THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF EU REGULATION 596/2014

Westminster Group Plc
('Westminster', the 'Group' or the 'Company')
Interim Results for the six months to 30 June 2019

Westminster Group Plc (AIM: WSG), a leading supplier of managed services and technology based security solutions, announces its unaudited interim results for the six months ended 30 June 2019.

Financial Highlights:

- Group revenues for the 6 months ended 30 June 2019 up 117% to £5.6m (H1 2018: £2.6m).
    - 257% increase in Technology Division sales to £3.1m from £0.9m in H1 2018.
    - 47% increase in Managed Services Division sales to £2.5m from £1.7m in H1 2018.
- Central costs reduced by 23% from H1 2018 and overall aggregated admin expenses maintained at £2.3m despite additional costs from acquisition of Keyguard and increased revenue.
- Reduction of adjusted EBITDA loss down 88% to £49k (H1 2018: loss restated £402k).
- Reduction in reported loss before tax to £0.8m including £0.3m relating to a non-cash financing charge associated with the CLN extension (H1 2018: loss restated of £1.2m extension cost £0.3m).
- Loss per share reduced to 0.58p (H1 2018: 0.97p).
- Operationally cash positive in first half.
- £0.5m new equity before expenses raised in February 2019.
- Convertible loan notes extended in May 2019 to 30 June 2020 at a coupon of 15%.
- Cash balance of £0.3m at 30 June 2019 (30 June 2018: £0.3m).
- H1 2019 sales order intake remains strong at £3.9m (H1 2018: £3.9m). Order book at 30 June 2019 - £3.3m.

Operational Highlights:

- Signed a joint venture agreement with Scanport in Ghana leading to the JV receiving a Letter of Intent regarding the appointment as the sole operator for a major long-term managed services project for container screening services at the new $1.5billion USD Tema Container Port terminal in Ghana.
- Signed a joint venture agreement with a significant partner in the Kingdom of Saudi Arabia, Hazar International, setting up Westminster Arabia in the Kingdom.
- Signed a strategic alliance with the Gulf Aviation Academy, a leading provider of professional aviation training in Bahrain and the wider Middle East and North Africa ('MENA') region, greatly expanding our range of services to existing and potential clients.
- Awarded a $3.48m USD contract for the provision of advanced container screening solutions to two separate ports in an Asian country.
- Acquisition of Euro Ops in May 2019 widening our ability to sell into francophone countries.
- West Africa airport operations at record levels.

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

"In our 2018 Annual Report I was pleased to report that our business is now in a better position than it has been for some time in terms of management, structure, revenues and prospects and I am pleased to report that continues to be the case.

"The first 6 months of 2019 has been a significant move forward from the same period last year with H1 2019 revenues of £5.6m, more than double that of H1 2018 (£2.6m). Both Managed Services and Technology Divisions have performed ahead of expectations and passenger numbers for our West Africa airport operations for the first six months of 2019 are the highest levels since we commenced operations there.

"In the first six months of 2019 we secured £3.9m in new orders, in addition to our regular contracted managed services and maintenance recurring revenues. We continue to have a healthy and active enquiry bank and we continue to progress a number of large-scale project opportunities around the world.

"In March 2019 we signed a Joint venture agreement with Scanport in Ghana leading to the Scanport-Westminster JV receiving a Letter of Intent in June 2019 regarding the appointment as the sole operator for a new long-term managed services project for container screening services at the new $1.5billion USD Tema Container Port terminal in Ghana. We expect all contracts to be finalised in the coming weeks and the port to be fully operational by the end of Q3 2019 and to be contributing to the Division's results in H2. This large and prestigious project is a major step forward for the Managed Services Division opening up new long-term, recurring revenue streams and opportunities in a new sector.

"We have also signed other important joint venture agreements. We signed a joint venture agreement with a significant partner in the Kingdom of Saudi Arabia, Hazar International, setting up Westminster Arabia in the Kingdom, opening up a number of potential projects and we also signed a strategic alliance with the Gulf Aviation Academy, a leading provider of professional aviation training in Bahrain and the wider Middle East and North Africa ('MENA') region, greatly expanding our range of services to existing and potential clients. Both are important strategic developments for the business.

"Notwithstanding our growing business we have reduced our central costs, which are down by £219k (23%) from H1 2018 and, given the strong H1 performance together with our contracted recurring revenues, a £3.3m order book at the end of June 2019 and contribution from Keyguard and Euro Ops, we expect 2019 revenues to be significantly ahead of 2018."

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Notes to Editors:

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

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

Chief Executive Officer's Review

Overview

In our 2018 Annual Report I was pleased to report that our business is now in a better position than it has been for some time in terms of management, structure, revenues and prospects.

The first 6 months of 2019 has been a significant move forward from the same period last year with H1 2019 revenues of £5.6m, more than double that of H1 2018 (£2.6m). As outlined in the Divisional Review below, both Managed Services and Technology Divisions have performed ahead of expectations and passenger numbers for our West Africa airport operations for the first six months of 2019 are the highest levels since we commenced operations there. In the first six months of 2019 we secured £3.9m in new orders, in addition to our regular contracted managed services and maintenance recurring revenues. We continue to have a healthy and active enquiry bank and we continue to progress a number of large-scale project opportunities around the world.

