial calendar, corporate governance information, the Company's publications including historic Annual Reports and Notices of Annual General Meetings, together with share price information and interactive charting facilities to assist shareholders analyse performance.
- We provide Market Announcements on all regulatory matters.
- Our websites provide regular news of non-regulatory activities.
- The Company issues the market with an interim and annual reports with detailed information on the business. These reports are also listed on our website.
- The CEO and CFO are available to meet with institutional and significant shareholders for briefings and presentations when appropriate.

- We engage with private investors whenever possible and investor correspondence is handled by the Company's IR/ PR advisors, Walbrook. The CEO often responds to individual correspondence where appropriate.
- During non-Covid-19 pandemic times, all Directors are required to attend and make themselves available to take questions from shareholders or address any concerns at the Annual General Meeting, the date of which is published on our website.

Key Activity During 2021

- We engaged with investors on topics of strategy, governance, developments and performance.
- We issued our 2020 Annual Report on 30 April 2021 and our 2021 Interim Report on 13 August 2021.
- We held our AGM on 24 June 2021 as a hybrid meeting using the "Investor Meet Company" platform, because of the Coronavirus pandemic.
- CEO undertook investor focussed interviews with various broadcast organisations.
- Met virtually with investors and potential investors arranged by our stockbroker, Arden Partners.
- We raised £2.51m in equity from investors to support the new contracts.

Strategic report

Stakeholder Engagement

Capital Providers

Access to capital is of vital importance to the long-term success of our business, to fund growth and finance our large-scale Build-Operate-Transfer (BOT) & Build-Maintain-Transfer (BMT) projects which operate similar to a SaaS model with heavy investment early in the life of a project but generating predictable, quantifiable and growing revenues and returns over many years. The Board's goal is to have access to a range of capital sources weighted towards non-dilutive capital such as pure debt, bank finance and vendor financing, and away from dilutive capital such as equity and convertible loan notes etc.

How we engage

- Meetings, discussions & presentations to banks and financial institutions.
- Meetings and discussions with UK Export Finance and similar organisations.

Key Activity During 2021

- In February 2021, Clydesdale Bank PLC trading as Yorkshire Bank offered the Group an overdraft and other banking facilities.
- We opened a new banking relationship with Trust Merchant Bank in the Democratic Republic of Congo to service the DRC Project.
- We opened a new banking relationship with Ecobank in Liberia to service the port project.
- We continued to hold a number of exploratory and positive meetings with various banks and lending institutions ready for new contracts.
- We continued to explore working with UK Export Finance on some of our large-scale project opportunities.

Our Customers

Customers are central to the success of all businesses. The majority of our customer base, by value, comprises governments and government agencies, non-governmental organisations (NGOs) and blue-chip commercial organisations worldwide. Our business is focused on providing innovative and turn-key solutions that meet our customer requirements efficiently and on time. Understanding the needs of our customers is crucial to the delivery of reliable and effective products and services, which underpins the performance and success of our business.

How we engage

Through our sales and business development teams we endeavour to provide our customers with:

- A solutions-driven solution;
- Knowledgeable advice;
- A discrete and confidential service;
- A prompt response to enquiries and queries;
- A quality and regulatory support service;
- A technical service offering with training and maintenance support;
- We interact with our customer base as required and for larger customers and/or where required we engage at director level;
- Where possible we travel to engage with our customers; and
- We participate in industry forums and events. We also exhibit at selected trade shows which facilitate a high-level of interaction with a wide range of customers and provide an opportunity for us to brief.

Key Activity During 2021

- Supplied numerous customers in 60 countries worldwide.
- Expanded UK customer base including securing important new customers including the Palace of Westminster and the Tower of London.
- Expanding new CRM software system.
- We undertook regular internal sales meetings virtually and discuss customer activity, opportunities and threats, which were reviewed at Board meetings.
- We continued to undertake our regular customer satisfaction feedback exercise following delivery of any product or service with a high positive response rate.
- There were various overseas visits to customers despite the challenges to travel presented by Covid-19.



Customers are central to the success of all businesses. The majority of our customer base, by value, comprises governments and government agencies, non-governmental organisations (NGOs) and blue-chip commercial organisations worldwide.



Strategic report

Stakeholder Engagement

Our Suppliers

We are a solutions provider not a manufacturer and are product agnostic. We work with around 140 suppliers and look to choose the best products that meet our customer requirements for any given application. Whilst large manufacturers will have their own outlets and routes to market many smaller manufacturers of niche and interesting security equipment do not have established or easy routes to market particularly in emerging markets. Our extensive web site and market presence is therefore a useful route to market for some manufacturers and an opportunity for us. We rely on our suppliers to provide us with products and services which meet our quality, performance and delivery requirements, which in turn allows us to fulfil our commitments to our customers. Effective management of our supply chain is critical to ensuring the continuity of our business and reliable operational performance.

How we engage

- Our businesses engage with a broad range of suppliers on a day-to-day basis, to ensure that our expectations are met from a quality and delivery perspective, and to ensure that our suppliers are conducting their business in line with our own standards.

- Where appropriate we endeavour to enter into exclusive supply arrangements for specific products in order to protect our business development activities without committing to specific annual spend.
- We have advantageous supply arrangements with a number of leading suppliers of security equipment.
- We are regularly contacted by manufacturers of security equipment requesting that we market their products.

Key Activity During 2021

- Appointed new dedicated purchasing team.
- We regularly interacted with our various suppliers.
- We engaged with new suppliers to expand our portfolio.
- Worked with some manufacturers to establish new routes to market.
- Our engineers attended technical training courses with manufactures both physically and virtually.

Our Communities

Our business, particularly our long-term managed services operations, operate predominantly in emerging markets and we recognise that we have an important role to play in the communities in which we operate.

How we engage

- We engage with our communities in a wide variety of ways from charitable giving to general support.
- We operate the Westminster Group Foundation www.wg-foundation.org.

- We work with local partners and other established charities to provide goods or services for the relief of poverty and advancement of education or healthcare making a difference to the lives of the local communities in which we operate.

Key Activity During 2021

- To view the many community support projects we are undertaking visit www.wg-foundation.org.

[^] This is an Alternative Performance Measure refer to Note 2 for further details



We are a solutions provider not a manufacturer and are product agnostic. Therefore, our clients receive products and services that meet their exact needs.

Governments and Regulators

We operate in a sector which is sensitive and regulated. Many of our larger projects and opportunities involve governments and governmental bodies as well as regulators such as the International Civil Aviation Organisation (ICAO) or the International Maritime Organization (IMO) and it is important we understand the current rules and regulations for all our operations. Some of the equipment and services we provide may be subject to export restrictions and may require government approved export licencing. As a company whose shares are admitted to trading on AIM, we are subject to various regulations under the AIM Rules of the London Stock Exchange, the Market Abuse Regulations of the FCA as well as other regulatory requirements.

How we engage

- We maintain a regular dialogue with government bodies and regulators in respect to our operations and opportunities in order to assess opportunities and risks.
- We maintain a dialogue with the UK government and our various British Embassies and High Commissions in the countries we are involved in or targeting.
- We monitor international sanctions lists and our customer relationship management systems are used to identify

customers, countries or projects that may be subject to sanctions or that require export licences.

- We have a comprehensive anti-bribery policy and procedure in place which all staff have to commit to.
- We liaise regularly with our Nominated Advisor and corporate lawyers in relation to our public share trading requirements.
- The Board reviews compliance activities at each Board meeting.

Key Activity During 2021

- We applied for and were granted 6 export control licences during the year (2020: 5 Licenses).
- We liaised virtually and, when possible, in person with a number of Ambassadors and High Commissioners from our overseas missions around the world.
- We utilised the UK government "Job retention scheme" to furlough underutilised staff.
- All Directors and staff undertake an antibribery webinar annually.

Board of Directors



Rt. Hon. Sir Tony Baldry DL
Executive Chairman

Sir Tony has had a long a prestigious Parliamentary career. He was Personal Aide to Margaret Thatcher in the 1974 General Election and subsequently remained in her private office when she became Leader of the Opposition.

Sir Tony served as MP for North Oxfordshire from 1983 to 2015. He held various ministerial posts during the 1990s, serving as Minister of State in the Ministry of Agriculture, Fisheries and Food and as Parliamentary Under Secretary of State in the Foreign and Commonwealth Office, with a range of responsibilities including South Asia, Africa, North America and the West Indies.

Sir Tony, a practicing barrister, was awarded the Robert Schumann Silver Medal for contribution to European politics in 1975. He takes a keen interest in foreign affairs and was a Governor of the Commonwealth Institute and a member of the Overseas Development Institute. Tony was Chairman of the House of Commons Select Committee on International Development in the 2010 Parliament.



Mawuli Ababio
Independent Non-Executive
Deputy Chairman

Mr John Mawuli Ababio is an accomplished Corporate Financier/ Investment Banker with over 30 years' experience in structuring private equity and project financing transactions in Africa.

He is currently Vice-Chairman/ Managing Partner of PCM Capital Advisors a regional private equity fund with a diversified investment portfolio in several countries in the West Africa sub-region.

In 2021, the French National Order of Merit was presented to Mawuli in recognition of his distinguished efforts in the exercise of his duties in public, civil and private life as well as the promotion of the learning of French and French interest in Ghana.

Mawuli has extensive board and corporate governance experience having served on several listed and unlisted boards over the last 20 years, both as an Executive and Non-Executive Director. He is bilingual, speaking fluent English and French.



Peter Fowler
Chief Executive Officer

Peter has over 50 years' experience operating within the security industry, with particular reference to the electronic protection sector. Peter started his career in the security industry in 1970, quickly progressing into senior management roles and has a long history of running successful companies having built and sold various security businesses, successfully carried out acquisitions and disposals and has held several senior positions in listed companies prior to leading Westminster.

Peter joined Westminster as Managing Director in 1996, carried out an MBO of the business in 1998 and led the IPO on AIM in 2007. He is widely travelled and has developed an extensive network of contacts around the world, having met numerous senior governmental and military personnel in many of the countries in which Westminster operate.



Mark Hughes BSc MBA FCA

Chief Financial Officer

Mark is an experienced Group Chief Financial Officer with over 30 years' experience in leading financial organisations, banking and corporate finance teams worldwide including in high growth and emerging markets.

Mark is a fellow of the Institute of Chartered Accountants, holds an MBA from the University of Warwick and has an honours degree in Banking and International Finance.



Stuart Fowler BEng (Hons)

Chief Operating Officer

Stuart has many years' experience of the security industry and has been particularly involved in many of the more complex integrated security systems.

Stuart studied computing and business studies at university obtaining a Bachelor of Engineering Honours degree in 1996. After university Stuart successfully implemented several software development projects for listed companies before joining Westminster in 1998. Since that time Stuart has been instrumental in the design and implementation of many larger complex systems installed by Westminster and is now responsible for the Group's operations and technical implementation worldwide.



Simon Barrell

Non-Executive Director

Simon Barrell is a Fellow of the Institute of Chartered Accountants in England and Wales. Following qualification, he spent 4 years working in Nairobi and has since also gained considerable international experience with a number of organisations.

After 11 years in the profession, Simon moved into the corporate world and has held various posts as Finance Director and has experience across multiple industries working in both the public and private sectors. He has also held numerous non-executive positions for a number of public companies and continues to act as an adviser to listed and non-listed companies. He is currently a non-executive director of SRT Marine Systems plc and Grafenia plc.



**Major General (Retired) Graham Binns
CBE DSO MC**

Non-Executive Director

Graham Binns, is a highly decorated retired British Army officer with over 10 years' experience as a senior board level executive in the commercial security sector.

Graham served as General Officer Commanding 1st (UK) Armoured Division and then Commandant Joint Services Command and Staff College, retiring in 2010. He had previously commanded the 7th Armoured Brigade (the "Desert Rats") during Operation Telic 1 when the brigade took Basra in southern Iraq.

Following his military career, Graham was recruited as Chief Executive Officer of Aegis Defence Services Ltd. providing security services to governments and major corporations throughout the Middle East and Africa, with revenues of £300m and a staff of over 3,000.

Governance report

Corporate Governance Report

The Directors are committed to delivering high standards of corporate governance to the Group's shareholders and other stakeholders including employees, suppliers and the wider community. As an AIM company, full compliance with the UK Corporate Governance Code or the Quoted Companies Alliance Corporate Governance Code, is not a formal obligation. The Directors recognise the importance of sound corporate governance, and the Group has sought to adopt the recommendations of the Quoted Companies Alliance Code that are appropriate to its size and organisation and establish frameworks for the achievement of this objective. The Board of Directors operates within the framework described below.

Governance Framework

The Board is responsible for ensuring leadership of the Group through effective oversight and review and aims to deliver the long-term sustainable success of the business. The Board discharges some of its responsibilities directly in accordance with the formal schedule of matters reserved for it to approve, and discharges others through Board committees and the executive management.

The key responsibilities of the Board, its committees and the executive management are set out below.

Executive Chairman

Responsible for: leadership of the Board and the Board's effectiveness; ensuring board composition and skills meet the needs of the business; and for Board and Committee reviews.

The Board

Responsible for: the long-term success of the Group, providing leadership, direction and strategy; promoting the core values of the business & oversight of financial management; ensuring the business has effective internal control and risk management systems; and ensuring effective stakeholder engagement.

Audit Committee

Responsible for oversight of the Group's financial and risk reports and statements and external and internal audit processes.

See page 48 - 53
(Audit Committee Report)

Nomination Committee

Responsible for ensuring the Board and its committees have appropriate leadership and succession planning in place.

See page 54 - 55
(Nomination Committee Report)

Remuneration Committee

Responsible for the setting of 'Directors' and senior leadership remuneration package policy, to attract and retain key individuals.

See page 56 - 59
(Remuneration Committee Report)

Risk Committee

Responsible for the Group's risk management and internal control processes.

See page 22 - 27
(Risk Management Committee)

Operational Board

Responsible for management and governance of Group's divisions and business.

See page 39
(Board Structure)

Disclosure Committee

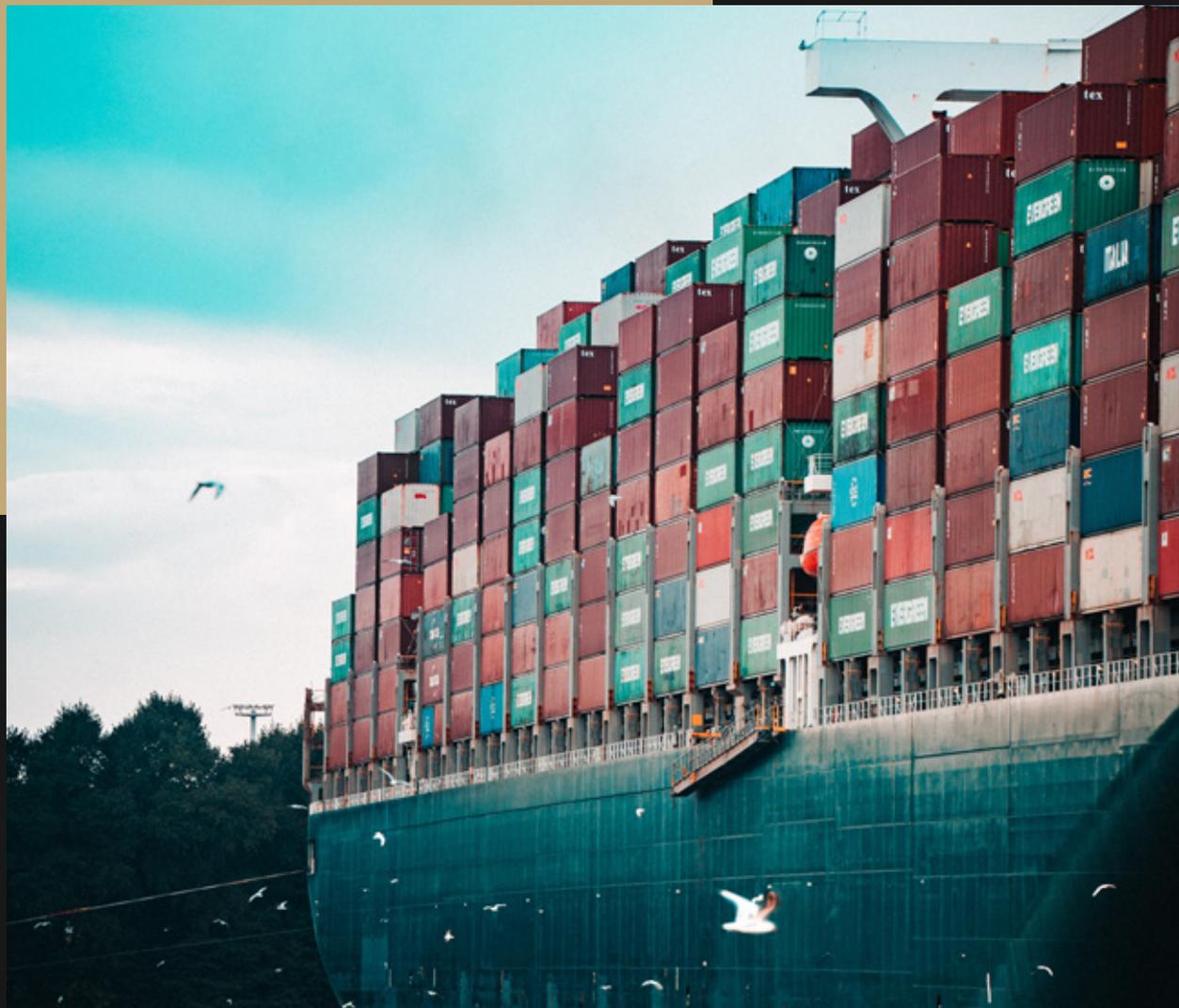
Responsible for oversight of the Group's disclosure obligations and MAR.

See pages 43 - 44
(Disclosure Committee)

Chief Executive Officer

Responsible for: leadership and day-to-day management of the business; for developing strategy and new business opportunities; and ensuring the Board are kept informed of all relevant information.

The Board is responsible for ensuring leadership of the Group through effective oversight and review and aims to deliver the long-term sustainable success of the business.



Governance report

Corporate Governance Report

The Board

The Board sets the Group's strategic aims and ensures that necessary resources are in place for the Group to meet its objectives. All members of the Board take collective responsibility for the performance of the Group, the Group's Corporate Governance and all decisions are taken in the interests of the Group. Whilst the Board has delegated the normal operational management of the Group to the Executive Directors and other senior management, there are detailed specific matters subject to decision by the Board of Directors. These include acquisitions and disposals, joint ventures and investments, projects of a capital nature and all significant contracts. The Non-Executive Directors have a responsibility to challenge constructively the strategy proposed by the Executive Directors; to scrutinise and challenge performance; to ensure appropriate remuneration and that succession planning arrangements are in place in relation to Executive Directors and other senior members of the management team. The senior executives enjoy open access to the Non-Executive Directors.

The Chairman is responsible for leadership of the Board and ensuring its effectiveness on all aspects of its role including Corporate Governance. The Chairman sets the Board's agenda and ensures that adequate time is available for discussion of all agenda items, especially strategic issues. The Chairman promotes a culture of openness and debate by facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations between Executive and Non-Executive Directors. The Chairman is also responsible for ensuring that the Directors receive accurate, timely

and clear information. The Chairman ensures effective communication with shareholders.

All Directors allocate sufficient time to the Group to discharge their duties. There is a formal, rigorous and transparent procedure for the appointment of new Directors to the Board. The search for Board candidates is conducted, and appointments made, on merit, against objective criteria and with due regard for the benefits of diversity on the Board.

The Board is responsible for ensuring that a sound system of internal control exists to safeguard shareholders' interests and the Group's assets. It is responsible for the regular review of the effectiveness of the systems of internal control. Internal controls are designed to manage rather than eliminate risk and therefore even the most effective system cannot provide assurance that every risk, present and future, has been addressed. The key features of the system that operated during the year are described below.

Board Meetings and Attendance

The Board of Directors holds at least six scheduled meetings a year to review the performance of the Group. In addition, ad hoc Board meetings are convened to deal with matters arising between scheduled meetings. The Board seeks to foster a strong ethical culture across the Group. There are clearly defined lines of responsibility and delegation of authority from the Board to the operating subsidiaries. The Operational Board meet weekly to review any key or current issues and hold monthly Operational Board meetings with Divisional Heads.

Name	Board Meetings		Disclosure Committee		Audit Committee		Nomination Committee		Remuneration Committee	
	H	A	H	A	H	A	H	A	H	A
Sir Tony Baldry	11	9	-	-	-	-	-	-	-	-
Mawuli Ababio	11	11	26	19	4	4	4	4	6	6
Peter Fowler	11	11	26	26	-	-	4	4	-	-
Mark Hughes	11	11	26	26	-	-	-	-	-	-
Stuart Fowler	11	11	8	8	-	-	-	-	-	-
Simon Barrell*	4	4	10	10	2	2	2	2	3	3
Major General (Rtd) Graham Binns *	1	1	4	4	1	1	0	0	1	1
Charles Cattaneo [#]	7	7	14	14	2	2	1	1	2	2
Lady Patricia Lewis [#]	9	9	20	20	-	-	3	3	4	4
Roger Worrall	11	11	26	26	4	4	4	4	6	6

Key

H = Maximum number of scheduled meetings held a director could have attended A = Number of meetings actually attended in person or remotely
 * = Appointed to the board # = Resigned from the board

Board Structure

The Company operates in complex and challenging technological and geographical areas and as such has put in place a board structure that can best provide the strategic advice and leadership required. The board structure consists of a PLC Board, an Operational Board and an International Advisory Board. The current members of each board may be found on our website here <https://www.wsg-corporate.com/investor-relations/board-members>.

PLC Board

The PLC Board contains a balance of Executive and Non-Executive Directors, including an Executive Chairman who is responsible for dealing with the strategic direction and long-term success of the Company. The Board will meet every two months or at any other time deemed necessary for the good management of the business and at a location agreed between the Board members. The Non-Executive Directors, Mawuli Ababio, Simon Barrell and Major General (Rtd) Graham Binns are all considered independent Directors.

Operations Board

The current Operations Board members are:

- **Peter Fowler (Group CEO) (Chair)**
- Mark Hughes (Group CFO)
- Stuart Fowler (Group COO)
- Roger Worrall (Group Company Secretary)
- Joanna Fowler (Head of Managed Services Division)
- Hamish Russell (General Manager)

The Operational Board comprises of certain Executive Directors, Divisional Heads and other senior management as deemed appropriate and is responsible for management and governance of Group's divisions and business activities. The Operational Board meets informally weekly or at any other time deemed necessary for the good management of the business and at a location agreed between the Board members. The Operational Board holds a formal minuted meeting once a month. The Operational Board reports to the PLC Board.

International Advisory Board

The International Advisory Board assists and advises the Company and its subsidiaries on various international issues including governmental and client liaison, cultural, ethnic and religious sensitivities, compliance with legal issues, financing and general business development. For further details see the Group's corporate website.

Board Composition, Experience and Dynamics

The Company operates in complex and challenging technological and geographical areas and the Board is mindful that in order to deal effectively with the challenges of the business and to maximise its growth opportunities it has to incorporate a broad range of skills and diversity. The Board maintains a skills, diversity and experience matrix which will be periodically reviewed at Board meetings to evaluate current and future requirements. The Board and its committees will also seek external expertise and advice where required. Board members undertake continuing professional development as an when appropriate. The composition of the board with the members skills and experience is set out on pages 34 to 35.

Name	Position	Age	Gender	Varied Board Experience	Business Development	International Experience	Governance	Financial Management	Capital Markets	Public Market	Public Relations	Legal & Contractual	Security Sector	Technical	M&A
Sir Tony Baldry	Chairman	60+	M	✓	✓	✓	✓		✓	✓	✓	✓			
Mawuli Ababio	Deputy Chairman	60+	M	✓	✓	✓	✓	✓	✓	✓		✓			✓
Peter Fowler	CEO	60+	M	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mark Hughes	CFO	60+	M	✓		✓	✓	✓	✓	✓	✓	✓			✓
Stuart Fowler	COO	40-50	M	✓		✓	✓	✓					✓	✓	
Simon Barrell	NED	60+	M	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓
Major General (Rtd) Graham Binns	NED	60+	M	✓	✓	✓	✓	✓				✓	✓	✓	✓

Governance report

Corporate Governance Report

Board Evaluation

The Board considers evaluation of its performance and that of its committees and individual Directors to be an integral part of corporate governance to ensure it has the necessary skills, experience and abilities to fulfil its responsibilities. The goal of the Board evaluation process is to identify and address opportunities for improving the performance of the Board and to solicit honest, genuine and constructive feedback.

The Board considers the evaluation process is best carried out internally at the Company's current size. However, the Board will keep this under review and may consider independent external evaluation reviews in due course as the Company grows.

The Board will, as a whole or in part as appropriate, undertake the evaluation process aided by the Chairman, Deputy Chairman, CEO and independent Non-Executive Directors or external advisors as necessary. The Chairman is responsible in ensuring the evaluation process is 'fit for purpose', as well as dealing with matters raised during the process. The Chairman will keep under review the frequency, scope and mechanisms for the evaluation process and amend the process as required.

Where deficiencies are identified these will be addressed in a constructive manner. Where necessary, individual Directors will be offered mentoring and training. If deficiencies are identified within the Board as a whole, then changes or additions to the Board will be considered in conjunction with the Nomination Committee.

The evaluation process will be focused on the improvement of Board performance, through open and constructive dialogue and the development and

implementation of action plans. The Board will report on its evaluation and actions in its Annual Report. Any recommendations raised in relation to any Board Committee are acted upon in a formal and structured manner. No issues were identified for the year ending 31 December 2021.

Succession planning is a vital task for boards and the management of succession planning represents a key measure of the effectiveness of the Board and a key responsibility of both the Nomination Committee and wider Board.

Internal control

The key procedures which the Directors have established with a view to providing effective internal control are as follows:

- Regular Board meetings to consider the schedule of matters reserved for Directors' consideration;
- A risk management process;
- An established organisational structure with clearly defined lines of responsibility and delegation of authority;
- Appointment of staff of the necessary calibre to fulfil their allotted responsibilities; Comprehensive budgets, forecasts and business plans approved by the Board, reviewed on a regular basis, with performance monitored against them and explanations obtained for material variances; and
- An Audit Committee of the Board, comprising Non-Executive Directors, which considers significant financial control and risk matters as appropriate.

The goal of the Board evaluation process is to identify and address opportunities for improving the performance of the Board and to solicit honest, genuine and constructive feedback.

Key Board Activity and Focus in 2021

Leadership

- Evaluated Board effectiveness.
- Reviewed senior management performance.
- Board Diversity & Experience reviewed.
- Management and Succession Strategy planning reviewed.
- Appraisals systems in place and functioning.

Financial

- Approved 2021 Financial Accounts & Annual Report.
- Approved the half year results.
- Approved the 2022 Budgets.
- Set up new accounting and banking in the DRC and Liberia ready to support new projects.
- Performed a Capital Reduction to improve the balance sheet.

Strategy

- Expanded the 'One Company, One Vision' ethos, focussed on the LAND, SEA & AIR marketing structure.
- Expanded website.
- Continued the strategies around the Covid-19 pandemic including new strategic alliances focussing on Covid-19 testing.
- Evolved new marketing strategies.
- Continued to pursue major project opportunities.
- Signed MOU on strategic alliance with Raxa Security Services Limited (a subsidiary of GMR in India).
- Expanded UK customer base.

People and Culture

- Appointed two new non-executive directors.
- Reviewed and approved existing and new company policies throughout the year.
- Continued with 'One Company Vision',
- Approved staff to be furloughed, due to Covid-19.
- Maintained full employment of staff and kept facilities safe and secure, including monitoring for Covid.
- Expanded home / hybrid working.
- Commenced work on staff incentive scheme.

Financing

- Approved capital raises and issue of equity.
- Utilised UK Governments furlough scheme where appropriate.
- Investigated various alternative project funding solutions.

Operations

- Covid-19 Risk Assessments reviewed monthly basis throughout the year.
- Expanded supplier network and product lines.
- Supplied goods and service to 60 countries around the world.
- Continued to secure strategic alliances.
- Signed new managed services contracts in DRC and Liberia.
- Managed Covid-19 situation with overseas ex-pats staff.
- Covid-19 - Continued social distancing and safe working practices throughout the organisation.

Shareholders

- Responded to investor enquiries.
- Held hybrid AGM due to Covid-19 restrictions.
- Held webinar with investors on H1 results, due to Covid-19 pandemic.
- CEO undertook investor focussed interviews with various broadcast organisations.
- Undertook a Shareholder analysis including nominee underlying holders.

Governance

- Audit, Disclosure, Remuneration, Nominations and Risk Committee Terms of Reference reviewed and approved.
- Reviewed the Group's compliance with adopted QCA governance code.
- Considered effect of Covid-19 on the Group's Activities.
- All Directors undertook and passed the Group's anti-bribery webinar.
- As part of the policy review the following existing or new policies were reviewed and approved: Fire & Safety, First aid, Whistleblowing, Phone Call, Anti-Bribery & Corruption, Health & Safety, Anti-money laundering, Disciplinary, Maternity, Paternity & Parental Leave, Dress Code, Recruitment and Induction Policies.

Governance report

Corporate Governance Report

Business Model

Business Description

Our vision is to build a global business with strong brand recognition delivering niche security solutions and long-term managed services to high growth and emerging markets around the world, with a particular focus on long term recurring revenue[^] business.

Our target customer base is primarily governments and governmental agencies, critical infrastructure (such as airports, ports and harbours, borders and power plants), and large-scale commercial organisations worldwide.

Our business has evolved from a traditional UK focused security business to what can be described today as a truly international business. Furthermore, our evolution continues as we expand our operations into new areas and new territories creating additional opportunities around the world in the provision of long-term managed security services and security products.

We deliver our wide range of Land, Sea and Air solutions and services through a number of operating companies that are currently structured into two operating divisions; Services and Technology; both primarily focused on international business as follows:

Services Division:

Focusing on long term (typically 10 – 25 years) recurring revenue[^] managed services contracts such as the management and operation of security solutions in airports, ports and other such facilities, together with the provision of manpower, consultancy and training services.

Technology Division:

Focussing on providing advanced technology led security solutions encompassing a wide range of surveillance, detection, tracking, screening and interception technologies to governments and organisations worldwide.

These two divisions offer cost effective dynamics and vertical integration with the Technology Division providing vital infrastructure and complex technology solutions and expertise to the Services Division. This reduces both supplier exposure and cost and provides us with

increasing purchasing power. Our Services Division provides a long-term business platform to deliver other cost-effective incremental services from the Group. Together these two divisions provide an opportunity to deliver long term, recurring revenue[^] growth underpinned by a corporate infrastructure based on core values and risk mitigation through geographical spread and multiple revenue streams.

Strategy

In accordance with our vision, we operate world-wide with a focus on high growth and emerging markets where our expertise and technological reach can make a significant difference. Our client base is predominantly governments and governmental bodies, transportation organisations, non-governmental organisations (NGOs), and commercial and multi-national corporations worldwide.

Operating in emerging markets does present particular challenges with language and logistics, religious and cultural considerations and ethics. Doing business with governments and large corporations, particularly where large scale nationally important contracts are involved, can be a time-consuming process and this can be all the more so in emerging markets where processes can be slow and bureaucratic due to the nature of governments and the inherent complexities of doing business in such markets. However, despite such challenges and in some cases because of them, emerging markets offer huge growth opportunities for our Company.

Over the years we have built up an extensive international network of agents and partners, some of whom have become strategic investors, who provide business development assistance to our sales team, in-country knowledge and logistical support together with arranging meetings, translations where required and assisting with client negotiations. This network provides us with a cost effective, scalable global footprint in our chosen markets. This network together with the support we receive from the British Government and in-country diplomatic missions around the world means Westminster is well placed and structurally organised to benefit from the many opportunities we are developing within these markets.

[^] This is an Alternative Performance Measure refer to Note 2 for further details

We are not a manufacturer and are product agnostic which enables us to provide the most appropriate product or solution to address our clients' needs. We do however have strong working relationships with a great many leading and niche product manufacturers around the world, enabling us to offer a broad and extensive range of solutions. We continually monitor market and technology advancements and regularly review our supplier and manufacturer base.

Our corporate strategy is outlined on pages 13-14.

Corporate Culture

The Board recognises that a corporate culture based on sound ethical values and behaviours is an asset and provides competitive advantages. The Group operates in international markets and is mindful that respect of individual cultures is critical to corporate success. In accordance with Westminster Group's stated mission it endeavours to conduct its business in an ethical, professional and responsible manner, treating our employees, customers, suppliers and partners with equal courtesy and respect at all times.

We recognise ISO 26000 as a reference document that provides guidance for integration / implementation of social responsibility / socially responsible behaviour. Westminster Group is also independently certified to and operates an ISO 9001 Quality Assurance programme and is working towards ISO 14001 – Environmental Management.

The Group also supports the local communities in which it operates indirectly through various charities and organisations and directly through its own registered charity the Westminster Group Foundation.

Stakeholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with all of its stakeholders, including shareholders, providing them with access to information to enable them to come to informed decisions about the Company. The Investor Relations section of the Company's website provides all required regulatory information as well as additional information shareholders may find helpful including: Share Services, information on Board Members, Advisors and Significant Shareholdings, a historical list of the Company's Announcements, its Financial Calendar, Corporate Governance information, the Company's publications including historic Annual Reports and Notices of Annual General Meetings, together with Share Price information and interactive

Charting facilities to assist shareholders analyse performance.

Results of shareholder meetings and details of votes cast will be publicly announced through the regulatory system and displayed on the Company's website with suitable explanations of any actions undertaken as a result of any significant votes against resolutions.

Further information on the Group's Stakeholder Engagement can be found on pages 28-33.

Market Abuse Regulations

We are required to comply with Article 18(2) of the Market Abuse Regulation (EU) No. 596/2014 ("MAR") with reference to insider dealing and unlawful disclosure of inside information. The London Stock Exchange requires traded companies to maintain insider lists as set out in the Market Abuse Regulation ("MAR") that came into effect on 3 July 2016.

The Board have put in place a MAR compliance process and this and the Company's regulatory announcements are overseen by the Disclosure Committee.

The Company's MAR Policy may be found on its website (www.wsg-corporate.com).

Disclosure Committee

The Committee's Terms of Reference were last approved by the Board on 24 March 2022 and can be viewed on the Corporate Governance section of the Company's website (www.wsg-corporate.com).

The Terms of Reference are reviewed by the Board annually and will be amended where appropriate.

The Committee will be appointed by the Board and should be a balance of executive and non-executive directors.

It oversees and regulates the Company's disclosure obligations and to ensure compliance with Market Abuse Regulations (MAR) and London Stock Exchange rules.

Meetings shall be held as necessary for the purposes of approving regulatory announcements at such other times as shall be necessary or appropriate, as determined by the Chairman.

The Group Company Secretary, Roger Worrall, acts as Secretary to the Committee and minutes of meetings are circulated to all Committee members.

Governance report

Corporate Governance Report

Committee Membership

The current Disclosure Committee members are:

- **Mawuli Ababio (Chair)**
- Major General (Rtd) Graham Binns (NED)
- Simon Barrell (NED)
- Peter Fowler (Group CEO)
- Mark Hughes (Group CFO)
- Stuart Fowler (Group COO)

Risk management

As an entrepreneurial business operating in emerging markets there is clearly an elevated risk which is balanced by potentially greater rewards. The Board is mindful of and monitors both its corporate risks and individual project risks. Risks are categorised by both probability and impact and appropriate measures identified to monitor and mitigate any potential impact.

Project risks are dealt with on a case-by-case basis and monitored through the life cycle of the project as risks change and new risks appear. Project risks and mitigation will be part of regular project management meetings. The project manager for any given project will have responsibility for maintaining the project risk register.

The Company's corporate risks, risk monitoring, and risk management procedures are regularly reviewed by the Risk Management Committee and the Company's risk register updated as necessary. The Company Secretary will have responsibility for maintaining the corporate risk register. The Risk Committee Chairman will be responsible for ensuring the risk register is regularly reviewed and the Audit Committee Chairman will report on status and updates at Board meetings. The Company provides a risk report in its Annual Report each year.

The Board has the primary responsibility for identifying the major risks facing the Group. The Board has adopted a schedule of matters which are required to be brought to it for decision, ensuring that it maintains full and effective control over appropriate strategic, financial, organisational and compliance issues. The Board has identified a number of key areas which are subject to regular reporting to the Board. The policies include defined procedures for seeking and obtaining approval for major transactions and organisational changes.

In addition to risk assessment, the Board believes that the management structure within the Group facilitates free and rapid communication across the subsidiaries and between the Group Board and those subsidiaries and consequently allows a consistent approach to managing risks. Certain key functions are centralised, enabling the Group to address risks to the business present in those functions quickly and efficiently. The key risks and mitigation strategies of the business are set out on pages 24 to 27 of this report.

Corporate responsibility

The Board is very aware of the importance of its corporate responsibilities, particularly in terms of ensuring that high standards of behaviour are maintained wherever the Group is operating. The following principles and processes have been established for that purpose:

- Only supply goods and services that improve people's safety and security – no offensive activities;
- Protecting the health and safety of all employees is paramount;
- ISO 9001:2008 certified;
- ISO 14001:2004 environmental management system certification;
- Members of ADS Aerospace, Defence & Security Association;
- Operate a strict ethical policy with both employees and agents within the principles of CIS (Common Industry Standard) produced by the Aerospace and Defence Organisation of Europe;
- Comply with UK and International Export Controls criteria – key employees have attended required courses;
- Providing valuable employment and investment opportunities in third world areas;
- Promoting environmental solutions – e.g. solar street lighting, oil leak detection etc;
- Providing speakers at conferences & seminars, referenced by press & media;
- Supporting and assisting local and international charities; and
- The Group maintains a stringent anti-bribery policy and complies with both UK and local statutes.



The Company's corporate risks, risk monitoring, and risk management procedures are regularly reviewed by the Risk Management Committee and the Company's risk register updated as necessary.



Governance report

Corporate Governance Report

Anti-bribery and corruption

The Group has a well-established anti-corruption policy in place which covers bribery and corruption, gifts and hospitality, and facilitation payments. This policy is reviewed by the Board annually and updated as necessary. All new employees and Directors are required to undertake and pass the Group's anti-corruption webinar and assessment. All employees are required to retake the anti-corruption webinar test annually. A copy of the Group's anti-corruption policies can be found on the Group's website at <https://www.wg-plc.com/policy>.

Human rights

The Group is committed to respecting human rights in the countries in which we do business. We ensure, as far as we are able, that there is no slavery or human trafficking in any part of our supply chain. All suppliers, agents and sub-contractors are required to adhere to our ethical standards. A copy of the Group's compliance with the Modern Slavery Act 2015 can be found on the Group's website at <https://www.wg-plc.com/policy>.