Despite our growing business we have reduced our central costs, which are down by £219,000 (23%) from H1 2018 and given the strong H1 performance together with our contracted recurring revenues and a £3.3m order book at the end of June 2019 (which includes our landmark $3.48m Asia port contact from our Technology Division) we look forward to a strong full year performance significantly ahead of 2018, building on our year on year revenue growth.

Divisional Review

Managed Services Division

Our Managed Services Division, and the significant growth opportunities it presents, remains a key focus for the Group. The Division, now incorporating Keyguard, has had a good start to the year with H1 revenues up by 47% to £2.5m (H1 2018: £1.7m).

A defining aspect of the period however has been setting up a new long-term managed services project for container screening services at the new $1.5billion Tema Container Port Terminal in Ghana, West Africa, which is set to be one of the leading and most advanced ports in Africa. Following several months of discussions, in March 2019 we entered into a Technical Partnership Agreement with a Ghanaian company, Scanport Ltd. regarding a contract to manage, operate, maintain and upgrade, as necessary, the container screening services at the new Tema Container Port Terminal. Westminster's role as technical partner is to provide the requisite expertise and management of the operation.

Following meetings with the port operator and developer, Meridian Port Services (MPS), during May and early June, we were informed that Scanport-Westminster were to be appointed as the sole screening operator. Due to the large and complex nature of the project and the port opening date of 28 June 2019, we were asked to commence operations immediately and received a Letter of Intent, which we announced on 18 June 2019, whilst definitive contracts were finalised.

Scanport-Westminster accordingly established a full scanning operation at the primary scanning stations at both the import and export gates and secondary screening services at the intensive search area for physical inspections. During July 2019, 20,889 Twenty-foot Equivalent Units ('TEU') passed through the port and screening stations whilst port systems were tested, and teething issues ironed out.

The new Tema Container Terminal will expand the port's capacity from currently 1 million TEU pa to over 3.5 million pa and incorporates some of the largest and most advanced Ship-to-Shore cranes in the world, designed to accommodate the world's largest container ships, creating a world-class container port operation.

Negotiation of contracts is in process and we expect all contracts to be finalised in the coming weeks. The port will be fully operational by the end of Q3 2019. It is expected that the project will start to make a contribution to the Division's results during H2. This is a large and prestigious project and will be a major step forward for the Managed Services Division opening up new long-term, recurring revenue streams and new opportunities in a new sector.

Revenues at our West Africa airport operations were at record levels during H1 2019, an 18% increase over H1 2018, and the trend looks set to continue with July 2019 passenger numbers being the best July since we commenced operations there.

In our 2018 Annual Report we announced the opening of our new training facility based at our Headquarters in Banbury, Oxfordshire, and that we have already delivered specialist training for delegates from one of the largest airlines in Europe. We believe this training facility opens up new business opportunities for the Group. This and the expanding nature of our training business to clients around the world has contributed to the 56% rise in training and consultancy revenue.

Our Managed Services business has a growing portfolio of opportunities and has, in the period, secured a number of new smaller contract awards for guarding, equipment, training and services to a number of airports around the world and we continue to work towards signing further long term Managed Services contracts in the months ahead, however, as always, there is never certainty as to timing or outcome in these matters. These opportunities represent a major step in the transition of Westminster into a long-term managed services business.

Whilst airport security has been and remains a major focus of our business, there are also other equally exciting opportunities, such as port security and other infrastructure security solutions that we are pursuing, as the Ghana appointment and Asia contract this year demonstrate.

We completed the acquisition of French based Euro Ops in May 2019 which is already contributing to the Division's revenues and has not only extended our geographical footprint but has also introduced new niche products in adjacent sectors.

Keyguard Ltd., the guarding and risk management company which we acquired at the end of 2018, is progressing and adding to its portfolio of projects including large scale infrastructure projects such as HS2, for which we now have a guarding contract as well as facility management projects which open up cross selling opportunities within the Group.

Technology Division

Our Technology Division had a good start to the year with H1 revenues up by 257% to £3.1m (H1 2018: £0.9m).

The Division continues to secure orders for a wide range of products and services delivered to clients all over the world. We are not a manufacturer and are product agnostic, enabling us to deliver the best solution for any given application.

In April 2019, our Technology division announced the award of a $3.48million US Dollar contract for the provision of advanced container screening solutions to two separate ports in an Asian country, which had been under negotiation for several months. Whilst the project is a high priority for the client, we could not commence operations and organise manufacturing until we had received the letters of credit in order to organise project funding - these arrived in mid-July. Following the fundraising on 25 July we have been able to immediately commence production and expect to complete the first installation on schedule in Q3 2019 and the second installation shortly afterwards, subject to any unforeseen delays.

Having earlier this year delivered the remainder of the $4.5m US Dollar vehicle screening contract in the Middle East, which the Company secured in 2018, this latest award for container screening in Asia is a testament to Westminster's expertise and global reach.

The expertise of the Technology Division underpins our Managed Services Division where we can offer best in class equipment and solutions for our potential customers in emerging markets.

Joint Ventures

In our 2018 Annual Report we announced that as part of our expansion strategy we are looking at both acquisition and strategic joint venture opportunities to complement our many organic growth prospects.

This year we have thus far:

- Entered into a Technical Partnership Agreement with Scanport in Ghana to bid for the Tema Port container screening project which has resulted in the letter of intent regarding appointment of the JV as sole operator for the project.
- Signed a Joint Venture Agreement with a significant partner in the Kingdom of Saudi Arabia, Hazar International.
- Entered into a Strategic Alliance Agreement with the Gulf Aviation Academy of Bahrain ('GAA') for the provision of aviation and other specialised training services.