In support of our Corporate Responsibility we have a comprehensive range of policies which the Board review annually and update as necessary. Policies include:

- Quality Policy
- Health & Safety Policy
- Environmental Policy
- Anti-Bribery & Corruption Policy (including Gifts & Hospitality)
- Anti-Slavery and Human Trafficking Policy
- Company IT & Security Policy
- Money Laundering Policy
- CSR (Corporate Social Responsibility) Policy
- Data Protection Policy
- Equal Opportunities Policy
- Whistle-blower Policy
- Code of Ethics
- Sanctions Policy
- Export Control Policy
- Market Abuse Regulations (MAR) Policy

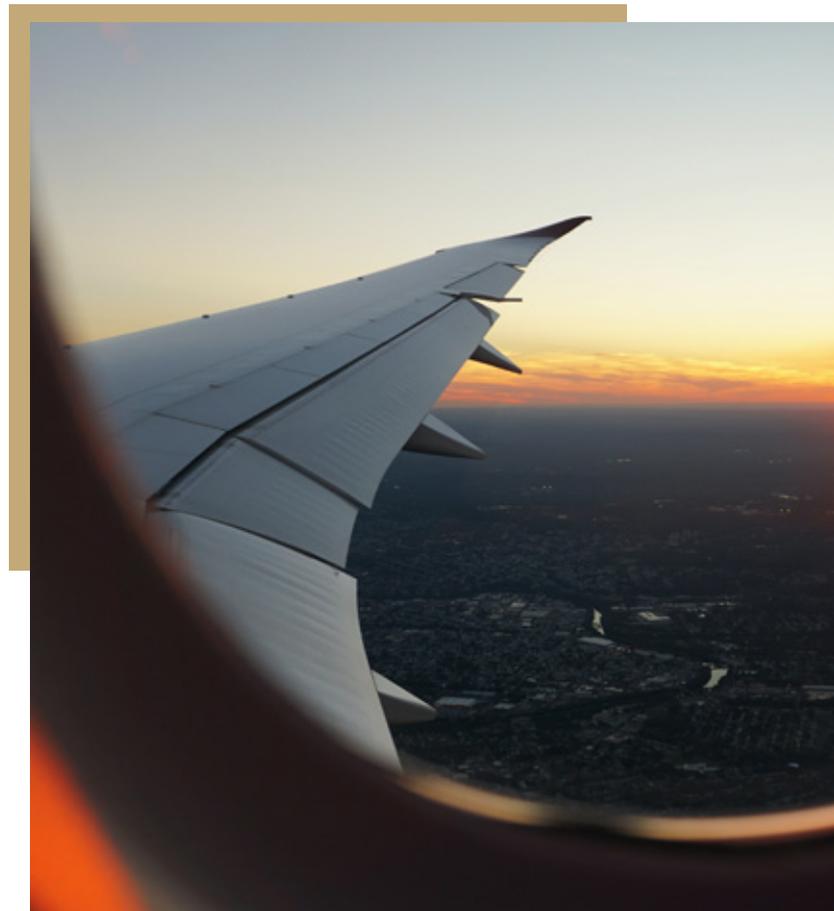
Financial planning, budgeting and monitoring

The Group operates a planning and budgeting system with an annual budget approved by the Board. There is a financial reporting system which compares results with the budget and the previous year each month to identify any variances from approved plans. Monthly rolling cash flow forecasts form part of the reporting system. The Group remains alert to react to other business opportunities as they arise.

Capital management policies and procedures

The Group's capital management objectives are:

- To ensure the Group's ability to continue as a going concern; and
- provide an adequate return to shareholders.



The Group monitors capital on the basis of the carrying amount of equity plus its loans, less cash and cash equivalents as presented on the face of the statement of financial position.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and adjusts to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may review any dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

There is no requirement for the Group to maintain a strong capital base for each of its UK subsidiaries and therefore each subsidiary is financed by inter-company debt from the Company. These policies have not

changed in the year. The Directors believe that they have been able to meet their objectives in managing the capital of the Group.

Non-Executive Directors

The Non-Executive Directors are considered by the Board to be independent in character and judgement and there are not considered to be any circumstances that are likely to affect their judgement as Directors of the Group. Their interests in the share capital of the Company are not considered to be likely to affect their judgement as Directors of the Group.

Annual report

The Directors consider the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.



The Group is committed to respecting human rights in the countries in which we do business. We ensure, as far as we are able, that there is no slavery or human trafficking in any part of our supply chain.



Governance report

Audit Committee Report

I am pleased, as Chairman of the Audit Committee, to present its report for the year ended 31 December 2021.

The Committee's Terms of Reference were last reviewed and approved by the Board on 24 March 2022 and can be viewed on the Corporate Governance section of the Company's website (www.wsg-corporate.com).

The Terms of Reference are reviewed by the Board annually and amended where appropriate.

This report details how the Audit Committee has met its responsibilities over the last twelve months under its Terms of Reference and under the Quoted Companies Alliance Corporate Governance Code.

The Audit Committee focused particularly on the appropriateness of the Group's financial statements. The committee has satisfied itself, and has advised the Board accordingly, that the 2021 Annual Report and financial statements are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

It oversees and reviews the Group's financial reporting and internal control processes, its relationship with external auditors and the conduct of the audit process together with its process for ensuring compliance with laws, regulations and corporate governance. The Audit Committee also oversee and report to the Board on the Group's Risk Management requirements.

There is currently no internal audit function as this would not be cost effective given the size of the Group, although this is kept under annual review.

Committee Membership

The Audit Committee is composed entirely of independent Non-Executive Directors but other individuals such as the Company's CFO and CEO and representatives of the finance team may be invited to attend all or any part of any meeting when deemed appropriate. The Company's external auditors are invited to attend meetings of the Committee on a regular basis.



Audit Committee

Simon Barrell (Chair)

Mawuli Ababio

Major General (Rtd) Graham Binns

The Group Company Secretary, Roger Worrall, acts as Secretary to the Committee and minutes of meetings are circulated to all Committee members.

The biographies of current members can be found on page 34 and 35. The Board considers that the committee as a whole has an appropriate and experienced blend of commercial, financial and industry expertise to enable it to fulfil its duties, and that the committee chairman, Simon Barrell, has appropriate recent and relevant financial experience.

Role and Responsibilities

The Board established an Audit Committee to monitor the integrity of the Company's financial statements and the effectiveness of the Group's internal financial controls. One of the Audit Committee's key responsibilities is to review the Group's financial risk management and internal controls systems, including in particular internal financial controls. During the year, the committee carried out a robust assessment of the principal financial risks facing the company and monitored the internal control system on an on-going basis. The committee also reviewed the effectiveness of the external audit process as part of the continuous improvement of financial reporting and risk management across the Group.

The committee's role and responsibilities are set out in the committee's terms of reference which are available from the Company. The Terms of Reference are reviewed

annually and amended where appropriate. During the year the committee worked with executives, the external auditors and other members of the senior management team in fulfilling these responsibilities.

Financial Reporting

The committee is responsible for monitoring the integrity of the Group's financial statements and reviewing the financial reporting judgements contained therein. The financial statements are prepared by a finance team with the appropriate qualifications and expertise. The committee confirmed to the Board that the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

In respect of the year to 31 December 2021, the committee reviewed:

- the Group's Half-year Report for the six months to 30 June 2021; and
- the Annual Report for the year ended 31 December 2021.

In carrying out these reviews, the committee:

- reviewed the appropriateness of Group accounting policies including monitoring changes to and compliance with accounting standards on an on-going basis;
- discussed with management and the external auditor the critical accounting policies and judgements that had been applied;
- discussed a report from the external auditor identifying the significant accounting and judgemental issues that arose in the course of the audit;
- considered the management representation letter requested by the auditor for any non-standard issues;
- monitored action taken by management as a result of any recommendations made by the external auditor;
- discussed with management future accounting developments which are likely to affect the financial statements;
- reviewed the budgets and strategic plans of the Group in order to ensure that all forward-looking

The committee is responsible for monitoring the integrity of the Group's financial statements and reviewing the financial reporting judgements contained therein.

statements made within the Annual Report reflect the actual position of the Group; and

- considered key areas in which estimates and judgement had been applied in preparation of the financial statements including, but not limited to, a review of fair values on acquisition, the carrying amount of goodwill, intangible assets and property, plant and equipment, litigation and warranty provisions, recoverability of trade receivables, valuation of inventory, hedge accounting treatments, treasury matters and tax matters.

The primary areas of judgement considered by the committee in relation to the Group's 2021 financial statements, and how they were addressed by the committee are set out on page 51.

Each of these areas received particular focus from the external auditor, who provided detailed analysis and assessment of the matter in their report to the committee.

Committee Evaluation

As outlined on pages 36 to 39 within the Corporate Governance Statement, the performance of the Board also includes a review of the committees. Any recommendations raised in relation to the Audit Committee are acted upon in a formal and structured manner. No issues were identified for the year ending 31 December 2021.

Meetings

The Audit Committee met six times during the year ended 31 December 2021 to review the 2020 Financial Statements, the 2021 half-year results, to consider and accept the External Auditors plan for the 2021 audit.

Governance report

Audit Committee Report

Audit Committee activities 2021	Mar	Apr	Jul	Aug	Sep	Nov
Financial reporting						
Review and approve preliminary & half-year results				✓		
Consider key audit and accounting issues and judgements Approve going concern and viability statements		✓		✓		
Consider accounting policies and the impact of new accounting standards. Review management letter from auditors		✓				✓
Review any related party matters and intended disclosures		✓				
Review Annual Report and confirm if fair, balanced and understandable		✓				
External auditors						
Approval of year-end audit plan						✓
Approval of audit engagement letter and audit fees - UK						✓
Approval of audit engagement letter and audit fees - External, Ghana, Sierra Leone						✓
Confirm auditor independence, materiality of fees, and non-audit services						✓
Audit Clearance Meeting		✓				
Financial Results						
RNS version of 2020 accounts approval		✓				
Results release and Financial Statements approval		✓				
Draft Financial Report approval		✓				
Indicative half year results				✓		
Half year results approval for release					✓	
Internal audit and risk management controls						
Review of internal audit within Westminster						✓
Review of financial, IT and general controls						✓
Monitor Group whistleblowing procedures						✓
Assessment of the principal risks and effectiveness of internal control systems						✓
Governance						
Assurances as to corporate governance and Corporate Governance Code Compliance Accounting standards update						✓
Corporate governance update						✓
Evaluation of external audit functions		✓				✓
Policy on the engagement of external auditors						✓
Review of General Risks						
Review of the General Risk Matrix	✓				✓	
Review of Coronavirus Risk Assessment						✓
MAR Presentation						
Strand Hanson - undertook an AIM Rules refresher presentation						✓

Primary areas of Judgement	Committee activity
----------------------------	--------------------

Going concern

The financial statements are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Committee have considered all relevant available information about the future. As part of its assessment, the Committee reviewed and considered appropriate management's profit and cash forecasts, the likely continued support of the shareholders and the ability to affect costs and revenues. The Committee reviewed Directors' stress tests of revenue and utilisation assumptions included in the Group's cash projections for a period of at least 12 months from the date of approval of these financial statements.

The Committee considered the Board's view that it believed the Group will generate sufficient working capital and cash flows to continue in operational existence and it will have the support of lenders and shareholders, if required. The Committee reviewed the Group's resources at the date of approving the financial statements, management's contingency planning and their projections for future trading, which together give a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, which for the avoidance of doubt is at least 12 months from the date of signing the financial statements.

Thus, considering all of the above factors, the Committee agrees with the Director's decision to continue to adopt the going concern basis of accounting in the preparing the financial statements.

Goodwill

The committee considered the annual impairment assessment of goodwill prepared by management for each Cash Generating Unit using a discounted cash flow analysis based on the strategic plans approved by the Board, including a sensitivity analysis on key assumptions. The primary judgement areas were the achievability of the long-term business plans and the key macroeconomic and business specific assumptions. In considering the matter, the committee discussed with management the judgements made and the sensitivities performed. Further detail of the methodology is set out in Notes 2 and 9 to the financial statements.

Management override of controls

As with any SME we have reviewed the processes and systems in place during the audits including carrying out a review of board minutes of the Group and other management minutes in order to document the consideration and approval of all major decisions. We also reviewed journals processed, management estimates and judgements applied.

Revenue recognition

The committee reviewed the judgements applied by management in determining the recognition of revenue for the period to 31 December 2021. The Committee was satisfied that such judgements were appropriate, and any risk had been adequately addressed.

Deferred tax assets

The committee reviewed the judgements applied by management in determining the recognition of revenue for the period to 31 December 2021, The Committee was satisfied that considering the expected level of future profits such judgements were appropriate, and any risk had been adequately addressed.

Subsidiary intercompany balances

The committee considered the recoverability of intercompany balances at a Company level. The Committee was satisfied that the amounts were recoverable, and any risk had been adequately addressed.

External Auditor

The Audit Committee has responsibility for overseeing the Group's relationship with the external auditor including reviewing the quality and effectiveness of their performance, their external audit plan and process, their independence from the Group, their appointment and their audit fee proposals.

The committee continues to monitor the performance and objectivity of the external auditors and takes this into consideration when making its recommendations

to the Board on the remuneration, the terms of engagement and the re-appointment, or otherwise, of the external auditors.

Prior to commencement of the 2021 year-end audit, the committee approved the external auditor's work plan and resources and agreed with the auditor's various key areas of focus, including accounting for acquisitions, impairments, as well as a particular focus on certain higher risk jurisdictions.

Governance report

Audit Committee Report

During the year, the committee met with the external auditor without management being present. This meeting provided the opportunity for direct dialogue and feedback between the committee and the auditor, where they discussed inter alia some of the key audit management letter points.

The committee received confirmation from the auditor that they are independent of the Group under the requirements of the Financial Reporting Council's Ethical Standards for Auditors. The auditor also confirmed that they were not aware of any relationships between the Group and the firm or between the firm and any persons in financial reporting oversight roles in the Group that may affect its independence.

Non-audit services

In order to further ensure independence, the committee has a policy on the provision of non-audit services by the external auditor that seeks to ensure that the services provided by the external auditor are not, or are not perceived to be, in conflict with auditor independence. The committee decided in 2020 to strengthen this independence by asking the Group to appoint a separate firm in the UK (Ellacotts) as UK tax advisors. It also continued to monitor independence by obtaining an account of all relationships between the external auditor and the Group, and by reviewing the economic importance of the Group to the external auditor by monitoring the audit fees as a percentage of total income generated from the relationship with the Group, the committee ensured that the independence of the external audit was not compromised. During 2020 the committee had reviewed and updated its policy on the engagement of external auditors and the provision of

non-audit services in order to bring it into full compliance with the EU audit reform legislation. An analysis of fees paid to the external auditor, including the non-audit fees, is set out in Note 5 and detailed below.

Since 2020 the UK and Group audit has been performed by PKF. The overseas audit is performed by Moore Sierra Leone (£17,000) and PKF Ghana (£1,000). Other than interim reviews there are no Non Audit Services.

Internal Audit

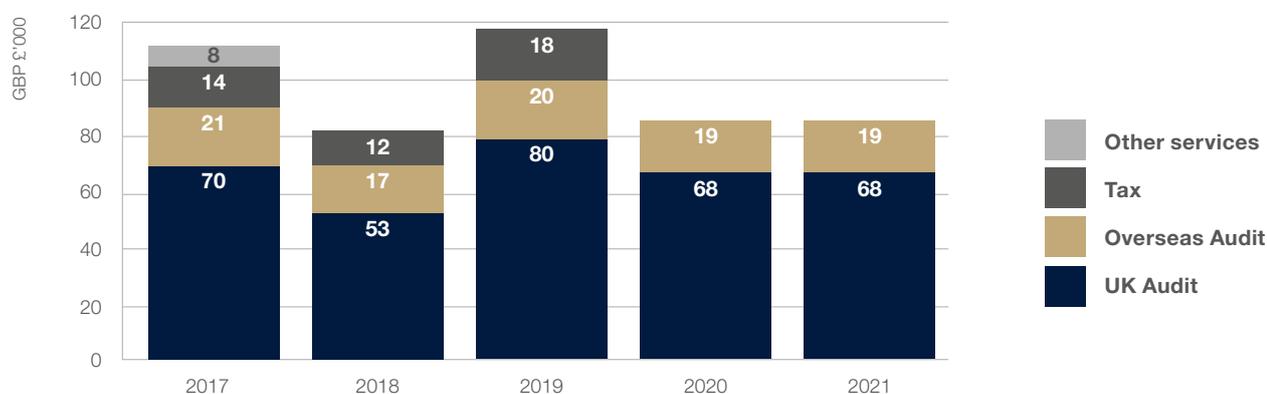
The committee reviewed the need for an internal function and concluded that the given size and profitability of the Group an internal audit function was not cost effective. However, the committee is keeping this under review and at an appropriate moment will look to establish an internal audit function.

Internal Control

The Audit Committee has been delegated, from the Board, the responsibility for monitoring the effectiveness of the Group's system of internal control.

The Audit Committee monitors the Group's risk management and internal control processes through detailed discussions with, the Risk Committee, management and Executive Directors, the review of the and the external audit reports, as part of the year-end audit, all of which highlight the key areas of control weakness in the Group. All weaknesses identified by either internal or external audit are discussed by the committee with Group management and an implementation plan for the targeted improvements to these systems is put in place.

Audit v Non-Audit Services





During 2020 the committee had reviewed and updated its policy on the engagement of external auditors and the provision of non-audit services in order to bring it into full compliance with the EU audit reform legislation.

The Group's system of risk management and internal control were in place throughout the accounting period and remain in place up to the date of approval of this Annual Report.

The main features of the Group's internal control and risk management systems that specifically relate to the Group's financial reporting and accounts consolidation process are set out in the Corporate Governance Report on page 40.

On behalf of the Board

Simon Barrell
Chairman of the Audit Committee

28 April 2022

Governance report

Nomination Committee Report

As Chairman of the Nomination Committee, I am pleased to present the report of the committee for the year ended 31 December 2021.

The Committee's Terms of Reference were last reviewed and approved by the Board on 24 March 2022 and can be viewed on the Corporate Governance section of the Company's website (www.wsg-corporate.com).

The Terms of Reference are reviewed by the Board annually and amended where appropriate.

Committee Membership

The Nominations Committee is composed of independent Non-Executive Directors with the exception of the Group CEO but other individuals such as other Board Directors or the HR manager may be invited to attend all or any part of any meeting when deemed appropriate.

The Group Company Secretary, Roger Worrall, acts as Secretary to the Committee and minutes of meetings are circulated to all Committee members.

The key responsibilities of the Nomination Committee are:

- To under review the structure, size and composition (including skills, knowledge, experience and diversity) of the Board as well as the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;
- To review the balance of the Board and its committees, and consider Non-Executive Directors' independence, whether the balance between non-executive and executive directors remains appropriate, and whether the Board has the requisite skills and experience to oversee delivery of the agreed strategy for the Group;
- Identify any training needs of Executive Directors and Non-Executive Directors;
- Identify and nominate for the approval of the Board, candidates to fill board vacancies as and when they arise;



Nomination Committee

Major General (Rtd) Graham Binns (Chair)

Mawuli Ababio

Simon Barrell

Peter Fowler

We continue to monitor the skills, knowledge, experience and diversity of the Board and its committees and considered it appropriate for our size and current activities.

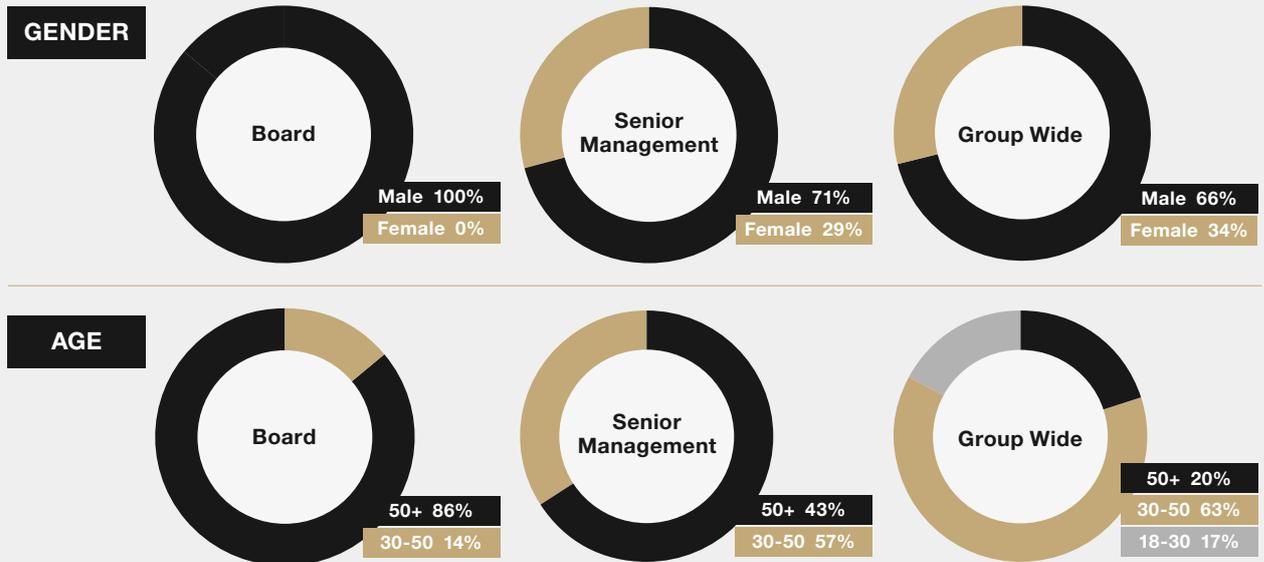
- Review annually the time required from a Non-Executive Director. Performance evaluation should be used to assess whether the non-executive director is spending enough time to fulfil their duties; and
- Review the Company's succession plans and make recommendations as appropriate.

Members of the Committee do not participate in any discussions relating to their own appointment, re-appointment or replacement.

2021 Activity

During the year the Committee undertook the following activities:

Nominations Committee Activities 2020-21	Feb	Mar	Jun	Sep	Oct
Board Evaluation					
Directors complete board evaluation survey	✓				
Consolidated board evaluation results produced & circulated		✓			
Board review of consolidated results			✓		
Review of Board skills to deliver agreed strategy			✓		
Identify & organise any board member training required			✓		
Review Board & its Committees					
Review balance Execs & Non-Exec's on Board & Committees			✓		
Review Committee Chairs & Membership			✓		
Consider Non-Executive Directors Independence				✓	
Consider the amount of time Chairman & Non-Execs require to fulfil their duties				✓	
Consider if Chairman Non-Execs are spending enough time to fulfil their duties				✓	
Review Succession Plans					
Review Board Succession plans				✓	
Review Senior Non-Main Board Directors & Senior Managers Succession plans				✓	
Board Members – Vacancies (when required)					
Identify & Nominate Candidates to the board			✓		✓



At a meeting chaired by Lady Patricia Lewis, it formally approved the appointment of Simon Barrell as a non-executive director of the group.

At a meeting chaired by Mawuli Ababio, it formally approved the appointment of Major General (Rtd) Graham Binns as a non-executive director of the group.

We continue to monitor the skills, knowledge, experience and diversity of the Board and its committees and considered it appropriate for our size and current activities. The diversity of our Board, our senior management and the

Group as a whole are shown in the charts. The skills matrix for the Board can be found on page 39.

We also continue to have oversight of succession. At our stage of development, we feel our succession planning is adequate, but it is an area we are monitoring carefully and will continue to advise the Board accordingly.

On behalf of the Board

Major General (Rtd) Graham Binns
Chairman of the Nomination Committee

28 April 2022

Governance report

Remuneration Committee Report

As Chairman of the Remuneration Committee, I am pleased to present the report of the committee for the year ended 31 December 2021.

The Terms of Reference are reviewed by the Board annually and amended where appropriate.

The Committee's Terms of Reference were last reviewed and approved by the Board on 24 March 2022 and can be viewed on the Corporate Governance section of the Company's website (www.wsg-corporate.com).

As a Company whose shares are admitted to trading on AIM, the preparation of a Remuneration Committee report is not an obligation. The Group has, however, sought to provide information that is appropriate to its size and organisation.

Committee Membership

The Remuneration Committee is composed entirely of independent Non-Executive Directors but other individuals such as the Group's Chairman and CEO and may be invited to attend all or any part of any meeting when deemed appropriate.

The Group Company Secretary, Roger Worrall, acts as Secretary to the Committee and minutes of meetings are circulated to all Committee members.

Executive Directors' Remuneration Policy

The Remuneration Committee is responsible for establishing a formal and transparent procedure for developing policy on executive remuneration and to set the remuneration packages of individual Directors. This includes agreeing with the Board the framework for remuneration of the Chief Executive, all other Executive Directors and such other members of the executive management of the Company as it is designated to consider. It is furthermore responsible for determining the total individual remuneration packages of each Director, including, where appropriate, bonuses, incentive payments and share options.



Remuneration Committee

Mawuli Ababio (Chair)

Simon Barrell

Major General (Rtd) Graham Binns

The Committee's policy is to provide a remuneration package which will attract and retain Directors and management with the ability and experience required to manage the Group and to provide superior long-term performance. It is the aim of the Committee to reward Directors competitively and on the broad principle that their remuneration should be in line with the remuneration paid to senior management of comparable companies. There are four main elements of the remuneration package for Executive Directors: base salary, share options, benefits and annual bonus. Notice periods for Executive Directors are 12 months.

Base salary is reviewed annually and in setting salary levels the Remuneration Committee considers the experience and responsibilities of the Executive Directors and their personal performance during the previous year. The Committee also takes account of external market data, as well as the rates of increases for other employees within the Group.

Share options are granted having regard to an individual's seniority within the business and are designed to give Directors and staff an interest in the increase in the value of the Group. None have been granted in 2021.

Benefits primarily comprise the provision of company cars, pension payments, health insurance and participation in the Group life assurance scheme.

The Committee's policy is to provide a remuneration package which will attract and retain Directors and management with the ability and experience required to manage the Group and to provide superior long-term performance.

All Executive Directors and executive management participate in the Group's annual bonus scheme, which is based upon the assessment of individual performance, subject to the Group achieving profitability commensurate with its revenues and capital employed.

Exclusions

The terms of reference of the Committee do not encompass:

- decisions to employ or dismiss Executives which is a matter for the Board; or
- deliberate on the remuneration of any Non-Executive Director, which is a matter for the Board; or
- responsibility for nominations to the Board which is a matter for the Nominations Committee.

This report details how the Remuneration Committee has fulfilled its responsibilities under its Terms of Reference and under the QCA Corporate Governance Code 2018. The report sets out the Company's remuneration policy, how the policy will be applied in 2021, gives details of the remuneration outcomes for 2021, and describes the workings of the Remuneration Committee during the year.

Remuneration Outcomes for 2021 and Remuneration Policy for 2022

Executive Directors' remuneration

Executive Directors remuneration is determined by the Remuneration Committee. Certain Executive Directors took voluntary salaries reductions in October 2014 as part of the cost reductions during the Ebola crisis which have not been adjusted since. The Remuneration

Committee has agreed a scheme to recompense the directors affected in shares for those reductions.

There have been no changes in Executive Directors salaries and entitlements in 2021. Looking forward the Committee is aiming to bring the remuneration more into line with the market and to introduce a Long-Term Incentive Plan for directors and key staff.

Non-Executive Directors' remuneration

Non-Executive Directors' remuneration is determined by the Board as a whole, each refraining from determining his own remuneration. The fees paid to Non-Executive Directors are set at a level intended to attract individuals with the necessary experience and ability to make a significant contribution to the Group.

It is anticipated that Non-Executive Directors will spend an average of 2 days a month undertaking their Role and Duties. This will include attendance at board meetings, the AGM, one annual board away day a year and at least one site visit a year. Due to Covid-19 restrictions the away day and site visits were not possible in 2021. They also attend periodic Remuneration and Audit Committee meetings. They are required to spend time considering all relevant papers prior to each meeting.

In addition to the above they may be required to devote additional time to the Company when it is undergoing a period of particularly increased activity and may be required to support the Company by attending meetings with clients and advisors etc. both within the UK and overseas.

The service contracts of the Non-Executive Directors specify the following:

Non-Executive Directors	Severance	Notice	Contractual fees (pa) £'000
Mawuli Ababio	None	3 months	24
Simon Barrell	None	3 Months	24
Graham Binns	None	3 months	24

Non-Executive Directors are allowed to claim reasonable expenses and receive payments for additional days worked on authorised projects over a contractual 2 days per month.

Governance report

Remuneration Committee Report

Board Balance, Time Commitment and Meetings

The Board contains a balance of Executive and Non-Executive Directors, including an Executive Chairman who is responsible for dealing with the strategic direction and long-term success of the Company. The Board will meet every two months or at any other time deemed necessary for the good management of the business and at a location agreed between the Board members.

The Non-Executive Directors are all considered independent Directors.

Executive and Non-Executive Directors' remuneration package and interest in share capital

Details of the Executive and Non-Executive Directors' remuneration and interest in share capital for the year ended 31 December 2021 are as follows:

	Basic £'000	Benefit in kind £'000	Group NI £'000	Total cost of employment 2021 £'000	Total cost of employment 2020 £'000
Executive Directors					
Sir Anthony Baldry	76	-	9	85	82
Peter Fowler	157	18	21	196	196
Mark Hughes	120	4	14	138	138
Stuart Fowler	110	-	14	124	124
	463	22	58	543	540
Non-Executive Directors					
Lady Patricia Lewis [#]	20	-	1	21	26
Charles Cattaneo [#]	12	-	-	12	24
Mawuli Ababio	63	-	-	63	24
Simon Barrell [*]	12	-	1	13	-
Graham Binns [*]	4	-	-	4	-
Charles Cattaneo	24	-	-	24	24
	111	-	2	113	74
Total Board Remuneration	574	22	60	656	614

* = Appointed to the board # = Resigned from the board

There was no recompense for loss of office. No options were exercised during the year and no cash benefit was therefore received by the Directors.

The Executive and Non-Executive Directors who held office during the year had no interests in the shares or

loan stock of the Company or any of its subsidiaries except that Mawuli Ababio has 10% of our dormant Ghana company (Westminster International (Ghana) Limited) and for the following holdings of ordinary shares in the Company:

	1 January 2021	Purchased in Year	31 December 2021
Sir Anthony Baldry	-	176,991	176,991
Mawuli Ababio	-	-	-
Peter Fowler and Mrs P J Fowler	6,501,794	100,000	6,601,794
Mark Hughes	116,000	-	116,000
Stuart Fowler	541,618	-	541,618
Simon Barrell	-	375,000	375,000
Major General (Rtd) Graham Binns	-	-	-
	7,159,412	651,991	7,811,403

In addition to the interests disclosed above, the following Executive and Non-Executive Directors have options to acquire ordinary shares of 10p each

in the Company granted under the 2007 Share Option Plan. Details are as follows:

	Grant Price	Market Price at Date of Grant	01 January 2021	Change in Year	31 December 2021	Date from which exercisable	Expiry Date
Sir Anthony Baldry	13p	13p	750,000	-	750,000	01 June 2019#	31 May 2028
Peter Fowler	28.5p	25.5p	781,250	-	781,250	10 June 2016*	09 June 2024
Peter Fowler	13p	13p	1,750,000	-	1,750,000	01 June 2019#	31 May 2028
Mark Hughes	13p	10.25p	750,000	-	750,000	08 November 2019#	07 November 2028
Stuart Fowler	28.5p	25.5p	625,000	-	625,000	10 June 2016*	09 June 2024
Stuart Fowler	13p	13p	750,000	-	750,000	01 June 2019#	31 May 2028

The market price of the shares at 31 December 2021 was 3.10p and the range during the year was 2.80p to 6.70p.

(*) These options were granted to the Directors at a price of 28.5p under the 2007 EMI Scheme. Executive Directors are issued share options under the EMI Scheme and Non-Executive Directors under an unapproved scheme, which has the same rules as the EMI Scheme but without the relevant tax concessions. Save for a change of control in the Company, Share Options granted to Directors will only vest if the Company's share price has reached 60p at any time and became exercisable from 10 June 2016 expiring 9 June 2024.

(#) These options were granted to the Directors at a price of 13p under the Company's 2017 Share Option Scheme. They can be exercised at any time from the first anniversary of the date of grant up to the tenth anniversary of that date. Save for a change of control in the Company, the Share Options will only vest if the Company's share price has reached 26p per Ordinary Share at any time, being twice the middle market price on the original date of grant.

RemCo Committee Activities 2021	Feb	Apr	Jul	Nov	Dec
Independent Review – PWC/Bird & Bird		✓			
Independent Review / Advice – Bird & Bird			✓	✓	✓
Advice from Strand Hanson			✓		
Remuneration Policy					
Consideration of Groups financial situation			✓	✓	
Update on remuneration trends generally			✓		
Review of overall remuneration policy			✓	✓	
Execs & Non-Execs Salary Review					
Review Executive salaries for 2021			✓	✓	
Review Non - Executive fees for 2021			✓	✓	
Review Executive salaries for 2022				✓	
Review Non - Executive fees for 2022				✓	
Performance Pay & Long-term Incentive Plan Options					
Review of proposed performance pay package			✓		
Consideration of Long-Term Incentive plan options				✓	✓
Consideration of Deferred Bonus plan options				✓	✓
Approval of LTIP & Deferred Bonus Framework					✓
Approval of LTIP & Deferred Bonus Criteria					
Directors Shareholding Review					
Directors Shareholding Review	✓		✓	✓	

On behalf of the Board.

Mawuli Ababio

Chairman of the Remuneration Committee

28 April 2022

Governance report

Directors' Report

The Directors of Westminster Group PLC (Company Number: 03967650) present their annual report and the audited financial statements for the year ended 31 December 2021.

Principal activities

Westminster Group PLC is a specialist security and services group operating worldwide through an extensive international network of agents and contacts 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, 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 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.

Review of business, future developments and key performance indicators

A full review of the business and future development, incorporating key performance indicators, is set out in the Chief Executive Officer's Strategic Report and the Chief Financial Officer's statements on pages 8 to 21.

The Directors who held office during the year were as follows:

Executive Directors

Rt Hon Sir Tony Baldry

Peter Fowler

Stuart Fowler

Mark Hughes

Non-Executive Directors

Lady Patricia Lewis (resigned 1 November 2021)

Charles Cattaneo (resigned 24 June 2021)

Mawuli Ababio

Simon Barrell (appointed 25 June 2021)

Major General (Rtd) Graham Binns
(appointed 1 November 2021)

Risk management objectives and strategy

The Group's corporate governance objective is to build a risk management framework across the Group. Local operations prepare relevant local risk registers which are then reviewed by a committee of executive Group management who then in turn report to the Audit Committee who in turn report to the main Board. Clear channels of communication exist to ensure that risk management objectives are communicated across the company and that risks are reported up to the Board and relevant management. External auditors are used where necessary, and the Group will consider the need to establish an internal audit process as the Group expands. This may include operational reviews (such as compliance with aviation security standards) as well as the traditional financial and compliance aspects.

Results and dividends

The Group's results for the financial year are set out in the Consolidated Statement of Comprehensive Income.

The Directors do not recommend the payment of a dividend (2020: £nil).

Directors' interests in share capital and share options

Details of the Directors' interests in share capital and share options are contained in the Remuneration Committee report.

Other significant interests in the Company

At 28 April 2022, those shareholders, other than Directors, who had disclosed to the Company an interest of more than 3% of the issued share capital, are set out as follows.

Name of shareholder	Interest in shares	Percentage
Spreadex Ltd	19,787,083	5.99%
HSBC Holdings PLC	17,451,858	5.28%
Janus Henderson	12,500,000	3.78%
Premier Miton Group	10,000,000	3.03%

Policy on payments to suppliers

It is a policy of the Group in respect of all suppliers, where reasonably practical, to agree the terms of payment with those suppliers when agreeing the terms of each transaction and to abide by them. The ratio of amounts owed by the Group to trade creditors at the year-end represented 43 days (2020: 50 days).

Share price

During 2021 the Company's share price ranged from 2.80p to 6.70p and the share price at 31 December 2021 was 3.10p (2020: 4.15p).

Directors' and officers' liability insurance

The Company, as permitted by sections 234 and 235 of the Companies Act 2006, maintains insurance cover on behalf of the Directors and Company Secretary indemnifying them against certain liabilities which may be incurred by them in relation to the Company.

Post balance sheet events

These are detailed in note 29 to the financial statements.

Going concern

As detailed in note 2 to the financial statements, the financial statements are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, management have considered all relevant available information about the future. As part of its assessment, management have considered the profit and cash forecasts, the continued support of the shareholders and Directors and management ability to affect costs and revenues. Management regularly forecast results, financial position and cash flows for the Group.

In 2020, the Directors took timely action implementing logistical and organisational changes to consolidate the Group's resilience to Covid-19, including a reduction in costs, risk assessments, safe working practices and various other measures, including utilisation of governmental support schemes. The Directors also took action to expand the Group's range of fever screening and safety equipment, expanding its supply base and instigating targeted marketing campaigns which has

seen a significant rise in product sales revenues mitigating reductions elsewhere in the business. The Directors continue to monitor the situation with respect to Covid-19 and to update its risk assessments and contingency planning as necessary.

The Directors have therefore reviewed the Group's resources taking into account the continuing, if diminishing, issues caused by the pandemic at the date of approving the financial statements, and their projections for future trading, which give a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, which for the avoidance of doubt is at least 12 months from the date of signing the financial statements. Thus, they continue to adopt the going concern basis of accounting in the preparing the financial statements.

Auditor

In so far as each of the Directors is aware:

- There is no relevant audit information of which the Company's auditor is unaware, and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board.

Peter Fowler
Director

28 April 2022

Mark L W Hughes
Director

Statement of Directors' Responsibilities

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. 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 Group and Company and of the profit or loss of the Group and Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

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 IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company'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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring that the Annual Report and financial statements are made available on a website. Financial statements are published on the Company'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 ongoing integrity of the financial statements contained therein.

On behalf of the Board.

Peter Fowler

Director

28 April 2022

Mark L W Hughes

Director



The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group.



Financial statements

Independent Auditor's Report

to the Members of Westminster Group PLC

Opinion

We have audited the financial statements of Westminster Group PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and the Company Statements of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Cash Flow Statement, the Company Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 December 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included a review of the group's forecast financial information up to 31 December 2024, as well as obtaining the post year-end management accounts for review. Refer to the Key Audit Matters section of this report for further information on how we evaluated the directors' assessment of the going concern basis of accounting and the entity's ability to continue as a going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Our application of materiality

The scope of our audit was influenced by our application of materiality. We determined materiality for the financial statements as a whole to be £121,000 for the group financial statements, based on 1.75% of group revenue (2020 - £140,000 based on 1.5% of group revenue). The change in the materiality threshold year on year reflects the knowledge gained from the prior year audit.

We consider the revenue to be the most relevant determinant of the group's financial position and performance used by shareholders. The group continue to seek new opportunities to expand the business through the signing of new contracts in their target regions. The impact of COVID-19 continued to adversely impact several of the revenue streams in 2021.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £6,050 in addition to other identified misstatements that warranted reporting on qualitative grounds for both group and parent company.

Materiality for the financial statements as a whole of the parent company was set at £120,999 (2020 - £139,999). Parent company materiality is based on net assets as the main driver of the parent company is the underlying performance of the subsidiaries. Materiality is capped at a level below the Group materiality.