There are further Joint Venture and Strategic Partnerships currently being negotiated in different parts of the world which we will announce at the appropriate time.

Ferry Terminals

Following our exit from the ferry operation and a period of negotiation, in June 2019 we handed back the ferry terminals and agreed a termination of our 21-year agreement with no further obligations. The Sierra Queen is on the market and we intend to sell her at the earliest opportunity. The book value is £170,000 and we currently have offers around that price which are being pursued. The ferry operation is accounted for in discontinued operations.

Iranian Contract

As previously advised, our Iranian contract remains on hold whilst we continue to closely monitor the geopolitical situation and the future of the Joint Comprehensive Plan of Action and it no longer features in our internal forecasts. In order to preserve the potential of this project without affecting the Group's other business activities, we are investigating putting measures in place to isolate the contract in a dormant German subsidiary. Such measure would mean that should circumstances change in the future, to safely and legally allow the project to go ahead without impact on the rest of our business we would have the option of re-activating it by exchange of board letters with the client.

Board Changes

We continue to enhance and strengthen our Board.

In January 2019 Charles Cattaneo joined the Board as a NED. Charles has been a director of a number of public and private companies and is currently the Chairman of the Midlands Regional Advisory Group of the London Stock Exchange. His wealth of City and corporate finance knowledge and experience gained from a variety of business sectors, in particular advising AIM 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. As a Chartered Accountant he has taken over as Chair of the Audit Committee and Chair of the Risk Committee.

Also in January 2019, James Sutcliffe, by agreement, left the Westminster Group Plc board to take on the role as Chairman of the International Advisory Board, where the benefit of his extensive international experience and high-level Government contacts overseas can be of significant value to the Company's business development and expansion going forward. James is already assisting the Company with several large-scale opportunities in Asia and South America.

Financial

Revenues at £5.6m for the first half year were ahead of the Boards' expectations (H1 2018: £2.6m). Managed Services revenues were £2.5m (H1 2018: £1.7m). The Managed Services revenue increase reflects the acquisition of Keyguard, increasing passenger numbers in our West African Airport, expansion of Training and Consultancy and the benefit from a declining pound. Technology Division revenues were £3.1m (H1 2018: £0.9m). Technology Division should benefit in the second half from the $3.48m USD Asian Contract announced in April.

The Group generated a gross profit of £2.0m (H1 2018: £1.6m) which equates to a gross margin of 36% (H1 2018: 61%). The reduction in gross margin percent reflects the higher mix of lower margin Technology sales.

We are pleased to report that central costs have reduced by £219,000 (23%) in H1 2019 and this has offset the additional administrative overheads from the Keyguard acquisition and additional divisional costs supporting the growth in revenue that has left overall administrative overheads unchanged at £2.3m.

Exceptional items amounted to £0.1m (H1 2018: £0.2m). In both H1 2019 and H1 2018 the exceptional items primarily related to the pre-contract costs of the Iranian contract. As we are now working under the assumption that due to the geopolitical climate this is not going to proceed in the near term, costs associated with this project have ceased.

The loss from operations of £0.3m was £0.4m lower than the loss of £0.7m in H1 2018 and the EBITDA loss of £49,000 compares to an EBITDA loss of £402,000 (Restated for IFRS 16) in H1 2018.

Our underlying cash interest cost was £0.2m (H1 2018: £0.2m) reflecting primarily the interest on the convertible loan notes. A further £0.3m (H1 2018: £0.3m) of non-cash financing charges arose from the amortisation and extension of the convertible loan notes. In total, the financing costs amounted to £0.5m (H1 2018: £0.5m).

Earnings per share were a loss of 0.58 pence (H1 2018: loss of 0.97 pence). Although the number of shares in issue increased, the loss after tax decreased resulting in the reduced loss per share over H1 2018.

The 2018 comparative figures have been restated to reflect the effect of the new standard on accounting for leases (IFRS 16) for further details see note 13 below. Also, the 2018 half year comparative on Goodwill has been restated in line with the treatment in the 2018 annual accounts.

Statement of Financial Position and Cash Flow

The Group ended the period with a £0.3m cash balance, and at 14 August 2019 the cash balance was £0.8m, having already paid in early August a £0.5m deposit towards the Asia Port Scanners. The net cash inflow from operating activities was £0.2m (H1 2018: outflow of £0.7m used in operating activities). £0.1m cash was used in investing activities (H1 2018: £0m) and £0.5m cash was generated from raising £0.5m of new equity in February 2019 before expenses (H1 2018: £0.8m equity) for working capital and project development.

At the end of the period, the Group had a Convertible Loan Note (CLN) outstanding with a principal of £2.2m (H1 2018: £2.2m). The coupon is 15% payable quarterly in arrears, it has a conversion price of 15 pence and is repayable in June 2020. The conversion price will be 12.5p from 30 September 2019 and 10p from 31 December 2019. It is our intension to redeem the CLN at the earliest opportunity.

The Company raised a further £1m of new equity post the period end in July 2019 with the primary purpose for the funds being to part fund the manufacture of the equipment to be shipped and installed under the $3.48m USD contract for container screening solutions to two ports in Asia.