Whilst materiality for the financial statements as a whole of the group was set at £121,000, each significant component of the group was audited to an overall materiality ranging between £5,000 to £120,999 with performance materiality set at 70% for the group and all components of the group individually. 70% has been deemed a suitable threshold as the audit has been deemed medium risk. We applied the concept of materiality both in planning and performing the audit, and in evaluating the effect of misstatement.

Our approach to the audit

In designing our audit we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. We addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represents a risk of material misstatement due to fraud.

A full scope audit was performed on the complete financial information of the group's significant operating component located in Sierra Leone and United Kingdom.

As the group auditor, we were responsible for the scope and direction of the audit process. The group's Sierra Leone operations were audited by a component auditor. The audit team discussed significant events occurring during the year and post year-end period with the component auditor and performed a review of the component auditor's working papers, including review of planning and completion stage group reporting. All other work was performed by PKF Littlejohn LLP.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

How our scope addressed this matter

Revenue recognition (See Note 2)

Under ISA (UK) 240 there is a presumption that revenue recognition is a fraud risk.

The group has several different revenue streams under the main trading entities Westminster International Limited, Westminster Aviation Security Services and Keyguard UK Limited.

There is a significant risk regarding the completeness and accuracy of the revenue given that the point of recognition for each material revenue stream could be different and should conform to IFRS 15.

Our work in this area included:

- Documenting our understanding of the internal control environment in operation for the material income streams and undertaking a walk-through to ensure that the key controls within these systems are operating in the period under audit;
- Understanding and corroborating the revenue recognition policy for each income stream is in accordance with the IFRS 15 approach for revenue recognition including a review of the accounting policy disclosures; and
- Substantive transactional testing of income recognised in the financial statements, including deferred and accrued income balances recognised at year end;
- and a review of post year end receipts to ensure completeness of income recorded in the accounting period.

Going concern (See Note 2)

The impact of COVID-19 continued to present much uncertainty for the business, particularly on its operations in the aviation and security industries and ongoing travel restrictions worldwide. As a result of COVID-19, revenues in both these areas have reduced in the year.

The group was loss making in both 2019 and 2020 and experienced cash outflows. Given the reliance on future fund raising and the successful monetisation of contracts that have been signed but are yet to be revenue generating, there is a risk that the group is not a going concern.

Our work in this area included:

- A review of the group's budgets/forecasts, which were compared with available post year-end results.
- Agreeing the opening position to management accounts and bank statements;
- Holding discussions with management to understand the rationale behind the model;
- Considering the inherent risks to the Group's business model;
- Reviewing performance to past budgets to ensure that there is no evidence that budgetary forecasts are unrealistic and are not achieved.
- Challenge of management assumptions used in formulating the cash flow forecasts including growth rates in established revenue lines and increases in overheads.
- Ensuring appropriate disclosures have been made in the financial statements surrounding the going concern position and COVID-19.

Financial statements

Independent Auditor's Report

to the Members of Westminster Group PLC

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company 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 Statement of Directors' Responsibilities, the directors are responsible for the preparation of the group and parent company 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 group and parent company financial statements, the directors are responsible for assessing the group and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement

when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and review of board minutes amongst other procedures.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from:
 - o AIM Rules
 - o Local industry regulations in Sierra Leone and Ghana
 - o Local tax and employment law in Sierra Leone and Ghana
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
 - o Enquires of management
 - o Review of Board minutes
 - o Review of legal expenses
 - o Review of RNS announcements
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing

accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joseph Archer (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

28 April 2022

15 Westferry Circus
Canary Wharf
London E14 4HD

Financial statements

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2021

	Note	2021 Total	2020 Restated Total
		£'000	£'000
REVENUE	3	7,051	9,945
Cost of sales		(3,789)	(5,974)
GROSS PROFIT		3,262	3,971
Administrative expenses		(5,179)	(4,715)
(LOSS)/PROFIT FROM OPERATIONS	5	(1,917)	(744)
Analysis of operating loss			
Profit from operations		(1,917)	(744)
Add back amortisation	10	78	63
Add back depreciation	11	166	162
Add back share-based expense		-	-
Add back exceptional items		-	-
EBITDA[^] (Loss)/Profit from underlying operations		(1,673)	(519)
Finance costs	4	(3)	(17)
LOSS BEFORE TAXATION		(1,920)	(761)
Taxation	6	(11)	31
LOSS AND TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		(1,931)	(730)
LOSS AND TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		(1,921)	(577)
NON-CONTROLLING INTEREST		(10)	(153)
LOSS PROFIT AND TOTAL COMPREHENSIVE INCOME		(1,931)	(730)
EARNINGS PER SHARE	8	(0.62p)	(0.45p)

The accompanying notes form part of these financial statements.

[^] This is an Alternative Performance Measure refer to Note 2 for further details

Financial statements

Consolidated and Company Statements of Financial Position

for the year ended 31 December 2021

	Note	Group 2021	Restated Group 2020	Restated Group 2019	Company 2021	Company 2020
		£'000	£'000	£'000	£'000	£'000
Goodwill	9	614	614	614	-	-
Other intangible assets	10	150	187	129	120	187
Property, plant and equipment	11	1,895	1,901	1,979	1,133	1,088
Investment in subsidiaries	13	-	-	-	-	-
Deferred tax asset	16	953	956	907	-	-
TOTAL NON-CURRENT ASSETS		3,612	3,658	3,629	1,253	1,275
Inventories	17	681	773	47	-	-
Trade and other receivables	18	3,661	2,438	2,525	9,830	9,147
Cash and cash equivalents	19	944	2,143	557	380	1,716
TOTAL CURRENT ASSETS		5,286	5,354	3,129	10,210	10,863
Assets of disposal groups classified as held for sale		-	-	170	-	-
Non current receivable	18	424	484	-	-	-
TOTAL ASSETS		9,322	9,496	6,928	11,463	12,138
Called up share capital	20	331	16,278	14,540	331	16,278
Share premium account		-	14,069	9,577	-	14,069
Merger relief reserve		-	300	300	-	300
Share based payment reserve		1,043	1,050	978	1,043	1,050
Equity reserve on convertible loan note		-	-	423	-	-
Revaluation reserve		139	139	133	139	139
Retained earnings:						
At 1 January		(24,409)	(23,830)	(22,688)	(20,957)	(18,468)
(Loss)/profit for the year		(1,921)	(577)	(1,290)	(2,389)	(2,504)
Other changes in retained earnings		32,670	15	148	32,653	15
At 31 December		6,340	(24,392)	(23,830)	9,307	(20,957)
(DEFICIT)/EQUITY ATTRIBUTABLE TO:						
OWNERS OF THE COMPANY		7,853	7,444	2,121	10,820	10,879
NON-CONTROLLING INTEREST		(390)	(385)	(232)	-	-
TOTAL (DEFICIT)/EQUITY		7,463	7,059	1,889	10,820	10,879
Lease liability	22	12	29	-	5	13
Borrowings		-	-	2,510	-	-
TOTAL NON-CURRENT LIABILITIES		12	29	2,510	5	13
Contractual liabilities	23	87	100	73	-	-
Trade and other payables	23	1,760	2,308	2,456	638	1,246
TOTAL CURRENT LIABILITIES		1,847	2,408	2,529	638	1,246
Lease liability		-	-	-	-	-
TOTAL LIABILITIES		1,859	2,437	5,039	643	1,259
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		9,322	9,496	6,928	11,463	12,138

The accompanying notes form part of these financial statements. The Company has taken advantage of the exemption under Section 408 of the Companies Act 2006 from presenting its own profit and loss account. The Company made a loss of £2,348,000 in 2021, (2020: £2,545,000 restated loss). The Group and Company financial statements were approved by the Board and authorised for issue on 28 April 2022 and signed on its behalf by:

Peter Fowler
Director

Mark L W Hughes
Director

Financial statements

Consolidated Statement of Changes in Equity

for the year ended 31 December 2021

	Called up share capital	Share premium account	Merger relief reserve	Share based payment reserve	Revaluation reserve	Equity reserve on convertible loan note	Retained earnings	Total	Non-controlling interest	Total
	£'000	£'000	£'000	£'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	(535)	7,059
Prior year adjustment (Note 28)	-	-	-	-	-	-	(150)	(150)	150	-
AS AT 1 JANUARY 2021	16,278	14,069	300	1,050	139	-	(24,392)	7,444	(385)	7,059
Shares issued for cash	44	2,456	-	-	-	-	-	2,500	-	2,500
Cost of share issues	-	(179)	-	-	-	-	-	(179)	-	(179)
Lapse of share options	-	-	-	(7)	-	-	7	-	-	-
Exercise of warrants and share options	-	9	-	-	-	-	-	9	-	9
Capital Reduction	(15,991)	(16,355)	(300)	-	-	-	32,646	-	-	-
TRANSACTIONS WITH OWNERS	(15,947)	(14,069)	(300)	(7)	-	-	32,653	2,330	-	2,330
Total comprehensive expense for the year	-	-	-	-	-	-	(1,921)	(1,921)	(5)	,926)
AS AT 31 DECEMBER 2021	331	-	-	1,043	139	-	6,340	7,853	(390)	7,463

Financial statements

Consolidated Statement of Changes in Equity

for the year ended 31 December 2021

	Called up share capital	Share premium account	Merger relief reserve	Share based payment reserve	Revaluation reserve	Equity reserve on convertible loan note	Retained earnings	Total	Non-controlling interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
AS AT 1 JANUARY 2020 as previously stated	14,540	9,577	300	978	133	423	(23,697)	2,254	(365)	1,889
Prior year adjustment (Note 28)	-	-	-	-	-	-	(133)	(133)	133	-
AS AT 1 JANUARY 2020	14,540	9,577	300	978	133	423	(23,830)	2,121	(232)	1,889
Shares issued for cash	1,525	5,225	-	-	-	-	-	6,750	-	6,750
Cost of share issues	-	(733)	-	-	-	-	-	(733)	-	(733)
Share based payment charge	-	-	-	87	-	-	-	87	-	87
Lapse of share Options	-	-	-	(15)	-	-	15	-	-	-
Exercise of warrants and share options	213	-	-	-	-	-	-	213	-	213
Revaluation of freehold property	-	-	-	-	6	-	-	6	-	6
CLN movement	-	-	-	-	-	(423)	-	(423)	-	(423)
TRANSACTIONS WITH OWNERS	1,738	4,492	-	72	6	(423)	15	5,900	-	5,900
Total comprehensive expense for the year	-	-	-	-	-	-	(577)	(577)	(153)	(730)
AS AT 31 DECEMBER 2020	16,278	14,069	300	1,050	139	-	(24,392)	7,444	(385)	7,059

Financial statements

Company Statement of Changes in Equity

for the year ended 31 December 2021

	Called up share capital	Share premium account	Merger relief reserve	Share based payment reserve	Revaluation reserve	Equity reserve on convertible loan note	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
AS AT 1 JANUARY 2021	16,278	14,069	300	1,050	139	-	(20,957)	10,879
Shares issued for cash	44	2,456	-	-	-	-	-	2,500
Cost of share issues	-	(179)	-	-	-	-	-	(179)
Share based payment charge	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	(2,389)	(2,389)
AS AT 31 DECEMBER 2021	331	-	-	1,043	139	-	9,307	10,820
AS AT 1 JANUARY 2020	14,540	9,577	300	978	133	12	(18,468)	7,072
Shares issued for cash	1,525	5,225	-	-	-	-	-	6,750
Cost of share issues	-	(733)	-	-	-	-	-	(733)
Share based payment charge	-	-	-	87	-	-	-	87
Lapse of Share Options	-	-	-	(15)	-	-	-	(15)
Exercise of warrants and share options	213	-	-	-	-	-	-	213
Revaluation of freehold property	-	-	-	-	6	-	-	6
CLN Movement	-	-	-	-	-	(12)	-	(12)
Other movements in Equity	-	-	-	-	-	-	15	15
TRANSACTIONS WITH OWNERS	1,738	4,492	-	72	6	(12)	15	6,311
Total comprehensive expense for the year	-	-	-	-	-	-	(2,504)	(2,504)
AS AT 31 DECEMBER 2020	16,278	14,069	300	1,050	139	-	(20,957)	10,879

Financial statements

Consolidated Cash Flow Statement

for the year ended 31 December 2021

	Note	2021 Total £'000	2020 Total £'000
(LOSS) / PROFIT AFTER TAX		(1,931)	(730)
Taxation		11	(31)
(LOSS) / PROFIT BEFORE TAX		(1,920)	(761)
Non-cash adjustments	24	244	(59)
Net changes in working capital	24	(1,632)	(1,033)
NET CASH USED IN OPERATING ACTIVITIES		(3,308)	(1,853)
INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	11	(160)	(111)
Purchase of intangible assets	10	(41)	(121)
CASH OUTFLOW FROM INVESTING ACTIVITIES		(201)	(232)
CASHFLOWS FROM FINANCING ACTIVITIES:			
Gross proceeds from the issues of ordinary shares		2,509	6,963
Costs of share issues		(179)	(733)
Repayment of convertible loan note		-	(2,222)
Reduction in finance lease debt		(17)	(69)
Finance cost on lease liabilities		(3)	(5)
CLN and other interest paid		-	(262)
Other loan repayments, including interest		-	(1)
CASH INFLOW FROM FINANCING ACTIVITIES		2,310	3,671
Net change in cash and cash equivalents		(1,199)	1,586
CASH AND EQUIVALENTS AT BEGINNING OF YEAR		2,143	557
CASH AND EQUIVALENTS AT END OF YEAR	19	944	2,143

Financial statements

Company Cash Flow Statement

for the year ended 31 December 2021

	Note	Company 2021	Company 2020
		£'000	£'000
(LOSS)/PROFIT AFTER TAX		(2,389)	(2,545)
Other Non-cash adjustments	24	140	583
Net changes in working capital	24	(1,291)	(1,811)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES		(3,540)	(3,773)
INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	11	(111)	(62)
Purchase of intangible assets	10	(6)	(121)
CASH OUTFLOW FROM INVESTING ACTIVITIES		(117)	(183)
CASHFLOWS FROM FINANCING ACTIVITIES:			
Gross proceeds from the issues of ordinary shares		2,509	6,963
Costs of share issues		(179)	(733)
Repayment of convertible loan note		-	(190)
Change in lease debt		(8)	(20)
Finance cost on lease liabilities		(1)	(2)
Interest paid		-	(374)
CASH INFLOW FROM FINANCING ACTIVITIES		2,321	5,644
Net change in cash and cash equivalents		(1,336)	1,688
CASH AND EQUIVALENTS AT BEGINNING OF YEAR		1,716	28
CASH AND EQUIVALENTS AT END OF YEAR	19	380	1,716

The accompanying notes form part of these financial statements.

Financial statements

Notes to the Financial Statements

1. GENERAL INFORMATION AND NATURE OF OPERATIONS

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 year ended 31 December 2020 consolidate the individual financial statements of the Company and its subsidiaries. The Group design, supply and provide on-going advanced technology solutions and services to governmental and non-governmental organisations on a global basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Group financial statements have been prepared and approved by the Directors in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. The Parent Company has elected to prepare its financial statements in accordance with IFRS. The Company has taken advantage of the exemption under Section 408 of the Companies Act 2006 from presenting its own profit and loss account.

The financial information is presented in the Company’s functional currency, which is British pounds sterling (‘GBP’) since that is the currency in which the majority of the Group’s transactions are denominated.

Basis of measurement

The financial statements have been prepared under the historical cost convention with the exception of certain items which are measured at fair value as disclosed in the accounting policies below.

Consolidation

(i) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2021.

(ii) Subsidiaries

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the company has the practical ability to direct the relevant activities

of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the company considers all relevant facts and circumstances, including:

- The size of the company’s voting rights relative to both the size and dispersion of other parties who hold voting rights;
- Substantive potential voting rights held by the company and by other parties;
- Other contractual arrangements; and
- Historic patterns in voting attendance.

The consolidated financial statements present the results of the company and its subsidiaries (“the Group”) as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree’s identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

(iii) Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

(iv) Company financial statements

Investments in subsidiaries are carried at cost less provision for any impairment. Dividend income is recognised when the right to receive payment is established.

Going concern

The Group made a loss during the period of £1,931,000 (2020: £730,000). The cash outflow from operating activities during the year was £3,308,000 (2020: Outflow £2,023,000), which was partly financed through raising new equity.

The financial statements are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, management have taken into account all relevant available information about the current and future position of the Group, including new long-term contracts. As part of its assessment, management have taken into account the profit

Financial statements

Notes to the Financial Statements

and cash forecasts, the continued support of the shareholders and the Directors' and management's ability to affect costs and revenues. Management regularly forecast results, the financial position and cash flows for the Group.

In 2020, the Directors took timely action implementing logistical and organisational changes to consolidate the Group's resilience to Covid-19, including a reduction in costs, risk assessments, safe working practices and various other measures, including utilisation of governmental support schemes. The Directors also took action to expand the Group's range of fever screening and safety equipment, expanding its supply base and instigating targeted marketing campaigns which has seen a significant rise in product sales revenues mitigating reductions elsewhere in the business. The Directors continue to monitor the situation and to update its risk assessments and contingency planning as necessary.

Further details on measures being taken to address the challenges and opportunities presented by Covid-19 can be found in the Chief Executive Office's report on pages 8 to 17.

The Directors have reviewed the Group's resources at the date of approving the financial statements, and their projections for future trading, which due to winning incremental new business give a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, which for the avoidance of doubt is at least 12 months from the date of signing the financial statements. Thus, they continue to adopt the going concern basis of accounting in the preparing the financial statements.

Business combinations

The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition date fair values of assets transferred, liabilities incurred, and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition date fair values.

Foreign currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates - 'the functional currency'. The functional and presentation currency in these financial statements is the Great British Pounds (GBP).

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognised in profit or loss. Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction and not subsequently retranslated.

Foreign exchange gains and losses are recognised in arriving at profit before interest and taxation (see Note 5).

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief decision-maker. The chief decision-maker has been identified as the Executive Board, at which level strategic decisions are made.

An operating segment is a component of the Group;

- That engages in business activities from which it may earn revenues and incur expenses,
- Whose operating results are regularly reviewed by the entity's chief operating decisions maker to make decisions about resources to be allocated to the segment and assess its performance, and
- For which discrete financial information is available.

Revenue

Revenue recognition

Revenue represents income derived from contracts for the provision of goods and services, over time or at a point in time, by the Group to customers in exchange for consideration in the ordinary course of the Group's activities.

Performance Obligations

Upon approval by the parties to a contract, the contract is assessed to identify each promise to transfer either a distinct good or service or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer. Goods and services are distinct and

accounted for as separate performance obligations in the contract if the customer can benefit from them either on their own or together with other resources that are readily available to the customer and they are separately identifiable in the contract.

Transaction price

At the start of the contract, the total transaction price is estimated as the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods and services to the customer, excluding sales taxes. Variable consideration, such as price escalation, is included based on the expected value or most likely amount only to the extent that it is highly probable that there will not be a reversal in the amount of the cumulative revenue recognised. The transaction price does not include estimates of consideration resulting from contract modifications, such as change orders, until they have been approved by parties to the contract. The total transaction price is allocated to the performance obligations identified in the contract in proportion to their relative stand-alone selling prices. Given the nature of many of the Group's products and services, which are designed and/or manufactured under contract to customers' individual specifications, there are typically no observable stand-alone selling prices. Instead, stand-alone selling prices are typically estimated based on expected costs plus contract margin consistent with the Group's pricing principles.

Whilst payment terms vary from contract to contract, an element of the transaction price may be received in advance of delivery. The Group may therefore have contract liabilities depending on the contracts in existence at a period end. The Group's contracts are not considered to include significant financing components on the basis that there is no difference between the consideration and the cash selling price.