The Company had been seeking to raise project or trade finance to fund larger scale projects. However, with timing and outcome of discussions uncertain and the volatility of the share price the Company took the decision to raise funding via the issue of equity which has enabled us to commence the Asia Port project as soon as possible.

Brexit

The Board has considered the potential risks and impact of the Brexit negotiations on the business. A large portion of our revenues and direct costs are outside of both the UK and EU and conducted largely in US Dollars and potentially Euros. We do not at this time consider that Brexit, in whatever form, will materially affect our ability to conduct our business and our offices in both Germany and France provide us with European bases from which to mitigate some of the potential issues.

The one impact that Brexit is having on our business is on exchange rate movement between GBP and USD/Euro. The current weakness in sterling is positively increasing our USD/Euro revenues when translated into GDP. Should Brexit not happen, or a new referendum be called the reverse could happen. The Board continues to monitor the situation.

Outlook

As reported in our 2018 Annual Report we have delivered steady year on year revenue growth over the past few years with 2018 being 24% up on the previous year. H1 2019 has continued this progress and commenced on a strong note showing 117% growth over H1 2018 and 37% growth over H2 2018. We expect this to continue. Based on our current order book and our run rate business, including Keyguard and Euro Ops, we expect 2019 revenues to be significantly ahead of 2018.

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.

Whilst operating in emerging markets does carry a higher risk of delays and disruption, is time consuming and involves a degree of frustration and bureaucracy, with perseverance and diligence the potential rewards are substantial.

Over the next few months and years we have an opportunity to build on our current achievements and year on year growth with the potential for unprecedented growth from the many prospects we are pursuing, and the Board and I remain committed to delivering on this potential.

Peter Fowler
Group Chief Executive

14 August 2019

Consolidated Statement of Comprehensive Income (unaudited)

for the six months ended 30 June 2019

	Note	**Six months ended 30 June 2019**	**Six months ended 30 June 2019**	**Six months ended 30 June 2019**	Six months ended 30 June 2018 Restated	Six months ended 30 June 2018 Restated	Six months ended 30 June 2018 Restated	Year ended 31 December 2018 Restated	Year ended 31 December 2018 Restated	Year ended 31 December 2018 Restated
		Continuing Operations £'000	**Discontinued Operations £'000**	**Total £'000**	Continuing Operations £'000	Discontinued Operations £'000	Total £'000	Continuing Operations £'000	Discontinued Operations £'000	Total £'000
Revenue	6	**5,610**	**-**	**5,610**	2,586	-	2,586	6,668	-	6,668
Cost of sales		**(3,592)**	**-**	**(3,592)**	(1,012)	-	(1,012)	(3,020)	-	(3,020)
Gross profit		**2,018**	**-**	**2,018**	1,574	-	1,574	3,648	-	3,648
Administrative expenses		**(2,278)**	**(24)**	**(2,302)**	(2,273)	(14)	(2,287)	(4,832)	149	(4,683)
Operating (loss) / profit	6	**(260)**	**(24)**	**(284)**	(699)	(14)	(713)	(1,184)	149	(1,035)
Analysis of operating (loss) / profit										
Add back depreciation and amortisation		**106**	**-**	**106**	82	-	82	169	-	169
Add back share option expenses		**-**	**-**	**-**	-	-	-	281	-	281
Add back impairment charges		**-**	**-**	**-**	-	-	-	-	(170)	(170)
Add back exceptional items	8	**105**	**24**	**129**	215	14	229	380	21	401
EBITDA loss from underlying operations		**(49)**	**-**	**(49)**	(402)	-	(402)	(354)	-	(354)
Finance costs	9	**(503)**	**-**	**(503)**	(485)	-	(485)	(333)	-	(333)
(Loss) / profit before taxation		**(763)**	**(24)**	**(787)**	(1,184)	(14)	(1,198)	(1,517)	149	(1,368)
Taxation		**-**	**-**	**-**	(5)	-	(5)	872	-	872
Total comprehensive (expense) / income for the period		**(763)**	**(24)**	**(787)**	(1,189)	(14)	(1,203)	(645)	149	(496)
Loss and total comprehensive loss attributable to:										
Owners of the parent		**(738)**	**(24)**	**(762)**	(1,192)	(14)	(1,206)	(499)	149	(350)
Non-controlling interest		**(25)**	**-**	**(25)**	3	-	3	(146)	-	(146)
Loss and total comprehensive profit / (loss)		**(763)**	**(24)**	**(787)**	(1,189)	(14)	(1,203)	(645)	149	(496)
Profit / (loss) per share (pence)	7	**(0.56)**	**(0.02)**	**(0.58)**	(0.96)	(0.01)	(0.97)	(0.50)	0.11	(0.39)

Consolidated Statement of Financial Position (unaudited)

As at 30 June 2019

	Note	**As at 30 June 2019 £'000**	As at 30 June 2018 Restated £'000	As at 31 December 2018 Restated £'000
Goodwill		**607**	397	596
Other intangible assets		**130**	112	100
Property, plant and equipment		**2,077**	1,960	2,112
Deferred tax asset		**889**	**-**	889
Total Non-Current Assets		**3,703**	2,469	3,697
Inventories		**47**	42	74
Trade and other receivables		**1,610**	1,256	4,616
Cash and cash equivalents		**309**	318	290