Revenue recognition

Revenue is recognised as performance obligations are satisfied as control of the goods and services is transferred to the customer.

For each performance obligation within a contract the Group determines whether it is satisfied over time or at a point in time. Performance obligations are satisfied over time if one of the following criteria is satisfied:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as it performs;
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and it has an enforceable right to payment for performance completed to date.

The Group has determined that most of its contracts satisfy the overtime criteria, either because the customer simultaneously receives and consumes the benefits provided by the Group's performance as it performs, or the Group's performance does not create an asset with an alternative use to the Group and it has an enforceable right to payment for performance completed to date. For each performance obligation recognised over time, the Group recognises revenue using an input method, based on costs incurred in the period. Revenue and attributable margin are calculated by reference to reliable estimates of transaction price and total expected costs, after making suitable allowances or technical and other risks. Revenue and associated margin are therefore recognised progressively as costs are incurred, and as risks have been mitigated or retired. The Group has determined that this method appropriately depicts the Group's performance in transferring control of the goods and services to the customer.

If the overtime criteria for revenue recognition is not met, revenue is recognised at the point in time that control is transferred to the customer which is usually when legal title passes to the customer and the business has the right to payment.

When it is expected that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense.

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin. Expenditure for warranties is recognised and charged against the associated provision when the related revenue is recognised. Certain items have been disclosed as operating exceptional due to their size and nature and their separate disclosure should enable better understanding of the financial dynamics.

Interest income and expenses

Interest income and expenses are reported on an accruals basis using the effective interest method.

Goodwill

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition

Financial statements

Notes to the Financial Statements

date fair value of any existing equity interest in the acquiree, over the acquisition date fair value of identifiable net assets. If the fair value of identifiable net assets exceeds the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately. Goodwill is carried at cost less accumulated impairment losses.

Property, plant and equipment

Plant and equipment, office equipment, fixtures and fittings and motor vehicles are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets to their residual value over their estimated useful lives, using the straight-line method, typically at the following rates. Where certain assets are specific for a long-term contract and the customer has an obligation to purchase the asset at the end of the contract they are depreciated in accordance with the expected disposal/residual value.

	Rate
Freehold buildings	2%
Plant and equipment	7% to 25%
Office equipment, fixtures & fittings	20% to 33%
Motor vehicles	20%

Freehold land is not depreciated.

Leases

All leases that fall under IFRS 16 will be recorded on the balance sheet as liabilities, at the present value of the future lease payments, along with an asset reflecting the right to use the asset over the lease term. Rentals payable under operating leases exempt from IFRS 16 are charged to income on a straight-line basis over the term of the relevant lease. At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a corresponding lease liability at the lease commencement date. The lease liability is initially measured at the present value of the following lease payments:

- fixed payments;
- variable payments that are based on index or rate;
- the exercise price of any extension or purchase option if reasonably certain it can be exercised; and
- penalties for terminating the lease, if relevant.

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate for that type of asset.

The right-of-use assets are initially measured based on initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs. The right-of-use assets are depreciated over the period of the lease term using the straight-line method. The lease term includes periods covered by the option to extend, if the Group is reasonably certain to exercise that option. In addition, right-of-use assets may during the lease term be reduced by any impairment losses, if any, or adjusted for certain remeasurements of the lease liability.

Impairment on non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

FINANCIAL INSTRUMENTS

Financial assets

The Group's financial assets include cash and cash equivalents and loans and other receivables. All financial assets are recognised when the Group becomes party to the contractual provisions of the instrument. All financial assets are initially recognised at fair value, plus transaction costs. They are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Any changes in carrying value are recognised in the Statement of Comprehensive Income. Interest and other cash flows resulting from holding financial assets are recognised in the Statement of Cash Flows when received, regardless of how the related carrying amount of financial assets is measured.

The Group recognises a loss allowance for expected losses on financial assets that are measured at amortised cost including trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition.

Cash and cash equivalents comprise cash at bank and deposits and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities unless a legally enforceable right to offset exists.

Financial liabilities

The Group's financial liabilities comprise trade and other payables and borrowings. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when they are extinguished, discharged, cancelled or expire.

Convertible loan notes with an option that leads to a potentially variable number of shares, have been accounted for as a host debt with an embedded derivative. The embedded derivative is accounted for at fair value through profit and loss at each reporting date. The host debt is recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

Convertible loan notes which can be converted to share capital at the option of the holder, and where the number of shares to be issued does not vary with changes in fair value, are considered to be a compound instrument.

The liability component of a compound instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound instrument and fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components.

Financial liabilities and equity instruments issued by the Group are classified according to 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.

Investments and loans in subsidiaries

Subsidiary fixed asset investments are valued at cost less provision for impairment. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all investment and loans in subsidiaries.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Costs principally comprise of materials and bringing them to their present location. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised as an expense or income in profit or loss, except in respect of items dealt with through equity, in which case the tax is also dealt with through equity.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date.

Financial statements

Notes to the Financial Statements

Deferred tax is the tax expected to be payable or recoverable on material differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and 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. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities unless a legally enforceable right to offset exists.

Equity, reserves and dividend payments

Share capital represents the nominal value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Merger relief reserve includes any premiums on issue of share capital as part or all of the consideration in a business combination.

The share-based payment reserve represents equity-settled share-based employee remuneration until such share options are exercised or lapse. It also includes the equity settled items such as warrants for services rendered accounted for in accordance with IFRS 2.

The revaluation reserve within equity comprises gains and losses due to the revaluation of property, plant and equipment.

Retained earnings include all current and prior period retained profits and losses.

Dividend distributions payable to equity shareholders are included in liabilities when the dividends have been approved in a general meeting prior to the reporting date.

Pensions

The Group operates a defined contribution pension scheme for employees in the UK and is operating under auto enrolment. Local labour in Africa benefit from a termination payment on leaving employment. The expected value of this is accrued on a monthly basis.

Share-based compensation (Employee Based Benefits)

The Group operates an equity-settled share-based compensation plan. The fair value of the employee services received in exchange for the grant of options is recognised as an expense over the vesting period, based on the Group's estimate of awards that will eventually vest, with a corresponding increase in equity as a share-based payment reserve. For plans that include market-based vesting conditions, the fair value at the date of grant reflects these conditions and are not subsequently revisited.

Fair value is determined using Black-Scholes option pricing models. Non-market based vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting date, the number of options that are expected to vest is estimated. The impact of any revision of original estimates, if any, is recognised in profit or loss, with a corresponding adjustment to equity, over the remaining vesting period.

The proceeds received when vested options are exercised, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium.

Share-based payments

The Group has two types of share based payments other than employee compensation.

Warrants issued for services rendered which are accounted for in accordance with IFRS 2 recognising either the cost of the service if it can be reliably measured or the fair value of the warrant (using Black-Scholes option pricing models).

Warrants issued as part of Share Issues have been determined as equity instruments under IAS 32. Since the fair value of the shares issued at the same time is equal to the price paid, these warrants, by deduction, are considered to have been issued at nil value.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reliably estimated.

SIGNIFICANT MANAGEMENT JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Board has judged that because most of the Groups costs and a substantial part of its sales are situated in the UK.

Goodwill

Goodwill (note 9) has been tested for impairment by considering its net present value for the expected income stream in perpetuity at a discount rate judged to be 5% based on the normal lending rate we are offered leases at, which management consider is a good surrogate for cost of capital. It was also established that 34% (2020: 20%) is the discount rate at which no impairment still would be needed. The income is assumed to be flat and stable for the purpose of this test. Goodwill which does not show a net present value higher than its carrying cost will be impaired.

Deferred tax asset

Deferred tax assets (note 16) are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The Directors have prepared projections for the next five years based on the best available evidence and have concluded that this deferred tax asset will be utilised in the future.

SIGNIFICANT MANAGEMENT ESTIMATES IN APPLYING ACCOUNTING POLICIES

The following are significant management estimates in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Revalued freehold property

The freehold property is stated at fair value. A full revaluation exercise was carried out in December 2020. The fair value is based on market value, being the estimated amount for which a property could be exchanged on the date of valuation between a

willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The Directors are of the opinion that the 2020 valuation has not moved materially since the last valuation was performed. The valuation was not materially different to the value the asset is recorded at the balance sheet date.

New standards, amendments and interpretations

The following new standards have been adopted:

Income Taxes (Amendments to IAS 12)

This implements a so-called 'comprehensive balance sheet method' of accounting for income taxes which recognizes both the current tax consequences of transactions and events and the future tax consequences of the future recovery or settlement of the carrying amount of an entity's assets and liabilities. Differences between the carrying amount and tax base of assets and liabilities, and carried forward tax losses and credits, are recognized, with limited exceptions, as deferred tax liabilities or deferred tax assets, with the latter also being subject to a 'probable profits' test. The amendments are effective for annual reporting periods beginning on or after January 1, 2023, but have been adopted early.

Standards amendments and interpretations in issue not yet effective

IAS 1 Presentation of Financial Statements

IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows. The amendments are effective for annual periods beginning on or after January 1, 2023.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

This standard is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information.

Financial statements

Notes to the Financial Statements

Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis. The amendments are effective for annual periods beginning on or after January 1, 2023.

IFRS 17 Insurance Contracts

IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023. This is not applicable to the Group.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

IFRS 3 “Business Combinations” outlines the accounting when an acquirer obtains control of a business (e.g., an acquisition or merger). Such business combinations are accounted for using the ‘acquisition method’, which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. This will apply for annual reporting periods beginning on or after 1 January 2023.

Reference to the Conceptual Framework (Amendments to IFRS 3)

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard. If endorsed this will apply for annual reporting periods beginning on or after 1 January 2022.

Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. This will apply for annual reporting periods beginning on or after 1 January 2022.





Financial statements

Notes to the Financial Statements

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). If endorsed this will apply for annual reporting periods beginning on or after 1 January 2022.

Alternative performance measures (APM)

In the reporting of financial information, the Directors have adopted the APM 'EBITDA profit from underlying continuing and discontinued operations (APMs were previously termed 'Non-GAAP measures'), which is not defined or specified under International Financial Reporting Standards (IFRS).

APMs are used by the Directors and management for performance analysis, planning, reporting and incentive setting purposes.

The Directors also look at recurring revenue as a key performance indicator. This is revenue arising from multi-year contracts.

These measures are not defined by IFRS and therefore may not be directly comparable with other companies' APMs, including those in the Group's industry.

APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements.

Purpose

The Directors believe that this APM assists in providing additional useful information on the underlying trends, performance and position of the Group. This APM is also used to enhance the comparability of information between reporting periods and business units, by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid the user in understanding the Group's performance.

Consequently, APMs are used by the Directors and management for performance analysis, planning, reporting and incentive setting purposes and this remains consistent with the prior year.

The key APM that the Group has focused on is as follows: 'EBITDA profit from underlying continuing and discontinued operations': This is the headline measure used by management to measure the Group's performance and is based on operating profit before the impact of financing costs, share based payment charges, depreciation, amortisation, impairment charges and exceptional items. Exceptional items relate to certain costs that derive from events or transactions that fall within the normal activities of the Group but which, individually or, if of a similar type, in aggregate, are excluded by virtue of their size and nature in order to reflect management's view of the performance of the Group.

3. 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 year are the two operating divisions; Services and Technology. This split of business segments is based on the products and services each offer.

2021	Managed Services	Technology	Group and Central	Group Total
	£'000	£'000	£'000	£'000
Supply of products	-	1,156	-	1,156
Supply and installation contracts	-	329	-	329
Maintenance and services	4,981	395	-	5,376
Training courses	100	90	-	190
Revenue	5,081	1,970	-	7,051
Segmental underlying EBITDA [^]	1,106	(365)	(2,414)	(1,673)
Depreciation & amortisation	(97)	(9)	(138)	(244)
Segment operating result	1,009	(374)	(2,552)	(1,917)
Finance cost	-	-	(3)	(3)
Profit/ (loss) before tax	1,009	(374)	(2,555)	(1,920)
Income tax charge	(11)	-	-	(11)
Profit/(loss) for the financial year	998	(374)	(2,555)	(1,931)
Segment assets	4,785	1,324	3,213	9,322
Segment liabilities	1,056	378	425	1,859
Capital expenditure	83	1	117	201

2020	Managed Services	Technology	Group and Central	Group Total
	£'000	£'000	£'000	£'000
Supply of products	-	4,237	-	4,237
Supply and installation contracts	-	1,039	-	1,039
Maintenance and services	4,259	312	-	4,571
Training courses	98	-	-	98
Revenue	4,357	5,588	-	9,945
Segmental underlying EBITDA [^]	655	781	(1,955)	(519)
Exceptional items	-	-	-	-
Depreciation & amortisation	(136)	(9)	(80)	(225)
Segment operating result	519	772	(2,035)	(744)
Finance cost	(1)	-	(16)	(17)
Profit/ (loss) before tax	518	772	(2,051)	(761)
Income tax benefit / (charge)	51	(2)	(18)	31
Profit/(loss) for the financial year	569	770	(2,069)	(730)
Segment assets	5,255	1,392	2,849	9,496
Segment liabilities	912	694	831	2,437
Capital expenditure	39	10	134	183

[^] This is an Alternative Performance Measure refer to Note 2 for further details

Financial statements

Notes to the Financial Statements

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.

	2021	2020
	£'000	£'000
UK and Europe	2,161	2,056
Africa	4,296	4,172
Middle East	122	508
Rest of World	472	3,209
Total	7,051	9,945

Some of the Group's assets are located outside the United Kingdom where they are being put to operational use on specific contracts.

Information about major customers

No single customer contributed more than 10% of the Group revenue in 2021.

In 2020 included in revenues arising from the Technology Solutions in the "Rest of World" are revenues of approximately £1,284,000 for the provision of advanced screening of containers at ports in Asia.

4. FINANCE COSTS

	Group 2021	Group 2020
	£'000	£'000
Finance cost on lease liabilities	(3)	(5)
Interest payable on bank and other borrowings	-	(1)
Interest paid on convertible loan notes (Note 15)	-	(262)
Other movement on convertible loan notes	-	251
Total finance benefit/(costs)	(3)	(17)

5. LOSS FROM OPERATIONS

The following items have been included in arriving at the loss for the financial year:

	Group 2021	Group 2020
	£'000	£'000
Staff costs (see Note 7)	4,369	3,887
Depreciation of property, plant and equipment (see Note 11)	166	162
Amortisation of intangible assets (see Note 10)	78	63
Operating lease rentals payable		
Short term leases	89	96
Foreign exchange loss/(gain)	132	(43)

Auditor's remuneration

Amounts payable in 2021 years relate to PKF in respect of audit and other services. The local Audit in Sierra Leone is performed by Moore Sierra Leone (both years). The local audit in Ghana is performed by PKF Ghana.

Audit services

	Group 2021	Group 2020
	£'000	£'000
Statutory audit of parent and consolidated financial statements	46	46
Review of Interim Results	2	2
- Statutory audit of subsidiaries of the company pursuant to legislation	20	20
Taxation services including research and development tax credits	-	-
Total payable to PKF Littlejohn UK	68	68
Local audit in Sierra Leone - Moore Sierra Leone	18	18
Local audit in Ghana - PKF Ghana	1	1
Total fees	87	87

6. TAXATION

Analysis of tax charge/(credit) in year. The Finance Act 2020 set the Corporation Tax main rate at 19% for the financial year beginning 1 April 2020. Deferred

taxes at the balance sheet date have been measured using a 19% tax rate and reflected in these financial statements.

	Group 2021	Group 2020
	£'000	£'000
Current year		
UK corporation tax on profits in the year	-	-
Potential foreign corporation tax on profits in the year	8	18
Deferred Tax (Note 16)		
Foreign entity deferred tax	3	(49)
Review of expected utilisation of Losses	-	-
	11	(31)

	Group 2021	Group 2020
	£'000	£'000
Reconciliation of effective tax rate		
Loss on ordinary activities before tax	(1,920)	(761)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	(365)	(145)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	20	(158)
Foreign entity deferred tax movement (Note 16)	3	(49)
Unrecognised losses carried forward	353	320
Total tax - credit	11	(31)

For further details on Tax refer to Note 16.

Financial statements

Notes to the Financial Statements

7. EMPLOYEE COSTS

Employee costs for the Group during the year:

Group	2021	2020
	£'000	£'000
Wages and salaries	4,083	3,757
Pension contributions	68	60
Social security costs	359	284
	4,510	4,101
Share based payments	-	-
	4,510	4,101
Job retention support	(141)	(214)
Net Cost	4,369	3,887

The Group operates a stakeholder pension scheme. The Group made pension contributions totalling £68,000 during the year (2020: £60,000), and pension contributions totalling £15,000 were outstanding at the year-end (2020: £13,000).

Other income of £141,000, in relation to the job retention scheme, is included within wages and salaries.

Details of the Directors' remuneration are included in the Remuneration Committee Report. Key management within the business are considered to be the Board of Directors. The total Directors' remuneration during the year was £656,000 (2020: £614,000) and the highest paid director received remuneration totalling £196,000 (2020: £196,000).

Average monthly number of people (including Executive Directors) employed

	2021	2020
By function:		
Sales	10	7
Operations	197	198
Administration	24	24
Management	10	10
	241	239

8. LOSS 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 year.

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 year have been included.

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

	2021	2020
	£'000	£'000
Issued ordinary shares		
Start of year	286,528	145,403
Effect of shares issued during the year	23,576	17,245
Weighted average basic and diluted number of shares for year	310,104	162,648

	2021	2020
	£'000	£'000
Earnings		
(Loss) / Profit and total comprehensive expense total	(1,931)	(730)

For the year ended 31 December 2021 and 2020 the issue of additional shares on exercise of outstanding share options, convertible loans

and warrants would decrease the basic loss per share and there is therefore no dilutive effect. Loss per share was 0.62p (2020 Loss 0.45p).

9. GOODWILL

Group	2021	2020
	£'000	£'000
Gross carrying amount at 1 January	1,377	1,377
Acquisition in year	-	-
	1,377	1,377
Accumulated impairment at 1 January	(763)	(763)
Impairment charge for the year	-	-
Accumulated impairment at 31 December	(763)	(763)
Carrying amount at 1 January	614	614
Carrying amount at 31 December	614	614

The goodwill balance relates to the acquisition of Longmoor Security Limited (renamed Westminster Services Limited), Keyguard U.K Limited and Euro-Ops SARL.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill may be impaired. The recoverable amounts of the cash-generating unit are determined from value in use calculations. The key assumptions are discount

rate (5%) future revenues (assumed as flat) derived from the most recent 2021 financial budgets approved by management. The projection assumes that the companies are held in perpetuity. A discount rate of 34% (2020: 20%) would not result in any impairment based on management's latest forecast.

No reasonably possible change in any of the estimates and assumptions used in the impairment test would give rise to a material impairment.