	Note			
Total Current Assets		**1,966**	1,616	4,980
Assets of disposal groups classified as held for sale		**170**	-	170
Total Assets		**5,839**	4,085	8,847
Called up share capital	11	**13,503**	12,503	13,003
Share premium account		**9,525**	9,597	9,568
Merger relief reserve		**300**	299	299
Share based payment reserve		**858**	598	858
Equity Reserve on Convertible Loan Note		**352**	506	222
Revaluation reserve		**133**	134	134
Retained earnings		**(23,347)**	(23,440)	(22,595)
(Deficit)/Equity attributable to				
Owners of the parent		**1,324**	197	1,489
Non-controlling interest		**(371)**	(197)	(346)
Total Shareholders' Equity		**953**	-	1,143
Non-current borrowings	12	**298**	2,233	2,545
Total Non-Current Liabilities		**298**	2,233	2,545
Current borrowings	12	**2,462**	12	59
Deferred income		**432**	639	2,438
Trade and other payables		**1,641**	1,049	2,511
Total Current Liabilities		**4,535**	1,700	5,008
Liabilities of disposal groups classified as held for sale		**53**	152	151
Total Liabilities		**4,886**	4,085	7,704
Total Liabilities and Shareholders' Equity		**5,839**	4,085	8,847

Consolidated Statement of Changes in Equity (unaudited)

for the six months ended 30 June 2019

	Called up share capital £'000	**Share premium account £'000**	**Merger relief reserve £'000**	**Share based payment reserve £'000**	**Revaluation reserve £'000**	**Equity reserve on CLN £'000**	**Retained earnings £'000**	**Total £'000**	**Non-controlling interest £'000**	**Total share-holders' equity £'000**
As at 1 January 2019	13,003	9,568	299	858	134	222	(22,595)	1,489	(346)	**1,143**
Issue of new shares	500	-	-	-	-	-	-	500	-	**500**
Costs of new share issues	-	(43)	-	-	-	-	-	(43)	-	**(43)**
CLN extension	-	-	-	-	-	130	-	130	-	**130**
IFRS 16 adjustment for prior years	-	-	-	-	-	-	1	1	-	**1**
Other movements in equity	-	-	-	-	-	-	9	9	-	**9**
Rounding	-	-	1	-	(1)	-	-	-	-	**-**
Total transactions with owners	**500**	**(43)**	**1**	**-**	**(1)**	**130**	**10**	**597**	**-**	**597**
Total comprehensive expense for the period	-	-	-	-	-	-	(762)	(762)	(25)	**(787)**
As at 30 June 2019	**13,503**	**9,525**	**300**	**858**	**133**	**352**	**(23,347)**	**1,324**	**(371)**	**953**
As at 1 January 2018	12,074	9,226	299	621	134	186	(22,256)	284	(200)	84
Issue of new shares	341	409	-	-	-	-	-	750	**-**	750
Costs of new share issues	-	(38)	-	-	-	-	-	(38)	**-**	(38)
CLN extension	-	-	-	-	-	320	-	320	**-**	320
Warrants exercised	88	-	-	(23)	-	-	23	88	**-**	88
Total transactions with owners	**429**	**371**	**-**	**(23)**	**-**	**320**	**23**	1,120	**-**	1,120
Total comprehensive income /	-	-	-	-	-	-	(1,207)	(1,207)	3	(1,204)

(expense) for the period										
As at 30 June 2018	**12,503**	**9,597**	**299**	**598**	**134**	**506**	**(23,440)**	**197**	**(197)**	**-**
As at 1 January 2018	12,074	9,226	299	621	134	186	(22,256)	284	(200)	84
Shares issued for cash	841	409	-	-	-	-	-	1,250	-	1,250
Cost of share issues	-	(67)	-	-	-	-	-	(67)	-	(67)
Share based payment charge	-	-	-	237	-	-	-	237	-	237
Exercise of warrants and share options	88	-	-	-	-	-	-	88	-	88
Other movements in Equity	-	-	-	-	-	-	(182)	(182)	-	(182)
Acquisition of Keyguard	-	-	-	-	-	-	195	195	-	195
IFRS 16 Adjustment for Prior Years	-	-	-	-	-	-	(3)	(3)	-	(3)
CLN conversion	-	-	-	-	-	36	-	36	-	36
Total transactions with owners	929	342	-	237	-	36	10	1,554	-	1,554
Total comprehensive expense for the year -		-	**-**	**-**	**-**	**-**	(349)	(349)	(146)	(495)
As at 31 December 2018	13,003	9,568	299	858	134	222	(22,595)	1,489	(346)	1,143

Consolidated Cash Flow Statement (unaudited)