Financial statements

Notes to the Financial Statements

10. OTHER INTANGIBLE ASSETS

2021	Group Website and Software	Company Website and Software
	£'000	£'000
Cost		
At 1 January 2021	415	404
Additions	41	6
Disposals	(56)	(46)
At 31 December 2021	400	364
Accumulated amortisation and impairment		
At 1 January 2021	228	217
Charge for the year	78	73
Disposals	(56)	(46)
At 31 December 2021	250	244
Net book value at 31 December 2021	150	120

2020	Group Website and Software	Company Website and Software
	£'000	£'000
Cost		
At 1 January 2020	297	286
Additions	121	121
Disposals	(3)	(3)
At 31 December 2020	415	404
Accumulated amortisation and impairment		
At 1 January 2020	168	158
Charge for the year	63	62
Disposals	(3)	(3)
At 31 December 2020	228	217
Net book value at 31 December 2020	187	187

11. PROPERTY, PLANT AND EQUIPMENT

Group 2021	Freehold property	Plant and equipment	Office equipment, fixtures and fittings	Motor vehicles	Right of use assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2021	1,079	766	1,018	78	164	3,105
Additions	47	10	45	34	24	160
Disposals	-	(8)	(5)	(3)	(15)	(31)
Revaluation	-	-	-	-	-	-
At 31 December 2021	1,126	768	1,058	109	173	3,234
Accumulated amortisation and impairment						
At 1 January 2021	59	519	451	75	100	1,204
Charge for the year	22	46	50	5	43	166
Disposals	-	(8)	(5)	(3)	(15)	(31)
At 31 December 2021	81	557	496	77	128	1,339
Net book value at 31 December 2021	1,045	211	562	32	45	1,895

Group 2020	Freehold property	Plant and equipment	Office equipment, fixtures and fittings	Motor vehicles	Right of use assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2020	1,039	727	998	164	260	3,188
Additions	34	40	37	-	-	111
Disposals	-	(1)	(17)	(86)	(96)	(200)
Revaluation	6	-	-	-	-	6
At 31 December 2020	1,079	766	1,018	78	164	3,105
Accumulated amortisation and impairment						
At 1 January 2020	38	476	428	160	107	1,209
Charge for the year	21	44	41	1	55	162
Disposals	-	(1)	(18)	(86)	(62)	(167)
At 31 December 2020	59	519	451	75	100	1,204
Net book value at 31 December 2020	1,020	247	567	3	64	1,901

Right of use assets (motor vehicles) above have been created in accordance with IFRS 16. Motor vehicles are leased for certain employees for lease terms ranging between 3-5 years with fixed payments. The Group does not purchase or guarantee the future value of lease vehicles.

The freehold property was valued professionally by White Commercial, Chartered Surveyors, as at 31 December 2020, which provided a valuation of

£1,020,000. The valuation was made on the basis of recent market transactions on arm's length terms and on an alternative use basis. The Revaluation Reserve is not available for distribution to shareholders. The Directors are of the opinion that the valuation has not moved materially since the last valuation was performed. The valuation was not materially different to the value the asset is recorded at the balance sheet date.

Financial statements

Notes to the Financial Statements

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company 2021	Freehold property	Plant and equipment	Office equipment, fixtures and fittings	Right of use assets	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 January 2021	1,079	18	202	76	1,375
Additions	47	5	35	24	111
Disposals	-	-	-	-	-
Revaluation	-	-	-	-	-
At 31 December 2021	1,126	23	237	100	1,486
Accumulated amortisation and impairment					
At 1 January 2021	59	16	167	45	287
Charge for the year	22	2	17	25	66
Disposals	-	-	-	-	-
At 31 December 2021	81	18	184	70	353
Net book value at 31 December 2021	1,045	5	53	30	1,133

Company 2020	Freehold property	Plant and equipment	Office equipment, fixtures and fittings	Right of use assets	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 January 2020	1,039	15	195	84	1,333
Additions	34	3	25	-	62
Disposals	-	-	(18)	(8)	(26)
Revaluation	6	-	-	-	6
At 31 December 2020	1,079	18	202	76	1,375
Accumulated amortisation and impairment					
At 1 January 2020	38	15	175	26	254
Charge for the year	21	1	10	19	51
Disposals	-	-	(18)	-	(18)
At 31 December 2020	59	16	167	45	287
Net book value at 31 December 2020	1,020	2	35	31	1,088

The freehold property was valued professionally by White Commercial, Chartered Surveyors, as at 31 December 2020, which provided a valuation of £1,020,000. The valuation was made on the basis of recent market transactions on arm's length terms and on an alternative use basis. The Directors are of the opinion that the valuation has not moved materially since the last valuation was performed. The valuation was not materially different to the value the asset is recorded at the balance sheet date. The Revaluation Reserve is not available for distribution to shareholders.

No depreciation has been charged on the freehold land only building additions have been depreciated. The difference between the net book value of the total freehold property if depreciation, at 2%, had been charged as shown in the financial statements is not materially different to the value the asset is recorded at the balance sheet date.

The freehold property is stated at valuation, the comparable historic cost and depreciation values are as follows:

	2021	2020
	£'000	£'000
Historical cost	803	756
Accumulated depreciation		
At 1 January	308	293
Charge for the year	16	15
At 31 December	324	308
Net book value as at 31 December	479	448

This depreciation is charged on historical cost only.

12. LEASE COMMITMENTS

The Group accounts for operating leases under IFRS 16. There are some leases of small value or less than one-year duration which have been charged

to expenses as incurred, but the aggregate commitment of these leases is immaterial.

Right to use assets	2021	2020
	£'000	£'000
At 1 January	67	158
Additions	24	-
Expensed in the year	(47)	(91)
As at 31 December	44	67
Of which		
Current lease	32	38
Non-current	12	29
	44	67

Financial statements

Notes to the Financial Statements

13. INVESTMENT IN SUBSIDIARIES

All loans relate to cash movements between Group companies and are repayable on demand. Loans and other intercompany accounts are included in the

Company's respective current payables or receivables. This is because they are more in the nature of current assets and current liabilities than longer term investments.

Company	2021 Investments	2020 Investments
Cost	£'000	£'000
At 1 January 2020	389	389
Movement in Year	-	-
At 31 December	389	389
Accumulated impairment		
At 1 January 2020	(389)	(389)
Movement in Year	-	-
At 31 December	(389)	(389)
Investment in subsidiaries	-	-

A sum of £8,643,000 (2020: £7,915,000) has been recognised in receivables; and £219,000 (2020: £735,000) has been recognised in payables.

14. SUBSIDIARY UNDERTAKINGS

The subsidiary undertakings at 31 December 2021 were as follows:

Name	Country of incorporation	Principal activity	% of nominal ordinary share capital and voting rights held
Westminster International Limited	England	Advanced security technology. (Technology division)	100
Westminster Security Limited (formerly Longmoor Security Limited)	England	Close protection training and provision of security services. (Managed Services)	100
Westminster Aviation Security Services Limited	England	Managed services of airport security under long term contracts. (Managed Services)	100
Sovereign Ferries Limited	England	Dormant	100
Westminster Operating Limited	England	Special purpose vehicle which exists solely for listing the 2013 CLN on the CISX. Year end 31 October. Only transactions are intra group.	100
Keyguard U.K Limited	England	Security and risk management including manned guarding, mobile patrols, risk management and K9 services.	100
Longmoor (SL) Limited	Sierra Leone	Security and terminal guarding.	100
Facilities Operations Management Limited	Sierra Leone	Infrastructure management.	100
Westminster Sierra Leone Limited*	Sierra Leone	Local infrastructure for airport operations.	49
Westminster Group GMBH	Germany	Dormant	100
GLIS Gesellschaft für Luftfahrt- und Infrastruktur-Sicherheit GmbH	Germany	Managed Services	85
Westminster Sicherheit GMBH	Germany	Dormant	85
Euro Ops SARL	France	Managed Services infrastructure	100
Westminster Managed Services Limited#	England	Dormant	100
CTAC Limited	England	Dormant	100
Longmoor Security Services Limited (formerly Westminster Aviation Security Services (ME) Limited)	England	Dormant	100
Westminster International (Ghana) Limited	Ghana	Dormant	90
Westminster Aviation Security Services RDC SARLU	DRC	Managed services of airport security under long term contracts. (Managed Services)	100
Westminster Liberia LLC	Liberia	Managed services of port security under long term contracts. (Managed Services)	100

Subsidiary company registered addresses:

England	Westminster House, Blacklocks Hill, Banbury, Oxfordshire, OX17 2BS, United Kingdom.
Sierra Leone	60 Wellington Street, Freetown, Sierra Leone.
Germany	Chiemseestrasse 25, 83233 Bernau am Chiemsee, Germany.
France	3 Rue de Bischwihr, 68280 Andolsheim. France.
Ghana	2nd Floor, Emerald House, Gowa Lane, Roman Ridge, Accra.
DRC	Cabinet Lohayo Ngola Patrick, Immeuble Mirlandsis. au No34 du Boulevard Sendwe, Kinshasa DRC.
Liberia	Gbaintor Law Firm, Wroto Town. Sinkor, Airfield, Monrovia, Liberia.

* Consolidated due to de facto control. These results do not have a material effect on the financial statements.

Westminster Maritime Services Limited was formerly known as Westminster Facilities Management Limited & Westminster Managed Services Limited.

Financial statements

Notes to the Financial Statements

15. FINANCIAL INSTRUMENTS

Categories of financial assets and liabilities

The fair value of carrying amounts presented in the Consolidated and Company statement of financial position relate to the following categories of assets and liabilities:

	Group 2021	Group 2020	Company 2021	Company 2020
	£'000	£'000	£'000	£'000
Financial assets				
Trade and other receivables (note 18)	3,606	2,647	9,774	9,059
Cash and cash equivalents (note 19)	944	2,143	380	1,716
	4,550	4,790	10,154	10,775
Financial liabilities				
Borrowings (note 22)	12	29	5	13
Trade and other payables (note 23)	1,760	2,308	638	1,246
	1,772	2,337	643	1,259

See note 2 for a description of the accounting policies for each category of financial instruments. The fair values are presented in this note and are the same

as the carrying value. A description of the Group's risk management and objectives for financial instruments is given in note 26.

Convertible Loan Notes

The Convertible Loan Notes were either converted or repaid during 2020 with the process being completed on 31 December 2020.

	2021			2020		
	CULN	CLN	Total	CULN	CLN	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January	-	-	-	179	2,233	2,412
Amortised finance cost	-	-	-	20	265	285
Interest paid	-	-	-	(9)	(253)	(262)
Fair Value adjustment on extension	-	-	-	-	-	-
Repaid in the year	-	-	-	(190)	(2,032)	(2,222)
Converted in the year	-	-	-	-	(213)	(213)
At 31 December	-	-	-	-	-	-

Analysis of movement in debt at principal value (excluding IFRS impacts), memorandum only.

	2021			2020		
	CULN	CLN	Total	CULN	CLN	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January	-	-	-	171	2,245	2,416
Fair value adjustment on conversion/ epayment	-	-	-	19	-	19
Conversion	-	-	-	-	(213)	(213)
Repaid	-	-	-	(190)	(2,032)	(2,222)
At 31 December	-	-	-	-	-	-

Financial statements

Notes to the Financial Statements

16. DEFERRED TAX ASSETS AND LIABILITIES

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 performed since then, including as at 31 December 2021, confirmed those expectations.

The tax losses against which this deferred tax asset is being recognised are in the group's holding company and its principal UK based subsidiaries. Evidence, both positive and negative, primarily the Group's projections of future profits have been considered. The critical judgement has been the timing of new contracts.

The deferred tax asset is expected to be used in the period up to the end of 2023.

The Group believes it has a total potential deferred tax asset of £3,396,000 (2020: £2,557,000). It has recognised a deferred tax asset of £953,000 (2020: £956,000) due to budgeted future profits of the business beyond 2021. There remains £2,443,000 (2020: £1,601,000) of unrecognised deferred tax asset.

Deferred tax assets and liabilities have been calculated using the expected future tax rate of 19% (2020: 19%). Any changes in the future would affect these amounts proportionately.

	2021	2020
	£'000	£'000
Opening balance as at 1 January	956	907
Credit/(debit) to income statement	(3)	49
Deferred tax asset as at 31 December	953	956

17. INVENTORIES

	Group 2021	Group 2020	Company 2021	Company 2020
	£'000	£'000	£'000	£'000
Finished goods	681	773	-	-
	681	773	-	-

The cost of inventories recognised as an expense within cost of sales amounted to £1,313,000 (2020: £2,782,000). No reversal of previous write-downs was recognised as a reduction of expense in 2021 or 2020.

18. TRADE AND OTHER RECEIVABLES

	Group 2021	Group 2020	Company 2021	Company 2020
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade receivables, gross	1,193	759	-	1
Allowance for credit losses	(56)	(52)	-	(1)
Trade receivables	1,137	707	-	-
Amounts recoverable on contracts	136	135	-	-
Intercompany receivables	-	-	8,643	7,915
Other receivables	1,909	1,321	1,131	1,144
Financial assets	3,182	2,163	9,774	9,059
Other taxes and social security	437	211	46	63
Prepayments	42	64	10	25
Non-financial assets	479	275	56	88
Trade and other receivables	3,661	2,438	9,830	9,147
Non-current Receivable	424	484	-	-

The average credit period taken on sale of goods in 2021 was 57 days (2020: 19 days). An allowance has been made for estimated credit losses of £45,000 (2020: £52,000). This allowance has been based on the knowledge of receivables at the reporting date together with forecasts of future economic impacts and their collectability. There are no expected credit losses on amounts recoverable on contracts.

Expected credit losses on intercompany receivables assume that repayment of the loan is demanded at the reporting date. If the subsidiary has sufficient accessible highly liquid assets to repay the loan if demanded at the reporting date, the expected credit loss is likely to be immaterial. If the subsidiary could not repay the loan if demanded at the reporting date, the Group consider the expected manner of recovery to

measure expected credit losses. This is a 'repay over time' strategy (that allows the subsidiary time to pay), non-trading subsidiaries will not be able to repay loans over time and are therefore deemed to be impaired.

Other receivables include a sum of £1,118,000 (2020: £1,130,000) due from the RiverFort Equity Placing and Sharing Agreement. It is expected that it will be recovered from the sale of shares currently still held by RiverFort. However, refer also note 25 on Contingent Liabilities.

The following table provides an analysis of trade receivables at 31 December. The Group believes that the balances are ultimately recoverable based upon a review of past payment history and the current financial status of the customers.

	2021	2020
	£'000	£'000
Current	619	463
Not more than 3 months	379	130
More than 3 months	195	166
	1,193	759
Allowances for Credit Losses		
Opening balance at 1 January	52	116
Amounts written off	-	(48)
Amounts provided	37	46
Written back (no longer required)	(33)	(62)
Closing balance at 31 December	56	52

There are no significant expected credit losses from financial assets that are neither past due nor impaired.

At 31 December 2021 £574,000 (2020: £307,000) of receivables were denominated in US dollars, £63,000

(2020: Nil) of receivables were denominated in Euros and £269,000 (2020: £167,000) were denominated in Ghanaian Cedi. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

19. CASH AND CASH EQUIVALENTS

	Group 2021	Group 2020	Company 2021	Company 2020
	£'000	£'000	£'000	£'000
Cash at bank and in hand	944	2,143	380	1,716
Bank overdraft	-	-	-	-
Cash and cash equivalents	944	2,143	380	1,716

All the bank accounts of the Group are set against each other where a right of offset exists in establishing the cash position of the Group. The bank overdrafts do not therefore represent bank borrowings, which is

why they are presented as above for the purposes of the cash flow statement and the statement of financial position.

Financial statements

Notes to the Financial Statements

20. CALLED UP SHARE CAPITAL

Group and Company

The total amount of issued and fully paid shares is as follows:

Ordinary Share Capital	2021		2020	
	Number	£'000	Number	£'000
At 1 January	286,527,511	287	145,402,511	14,540
Arising on exercise of share options and warrants	127,500	-	2,125,000	213
Issued under the RiverFort EPSA	-	-	14,000,000	1,400
Share capital reorganisation to create deferred shares	-	-	-	(15,991)
Other issue for cash	43,859,649	44	125,000,000	125
At 31 December	330,514,660	331	286,527,511	287

Deferred Share Capital	2021		2020	
	Number	£'000	Number	£'000
At 1 January	161,527,511	15,991	-	-
Share capital reorganisation to create deferred shares	-	-	161,527,511	15,991
Capital Reduction	(161,527,511)	(15,991)	-	-
At 31 December	-	-	161,527,511	15,991

Total Share Capital	2021		2020	
	Number	£'000	Number	£'000
Ordinary Share Capital	330,514,660	331	286,527,511	287
Deferred Share Capital	-	-	161,527,511	15,991
	330,514,660	331	448,055,022	16,278

During the year the following equity issues took place:

Date	Comment	Shares Issued	Issue price
18 June 2021	Equity placing	43,859,649	5.7
22 October 2021	Warrant Redemption	127,500	7

Capital Reduction

At the AGM on 24 June 2021 the Shareholders voted to approve reduction of capital. This was subsequently ratified by court order in November 2021.

The reduction of capital involved a cancellation of the deferred shares, cancellation of the share premium account, capitalisation and immediate cancellation thereafter of the share merger reserve account which then enabled the creation of distributable reserves in order to enhance the Company's ability to pay dividends and/or to make other forms of distributions to its shareholders in the future.

	£'000
Deferred Shares Cancellation	15,991
Share Premium Cancellation	16,355
Merger Reserve Cancellation	300
Distributable Reserves	32,646

21. SHARE OPTIONS AND WARRANTS

	Options outstanding
Options outstanding as at 1 January 2021	9,577,500
Lapsed during the year	(100,000)
Options outstanding as at 31 December 2021	9,477,500

The Company adopted the 2007 Share Option Scheme on 3 April 2007 that provides for the granting of both Enterprise Management Incentives and unapproved share options (Westminster Group Individual Share Option Agreements). The main terms of the option scheme are as follows:

- Although no special conditions apply to the options granted in 2007, the model form agreement allows the Company to adopt special conditions to tailor an option for any particular employee.
- The scheme is open to all full-time employees and Directors except those who have a material interest in the Company.
- For the purposes of this definition, a material interest is either beneficial ownership of, or the ability to control directly, or indirectly, more than 30% of the ordinary share capital of the Company.
- The Board determines the exercise price of options before they are granted. It is provided in the scheme rules that options must be granted at the prevailing market price in the case of EMI options and must not be granted at an exercise price that is less than the nominal value of a share.
- There is a limit that options over unissued shares granted under the scheme and any discretionary share option scheme or other option agreement adopted or entered into by the Company must not exceed 10% of the issued share capital.
- Options can be exercised on the second anniversary of the date of grant and may be exercised up to the 10th anniversary of granting. Options will remain exercisable for a period of 40 days if the participant is a “good leaver”.

The Company adopted the 2017 Share Option Scheme on 21 September 2017 that provides for the granting of both Enterprise Management Incentives and unapproved share options (Westminster Group Individual Share Option Agreements). The main terms of the option scheme are as follows:

- Although no special conditions apply to the options granted in 2017, the model form agreement allows the Company to adopt special conditions to tailor an option for any particular employee.
- The scheme is open to all full-time employees and Directors except those who have a material interest in the Company.
- For the purposes of this definition, a material interest is either beneficial ownership of, or the ability to control directly, or indirectly, more than 30% of the ordinary share capital of the Company.
- The Board determines the exercise price of options before they are granted. It is provided in the scheme rules that options must be granted at the prevailing market price in the case of EMI options and must not be granted at an exercise price that is less than the nominal value of a share.
- There is a limit that options over unissued shares granted under the scheme and any discretionary share option scheme or other option agreement adopted or entered into by the Company must not exceed 10% of the issued share capital.
- Options can be exercised on the second anniversary of the date of grant and may be exercised up to the 10th anniversary of granting. Options will remain exercisable for a period of 40 days if the participant is a “good leaver”.

Options have subsequently been granted on this basis.

These options are valued by the use of the Black-Scholes model using a volatility of 70%, interest free rate of 0.5%, dividend of 0% and a life of 5 years.

The Company has the following share options outstanding to its employees (including those on good leaver terms). The weighted average exercise price at the reporting date was 18.1p (2020: 18.1p). The average life of the unexpired share options was 5.4 years (2020: 6.4 years).