for the six months ended 30 June 2019

		Six months ended 30 June 2019	**Six months ended 30 June 2019**	**Six months ended 30 June 2019**	Six months ended 30 June 2018 (Restated)	Six months ended 30 June 2018 (Restated)	Six months ended 30 June 2018 (Restated)	Year ended 31 December 2018 (Restated)	Year ended 31 December 2018 (Restated)	Year ended 31 December 2018 (Restated)
		Continuing Operations	**Discontinued Operations**	**Total**	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
	Note	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000	£'000	£'000
(Loss) / Profit after taxation		**(763)**	**(24)**	**(787)**	(1,189)	(14)	(1,203)	(645)	149	(496)
Taxation		**-**	**-**	**-**	-	-	-	(872)	-	(872)
Loss before taxation		**(763)**	**(24)**	**(787)**	(1,189)	(14)	(1,203)	(1,517)	149	(1,368)
Non-cash adjustments	***10***	**909**	**-**	**909**	562	-	562	491	(170)	321
Net changes in working capital	***10***	**157**	**(98)**	**59**	26	(85)	(59)	(192)	-	(192)
Cash inflow/(outflow) from operating activities		**303**	**(122)**	**181**	(601)	(99)	(700)	(1,218)	(21)	(1,239)
Investing activities										
Purchase of property, plant and equipment		**(105)**	**-**	**(105)**	(26)	-	(26)	(58)	-	(58)
Cash inflow / (outflow) on acquisition		**(16)**	**-**	**(16)**	-	-	-	104	-	104
Cash outflow from investing activities		**(121)**	**-**	**(121)**	**(26)**	**-**	**(26)**	**46**	**-**	**46**
Financing activities										
Gross proceeds from the issue of ordinary shares		**500**	**-**	**500**	838	-	838	1,338	-	1,338
Costs of share issues in the period		**(43)**	**-**	**(43)**	(38)	-	(38)	(68)	-	(68)
Borrowing repayments		-	-	-	-	-	-	176	-	176
Interest paid		**(498)**	**-**	**(498)**	(148)	-	(148)	(355)	-	(355)
Cash inflow from financing activities		**(41)**	**-**	**(41)**	652	-	652	1,091	-	1,091
Change in cash and cash equivalents in the period		**141**	**(122)**	**19**	25	(99)	(74)	(81)	(21)	(102)
Cash and cash equivalents at the beginning of the period				**290**			392			392
Cash and cash equivalents at the end of the period				**309**			318			290

Notes to the financial statements
for the six months ended 30 June 2019

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 six-month period ended 30 June 2019 consolidate the individual financial information of the Company and its subsidiaries. The Group designs, supplies and provides advanced technology security solutions and services to governmental and non-governmental organisations on a global basis.

2. Basis of preparation

These unaudited condensed consolidated interim financial statements are for the six months ended 30 June 2019. They have been prepared following the recognition and measurement of principles of IFRS as adopted by the European Union. The statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2018.

These consolidated interim financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements, which were for the year ended 31 December 2018, with the exception of the change in accounting policy for Leases to comply with IFRS 16 for further details see note 13 below.

The policy applicable from 1 January 2019 for leases is:

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset- this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
    - o the Group has the right to operate the asset; or
    - o the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

2. Basis of preparation (continued)

However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

For leases, still active, entered into before 1 January 2019 a retrospective approach has been adopted.

These consolidated interim financial statements for the six months ended 30 June 2019 have neither been audited nor formally reviewed by the Group's auditors. The financial information for the year ended 31 December 2018 set out in this interim report does not constitute statutory accounts as defined in section 435 of the Companies Act 2006 but is derived from those accounts. The statutory financial statements for the year ended 31 December 2018 have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified in accordance with Section 495 of the Companies Act 2006.

3. Going concern

The directors have, at the time of approving this interim report, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

4. Basis of consolidation

These Group financial statements consolidate those of the Group and its subsidiary undertakings drawn up to 30 June 2019. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The Group obtains and exercises control through voting rights. Consolidation is conducted by eliminating the investment in the subsidiary together with the parent's share of the net equity of the subsidiary.

5. Functional and presentational currency

The financial information has been presented in pounds sterling, which is the Group's presentational currency. All financial information presented has been rounded to the nearest thousand.

6. Segment reporting

Operating segments

The Board considers the Group on a Business Unit basis. Reports by Business Unit are used by the chief decision-makers in the Group. The Business Units operating during the period are the main operating companies, Westminster Aviation and Westminster International.

	Managed Services Aviation	***Technology Division***	***Group and Central Costs***	***Ongoing Operations***
	£'000	***£'000***	***£'000***	***£'000***
6 MONTHS TO JUNE 2019				
Supply of products and solutions	-	2,919	-	2,919
Supply and installation contracts	-	2	-	2

Maintenance and service	-	141	-	141
Airport security fees	1,911	-	-	1,911
Training and consultancy	176	1	-	177
Guarding	460	-	-	460
Revenue	2,547	3,063	-	5,610
Segmental underlying EBITDA	**617**	**84**	**(750)**	**(49)**
Exceptional items	(129)	-	-	(129)
Depreciation & amortisation	(48)	(15)	(43)	(106)
Segment operating result	440	69	(793)	(284)
Finance cost	(2)	(2)	(499)	(503)
Profit/(loss) before tax for the 6 months to June 2019	438	67	(1,292)	(787)

	Managed Services Aviation	***Technology Division***	***Group and Central Costs***	***Ongoing Operations***
	£'000	***£'000***	***£'000***	***£'000***
6 MONTHS TO JUNE 2018				
Supply of products and solutions	-	708	-	708
Supply and installation contracts	-	13	-	13
Maintenance and service	-	136	-	136
Airport security fees	1,616	-	-	1,616
Training and consultancy	113	-	-	113
Guarding	-	-	-	-
Revenue	1,729	857	-	2,586
Segmental underlying EBITDA	610	(43)	(969)	(402)
Exceptional items	(229)	-	-	(229)
Depreciation & amortisation	(39)	(10)	(33)	(82)
Segment operating result	342	(53)	(1,002)	(713)
Finance cost	-	(1)	(484)	(485)
Profit/(loss) before tax for the 6 months to June 2018	342	(54)	(1,486)	(1,198)

Geographical areas

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

	Six months ended 30 June 2019	Six months ended 30 June 2018
	£'000	£'000
United Kingdom and Europe	**1,204**	554
Africa	**2,085**	1,842
Middle East	**2,226**	3
Rest of the World	**95**	187
Total revenue	**5,610**	2,586

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

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

Earnings per share calculation	**Six months ended 30 June 2019**	Six months ended 30 June 2018 Restated	Year ended 31 December 2018 Restated
	'000	'000	'000
Number of issued ordinary shares at the start of period	**130,028**	120,743	120,743
Effect of shares issued during the period	**3,923**	3,710	5,409
Weighted average basic and diluted number of shares for period	**133,951**	124,453	126,152
Earnings	**£'000**	£'000	£'000
Loss and total comprehensive expense (continuing)	**(763)**	(1,189)	(645)
Loss and total comprehensive expense (discontinued)	**(24)**	(14)	149
Loss and total comprehensive expense	**(787)**	(1,203)	(496)
Loss per share	**(0.58)**	(0.97)	(0.39)

8. Exceptional items

	Six months ended 30 June 2019 £'000	Six months ended 30 June 2018 £'000	Year ended 31 December 2018 £'000
Middle East contract pre-contract costs	**105**	215	294
Ferry closure costs	**24**	14	21
Other	**-**	-	86
Total exceptional items	**129**	229	401

9. Finance costs

	Six months ended 30 June 2019 £'000	Six months ended 30 June 2018 £'000	Year ended 31 December 2018 £'000
Interest received	**-**	**-**	1
Interest payable on bank and other borrowings	**(50)**	(37)	(41)
Interest expenses on convertible loan notes	**(453)**	(448)	(293)
Total finance costs	**(503)**	(485)	(333)

10. Cash flow adjustments and changes in working capital

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

	Six months ended 30 June 2019	**Six months ended 30 June 2019**	**Six months ended 30 June 2019**	Six months ended 30 June 2018	Six months ended 30 June 2018	Six months ended 30 June 2018	Year ended 31 December 2018	Year ended 31 December 2018	Year ended 31 December 2018
	Continuing Operations	**Discontinued Operations**	**Total**	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
Adjustment for non-cash items	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000	£'000	£'000
Depreciation, amortisation and impairment of non-financial assets	**106**	**-**	**106**	77	-	77	150	(170)	(20)
Effect of liabilities acquired	-	-	-	-	-	-	(303)	-	(303)
Finance costs	**503**	**-**	**503**	484	-	484	329	-	329
Profit on disposal of non-financial assets	**-**	**-**	**-**	1	-	1	2	-	2
IFRS 16 interest adjustment	**(5)**	**-**	**(5)**	-	-	-	1	-	1
Non-cash accounting for CLN	**296**	**-**	**296**	**-**	-	-	75	-	75
Other movements in Equity	**9**	**-**	**9**	**-**	-	-	-	-	-
Share-based payment expenses	**-**	**-**	**-**	-	-	-	237	-	237
Total adjustments	**909**	**-**	**909**	562	-	562	491	(170)	321
Net changes in working capital:									
Decrease/(increase) in inventories	**27**	**-**	**27**	(3)	-	(3)	(35)	-	(35)
Decrease/(increase) in trade and other receivables	**3,006**	**-**	**3,006**	(562)	-	(562)	(3,923)	-	(3,923)
Increase/(decrease) in trade and other payables	**(870)**	**(98)**	**(968)**	(48)	(85)	(133)	1,328	-	1,328
Increase/(decrease) in deferred income	**(2,006)**	**-**	**(2,006)**	639	-	639	2,438	-	2,438
Total changes in working capital	**157**	**(98)**	**59**	26	(85)	(59)	(192)	-	(192)

11. Called up share capital

Ordinary Share Capital	**6 months to 30 June 2019**	6 months to 30 June 2018	Year to 31 December 2018

	Number	**£'000**	Number	£'000	Number	£'000
At the beginning of the period	**130,027,511**	**13,003**	120,743,420	12,074	120,743,420	12,074
Arising on exercise of warrants and share options	**-**	**-**	875,000	88	875,000	88
Other issues for cash	**5,000,000**	**500**	3,409,091	341	8,409,091	841
At the end of the period	**135,027,511**	**13,503**	125,027,511	12,503	130,027,511	13,003

12. Borrowings

	Six months ended 30 June 2019	Six months ended 30 June 2018	Year ended 31 December 2018
	£'000	£'000	£'000
Current borrowings (due < 1 year)			
Convertible loan note	**2,401**	-	-
IFRS 16 borrowings	**61**	12	59
Total current borrowings	**2,462**	12	59
Non-current borrowings (due > 1 year)			
Convertible loan note	**-**	2,200	2,216
Convertible unsecured loan note	**171**	-	171
IFRS 16 borrowings	**127**	33	158
Total non-current borrowings	**298**	2,233	2,545
Total borrowings	**2,760**	2,245	2,604

13. Effect of introducing IFRS 16 Leases

IFRS 16 is a new standard on lease accounting.

This standard, which is mandatory for periods commencing on or after 1 January 2019, requires lessees to account for all leases on their balance sheets, including those which had previously been treated as operating leases and accounted for in the P&L account as an "in-year" expense. This will include leases of retail and commercial property, equipment and vehicles.