Financial statements

Notes to the Financial Statements

Grant date	Exercise price £	31 December 2021		31 December 2020	
		Number outstanding	Average life outstanding (years)	Number outstanding	Average life outstanding (years)
28 June 2012	0.365	225,000	0.5	225,000	1.5
01 July 2014	0.510	225,000	2.5	225,000	3.5
10 December 2014	0.285	2,187,500	2.9	2,187,500	3.9
09 October 2015	0.140	40,000	3.8	40,000	4.8
01 June 2018	0.130	6,050,000	6.4	6,150,000	7.4
01 November 2018	0.130	750,000	6.8	750,000	7.8
		9,477,500	5.4	9,577,500	6.4

During the year, no employee options were granted (2020: Nil), none were exercised (2020: none) and 100,000 lapsed (2020: 93,750). The weighted average price of the options lapsed in the year was 13.0p (2020: 28.5p). The weighted average exercise price of exercisable options at the end of 2021 was 18.0p (2020 18.0p).

The Black-Scholes option-pricing model is used to determine the fair value of share options at grant date. The assumptions used to determine the fair values of share options at grant dates were as follows:

For share options granted post IPO the expected share price volatility was determined taking account of the

historic daily share price movements. Since 2009, the standard deviation of the share price over the past 3 years has been used to calculate volatility.

The average expected term to exercise used in the models is based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural conditions, forfeiture and historical experience. The risk-free rate has been determined from market yields for government gilts with outstanding terms equal to the average expected term to exercise for each relevant grant.

Warrants

The Company has historically issued the following warrants, which are still in force at the balance sheet date:

Date issued	Reason for issue	Number of warrants	Exercise price pence per share	Life in years
31 January 2018	Placing Commission	170,455	22.0	5
22 January 2020	RiverFort EPSA	3,499,222	5.2	4
22 December 2020	£5m Share Issue	24,872,500	7.0	2

The Warrants issued on 31 January 2018 and 22 January 2020 are valued in accordance with IFRS 2 that is for equity-settled share-based payment transactions, the Company measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. Warrants are recorded at fair value at inception and are not remeasured.

The Warrants issued with Share Issues on 22 December 2020 have been determined as equity instruments under IAS 32. Since the fair value of the shares issued at the same time is equal to the price paid, these warrants, by deduction, are considered to have been issued at nil value.

The fair value of £Nil (2020: £88,000) for the issue of these warrants was recognised in the year.

Movement in Warrants

	As at 1/1/21	Lapsed	Redeemed	As at 31/12/21
Placing Commission	170,455	-	-	170,455
RiverFort EPSA	3,499,222	-	-	3,499,222
£5m Share Issue	25,000,000	-	(127,500)	24,872,500
Share Issue July 2019	9,625,000	(9,625,000)	-	-
	38,294,677	(9,625,000)	(127,500)	28,542,177

22. LEASE LIABILITIES

	Group 2021	Group 2020	Company 2021	Company 2020
	£'000	£'000	£'000	£'000
Non-current				
Non-current lease debt	12	29	5	13
Total non-current lease liabilities	12	29	5	13

Non-current lease debt

As described in Note 12, all leases that fall under IFRS 16 are recorded on the balance sheet as liabilities, at the present value of the future lease payments, along with an asset reflecting the right to use the asset over the lease term. The non-current lease debt is the part of that debt which falls due after 12 months.

Financial statements

Notes to the Financial Statements

23. TRADE AND OTHER PAYABLES

	Group 2021	Group 2020	Company 2021	Company 2020
	£'000	£'000	£'000	£'000
Current				
Trade payables	509	688	170	125
Accruals and other creditors	1,219	1,582	226	366
Intercompany payables	-	-	219	735
Finance lease creditor (IFRS 16)	32	38	23	20
Financial liabilities	1,760	2,308	638	1,246
Other taxes and social security payable	-	-	-	-
Contractual liabilities	87	100	-	-
Non-financial liabilities	87	100	-	-
Total current trade and other payables	1,847	2,408	638	1,246
Shown on the balance sheet as:				
Contractual liabilities	87	100	-	-
Trade and other payables	1,760	2,308	638	1,246
	1,847	2,408	638	1,246

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs, as well as payments received in advance on contracts. The average credit period taken for trade purchases in 2021 was 43 days (2020: 50 days). The Directors consider that the carrying value of trade payables approximates to their fair value.

Contractual liabilities relate to amounts received from customers at year-end but not yet earned.

At 31 December 2021 £160,000 (2020: £438,000) of payables were denominated in US dollars, £24,000 (2020: £2,000) were denominated in Euros, £21,000 (2020: £1,000) were denominated in Ghanaian Cedi and £23,000 (2020: Nil) were denominated in Sierra Leone Leones.



Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs, as well as payments received in advance on contracts.



Financial statements

Notes to the Financial Statements

24. CASH FLOW ADJUSTMENTS AND CHANGES IN WORKING CAPITAL

The following non-cash flow adjustments and adjustments for changes in working capital have been made to loss before taxation to arrive at operating cash flow:

	Group 2021			Group 2020		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments:						
Depreciation, amortisation and impairment of non-financial assets	244	-	244	225	-	225
Lease liabilities	(3)	-	(3)	(17)	-	(17)
Revaluation of fixed assets	-	-	-	(6)	-	(6)
Loss on disposal of non-financial assets	-	-	-	33	-	33
Non-cash accounting for CLN & CULN	-	-	-	(119)	-	(119)
Conversion of CLN	-	-	-	(213)	-	(213)
(Decrease)/increase in Deferred Tax Asset	3	-	3	(49)	-	(49)
Share-based payment expenses	-	-	-	87	-	87
Total adjustments	244	-	244	(59)	-	(59)

	Group 2021			Group 2020		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Net changes in working capital:						
(Increase)/Decrease in inventories	92	-	92	(726)	-	(726)
Decrease in trade and other receivables	(1,223)	-	(1,223)	128	-	128
Increase in long term receivables	60	-	60	(484)	-	(484)
Increase/(decrease) in contract liabilities	(13)	-	(13)	27	-	27
Decrease in trade and other payables	(548)	-	(548)	(148)	-	(148)
Decrease in assets of disposal group classified as held for sale	-	-	-	-	170	170
Total changes in working capital	(1,632)	-	(1,632)	(1,203)	170	(1,033)

	Company 2021	Company Restated 2020
	£'000	£'000
Adjustments:		
Depreciation, amortisation and impairment of non-financial assets	139	113
Finance costs	1	376
Revaluation of fixed assets	-	(6)
(Profit)/loss on disposal of non-financial assets	-	8
Non-cash accounting for CLN	-	(1)
Share-based payment expenses	-	87
Other non-cash items	-	6
Total adjustments	140	583
Net changes in working capital:		
Increase in trade and other receivables	(683)	(427)
Decrease in trade and other payables	(608)	(1,425)
Increase in asset held for sale	-	-
Total changes in working capital	(1,291)	(1,852)

25. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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 31 December 2021 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 the end of 2020 there would have been a loss of £985,000 (2020: £936,000) 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 31 December 2021 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.

26. FINANCIAL RISK MANAGEMENT

The Group is exposed to various risks in relation to financial assets and liabilities. The main types of risk are foreign currency risk, interest rate risk, credit risk and liquidity risk.

The Group's risk management is closely controlled by the Board and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets. The Group does not actively trade in financial assets for speculative purposes, nor does it write options. The most significant financial risks are currency risk and interest rate risk.

Foreign currency sensitivity

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro (EUR) and US dollar (USD) but also the Sierra Leone Leone (SLL) and Ghanaian Cedi (GHS). The Group's policy is to match the currency of the order with the principal currency of the supply of the equipment. Where it is not possible to match those foreign currencies, the Group might consider hedging exchange risk through a variety of hedging instruments such as forward rate agreements, although no such transactions have ever been entered into.

Financial statements

Notes to the Financial Statements

Group	Short-term exposure USD	Short-term exposure EUR	Short-term exposure SLL	Short-term exposure GHS
	£'000	£'000	£'000	£'000
31 December 2021				
Financial assets	574	63	-	269
Financial liabilities	(160)	(24)	(23)	(21)
Total exposure	414	39	(23)	248
31 December 2020				
Financial assets	307	-	-	167
Financial liabilities	(438)	(2)	-	(1)
Total exposure	(131)	(2)	-	166

If the US dollar were to depreciate by 10% relative to its year end rate, this would cause a loss of profits in 2021 of £46,000 (2020: £15,000 Gain).

If the Euro were to depreciate by 10% relative to its year end rate, this would cause a loss of profits in 2021 of £4,000 (2020: Minimal Gain).

If the Sierra Leonean Leone were to depreciate by 10% relative to its year end rate, this would cause a gain of profits in 2021 of £3,000 (2020: Nil).

If the Ghanaian Cedi were to depreciate by 10% relative to its year end rate, this would cause a loss of profits in 2021 of £28,000 (2020: £18,000 Loss).

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk. Foreign currency denominated financial assets and liabilities are immaterial for the Company.

Interest rate sensitivity

There were no material borrowings in 2021. Interest on the cash holdings of the Group and lease debt noted in note 22 are both not material and also has fixed interest rates. Therefore, no calculation of interest rate sensitivity has been undertaken.

Credit risk analysis

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and where possible working on a "cash with order" basis.

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. In the case of material sales transactions, the Group usually demands an initial deposit from customers and generally seeks to ensure that the balance of funds is secured by way of a letter of credit or similar instruments.

None of the Group's financial assets are secured by collateral or other credit enhancements. Details of allowance for credit losses are shown in note 18 of these financial statements.

The Company has investments in and amounts owing from subsidiary companies. The amounts owing are held at fair value. For loans that are repayable on demand, expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date. If the subsidiary has sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date, the expected credit loss is likely to be immaterial. If it does not, then an impairment will be considered.

Liquidity risk analysis

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages its liquidity needs by monitoring scheduled debt repayments for long term financial liabilities as well as forecast cash flows

due in day-to-day business. Net cash requirements are compared to borrowing facilities in order to determine headroom or any shortfalls. This analysis shows if available borrowing facilities are expected to be sufficient over the outlook period.

As at 31 December 2021, the Group's financial liabilities have contractual maturities (including interest payments, where applicable) as summarised below:

	2021			2020		
	Current (within 6 months)	6 to 12 months	Non-Current (1-5 years)	Current (within 6 months)	6 to 12 months	Non-Current (1-5 years)
	£'000	£'000	£'000	£'000	£'000	£'000
Group						
Trade and other payables	1,760	-	-	2,308	-	-
Total	1,760	-	-	2,308	-	-
Company						
Trade and other payables	638	-	-	1,246	-	-
Total	638	-	-	1,246	-	-

Financial statements

Notes to the Financial Statements

27. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties, are listed below:

	Balance at 31 December 2019	Movement in Year 2020	Balance at 31 December 2020	Movement in Year 2021	Balance at 31 December 2021
Westminster International Limited	2,329	(1,483)	846	(719)	127
Westminster Security Limited (formerly Longmoor Security Limited)	-	10	10	(10)	-
Westminster Aviation Security Services Limited	3,979	6	3,985	777	4,762
Sovereign Ferries Limited	45	503	548	-	548
Westminster Operating Limited	(2,398)	2,156	(242)	68	(174)
Keyguard U.K Limited	-	68	68	264	332
Longmoor (SL) Limited	-	-	-	(24)	(24)
Facilities Operations Management Limited	192	(6)	186	1,313	1,499
Westminster Sierra Leone Limited*	-	(60)	(60)	60	-
Westminster Group GMBH	795	63	858	330	1,188
GLIS Gesellschaft für Luftfahrt- und Infrastruktur-Sicherheit GmbH	-	(50)	(50)	50	-
Westminster Sicherheit GMBH	-	-	-	-	-
Euro Ops SARL	-	104	104	83	187
Westminster Managed Services Limited (formerly Westminster Facilities Management Limited)	1,310	-	1,310	(1,331)	(21)
Longmoor Security Services Limited (formerly Westminster Aviation Security Services (ME) Limited)	-	-	-	-	-
Westminster International (Ghana) Limited	-	(383)	(383)	383	-
	6,252	928	7,180	1,244	8,424

The remuneration of the Directors, who are the key management personnel of the Group, is set out in the Remuneration Committee report on pages 56 to 59 as are details of pension contributions for Directors.

In the year to 31 December 2021 fees and expenses of £ 9,339 (2020: £18,619) plus VAT were accrued to Cattaneo LLP a Limited Liability Partnership under the control of Charles Cattaneo. On the 31 December 2021 Cattaneo LLP was owed Nil (2020: £1,600) including VAT.

In the year to 31 December 2021 fees and expenses of £ 1,320 (2020: Nil) plus VAT were accrued to

Graham Binns Consulting Limited, a Limited Liability Partnership under the control of Major General (Rtd) Graham Binns. On the 31 December 2021 Graham Binns Consulting Limited was owed £1,584 including VAT (2020: £Nil).

Certain members of the Fowler family, other than directors, have been employed by the Group on normal arms-length terms for between 12 and 24 years. Their remuneration, in aggregate, for the year ended 31 December 2021 was £183,448 (2020: £182,830).

28. PRIOR YEAR ADJUSTMENT

It has been clarified that Facilities Operations Management Limited, one of our Sierra Leonean companies, is actually owned 100% by Westminster,

not 90% as stated in previous financial statements. The effect of this is as follows:

	Signed accounts as at 31 December 2020	Adjustment	Restated as at 31 December 2021
Group statement of financial position (extract)			
Brought forward Reserves	(24,242)	(150)	(24,392)
Minority Interest	(535)	150	(385)

	Signed accounts as at 31 December 2019	Adjustment	Restated as at 31 December 2020
Group statement of financial position (extract)			
Brought forward Reserves	(23,697)	(133)	(23,830)
Minority Interest	(365)	133	(232)

29. EVENTS AFTER THE REPORTING PERIOD

There are no reportable events in the period 31 December 2021 to 28 April 2022.



Company information

Directors

Executive

Sir Tony Baldry (Chairman)
Peter Fowler
Mark Hughes
Stuart Fowler

Non-Executives

Mawuli Ababio (Deputy Chairman) Roger Worrall
Simon Barrell
Major General (Rtd) Graham Binns

Company Secretary

Registered office

Westminster House
Blacklocks Hill
Banbury
Oxfordshire
OX17 2BS

Principal bankers

Clydesdale Bank Plc
trading as Yorkshire Bank
94-96 Briggate
Leeds
West Yorkshire
LS1 6NP

Registrars

Link Asset Services
6th Floor
65 Gresham Street
London
EC2V 7NQ

Nominated & Financial Adviser

Strand Hanson Limited
26 Mount Row
Mayfair
London
W1K 3SQ

Financial public relations

Walbrook PR
75 King William Street
London
EC4N 7BE

Stockbroker

Arden Partners plc
125 Old Broad Street
London
EC2N 1AR

Solicitors

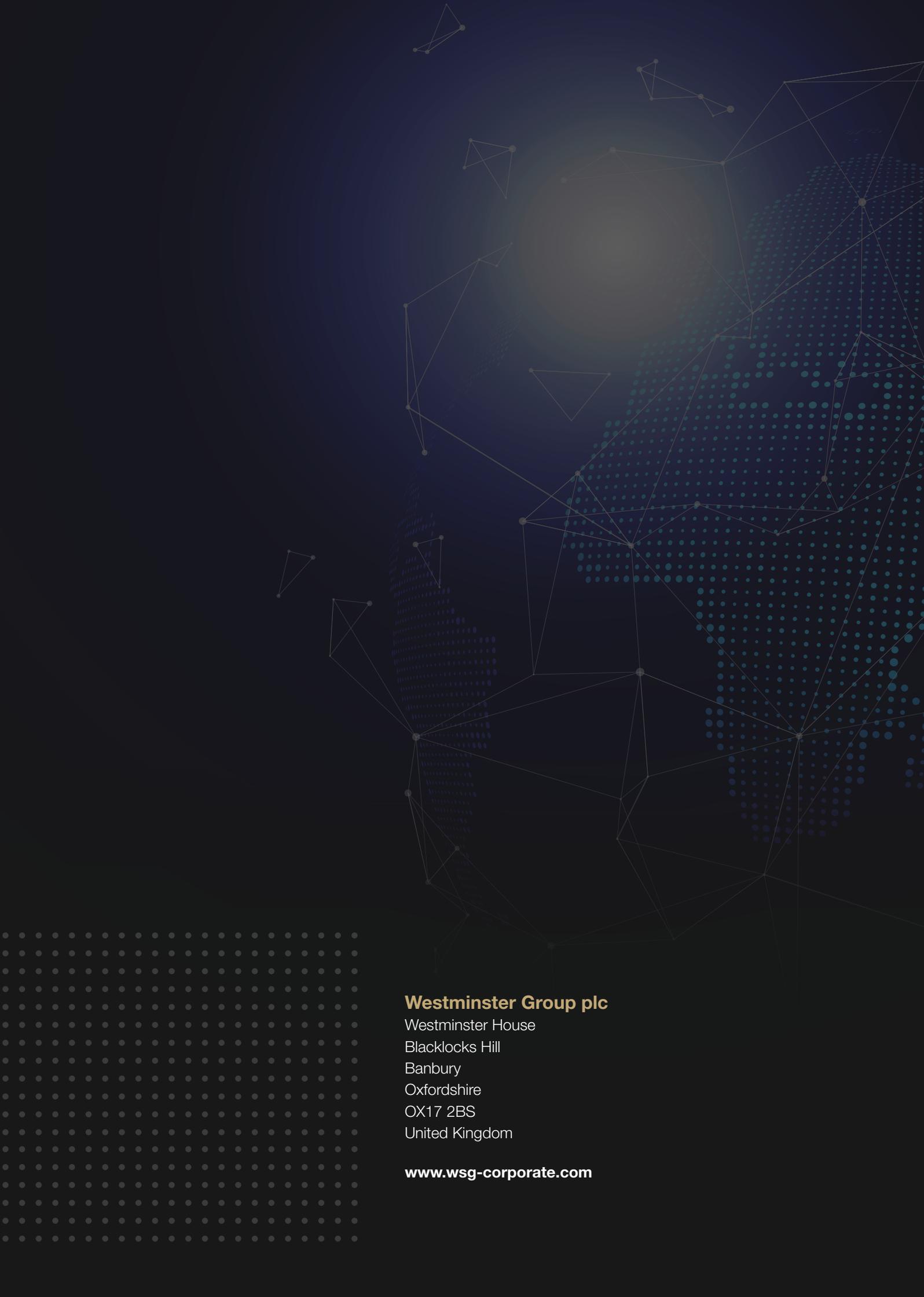
Spratt Endicott Solicitors LLP
Linden House
55 The Green
South Bar Street
Banbury
OX16 9AB

Bird & Bird LLP
12 New Fetter Lane
London
EC4A 1JP

Auditor

PKF Littlejohn LLP
15 Westferry Circus
Canary Wharf
London
E14 4HD

	Telephone	Email
Westminster Group Plc	+44 (0) 1295 756300	info@wg-plc.com
Westminster International Ltd	+44 (0) 1295 756300	info@wi-ltd.com
Westminster Aviation Security Services Ltd	+44 (0) 1295 756300	info@wass-ltd.com
Keyguard U.K Ltd	+44 (0) 8452 572081	info@keyguarduklimited.co.uk
Longmoor Security Ltd	+44 (0) 1295 756380	info@longmoor-security.com
Euro-Ops	+33 (0) 6 08 07 09 25	ops@euro-ops.net
GLIS Gesellschaft für Luftfahrt - und Infrastruktur Sicherheit GmbH	+49 8051 93 904 50	info@glis.eu



Westminster Group plc

Westminster House
Blacklocks Hill
Banbury
Oxfordshire
OX17 2BS
United Kingdom

www.wsg-corporate.com