The effect on Westminster Group PLC, detail below, is relatively minor as the group only has a small number of leased vehicles.

13. Effect of introducing IFRS 16 Leases (continued) - Financial position

	As at 30 June 2018	IFRS 16	As at 30 June 2018 Restated	As at 31 December 2018	IFRS 16	As at 31 December 2018 Restated
	£'000	£'000	£'000	£'000	£'000	£'000
Goodwill	397	-	397	596	-	596
Other intangible assets	112	-	112	100	-	100
Property, plant and equipment	1,916	44	1,960	1,898	214	2,112
Deferred tax asset	-	-	-	889	-	889
Total Non-Current Assets	2,425	44	2,469	3,483	214	3,697
Inventories	42	-	42	74	-	74
Trade and other receivables	1,256	-	1,256	4,616	-	4,616
Cash and cash equivalents	318	-	318	290	-	290
Total Current Assets	1,616	-	1,616	4,980	-	4,980
Assets of disposal groups classified as held for sale	-	-	-	170	-	170
Total Assets	**4,041**	**44**	**4,085**	**8,633**	**214**	**8,847**
Called up share capital	12,503	-	12,503	13,003	-	13,003
Share premium account	9,597	-	9,597	9,568	-	9,568
Merger relief reserve	299	-	299	299	-	299
Share based payment reserve	598	-	598	858	-	858
Equity reserve on convertible loan note	506	-	506	222	-	222

Revaluation reserve	134	-	134	134	-	134
Retained earnings	(23,439)	(1)	(23,440)	(22,592)	(3)	(22,595)
Equity / (Deficit) attributable to						
Owners of the parent	198	(1)	197	1,492	(3)	1,489
Non-controlling interest	(197)	-	(197)	(346)	-	(346)
Total Shareholders' Equity / (Deficit)	1	(1)	0	1,146	(3)	1,143
Non-current borrowings	2,200	33	2,233	2,387	158	2,545
Total Non-Current Liabilities	2,200	33	2,233	2,387	158	2,545
Current borrowings	-	12	12	-	59	59
Deferred income	639	-	639	2,438	-	2,438
Trade and other payables	1,049	-	1,049	2,511	-	2,511
Total Current Liabilities	1,688	12	1,700	4,949	59	5,008
Liabilities of disposal group classified as held for sale	152	-	152	151	-	151
Total Liabilities	4,040	45	4,085	7,487	217	7,704
Total Liabilities and Shareholders' Equity	**4,041**	**44**	**4,085**	**8,633**	**214**	**8,847**

13. Effect of introducing IFRS 16 Leases - Comprehensive Income

	Six months ended 30 June 2018	IFRS 16	Six months ended 30 June 2018 Restated	Year ended 31 December 2018	IFRS 16	Year ended 31 December 2018 Restated
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	2,586	-	2,586	6,668	-	6,668
Cost of sales	(1,012)	-	(1,012)	(3,020)	-	(3,020)
Gross profit	1,574	-	1,574	3,648	-	3,648
Administrative expenses	(2,288)	1	(2,287)	(4,686)	3	(4,683)
Operating loss	(714)	1	(713)	(1,038)	3	(1,035)
Analysis of operating loss						
Add back depreciation and amortisation	77	5	82	148	21	169
Add back share option expenses	-	-	-	281	-	281
Add back impairment charges	-	-	-	(170)	-	(170)
Add back exceptional items	229	-	229	401	-	401
EBITDA (loss) / profit from underlying operations	**(408)**	**6**	**(402)**	**(378)**	**24**	**(354)**
Finance costs	(484)	(1)	(485)	(329)	(4)	(333)
Loss before taxation	(1,198)	-	(1,198)	(1,367)	(1)	(1,368)
Taxation	(5)	-	(5)	872	-	872
Total comprehensive expense for the period	(1,203)	-	(1,203)	(495)	(1)	(496)
Loss and total comprehensive loss attributable to:						
Owners of the parent	(1,206)	-	(1,206)	(349)	(1)	(350)
Non-controlling interest	3	-	3	(146)	-	(146)
Loss and total comprehensive loss	**(1,203)**	**-**	**(1,203)**	**(495)**	**(1)**	**(496)**

The Group leases vehicles that it uses mainly as part of its Service and Maintenance business. The lease terms are between three and five years, after which the Group has an option to purchase the vehicle. Under IAS 17, the Group determined that it was not reasonably certain to exercise these purchase options and classified the leases as operating leases. For the purposes of applying the retrospective approach to these leases, the Group elects to:

- measure the right-of-use asset at an amount equal to the present value of the lease liability at the date of initial application discounted at the rate implicit in the lease;

- apply the practical expedient to apply a single discount rate to a portfolio of leases with similar characteristics; and

- apply the practical expedient to exclude initial direct costs from the right-of-use asset.

14. Related Party Transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

15. Events after the Reporting Period

On 25 July 2019 the Company raised £1 million before expenses by means of a Placing which resulted in the issue of 10 million new Ordinary shares ('Placing Shares') at a price of 10p per share representing, in aggregate, approximately 6.9% of the issued share capital of the Company as enlarged by the issue of the Placing Shares. The Company has also issued 1 warrant for every Placing Share, valid for 2 years from the date of issue, exercisable at 12.5p per Ordinary Share.

16. Approval of interim financial statements

The interim financial statements were approved by the Board of Directors on 14 August 2019.

17. Copies of interim financial statements

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