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 2018

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 2018.

Operational Highlights:

- Major long-term contract signed in May 2018 relating to one of 60 airports in Iran. Significant progress has been made in overcoming challenges posed by the US withdrawal from the Joint Comprehensive Plan of Action (JCPOA) Agreement and the Board is committed to the exchange of letters and commencement of the project as soon as possible.
- $4.5m Middle Eastern advanced vehicle screening solutions contract awarded to the Technology Division in March 2018 which is currently underway and expected to be largely, if not wholly, completed by year end.
- H1 2018 showed a 34% increase in Technology Division sales enquiries received at 1,008 (H1 2017: 753) resulting from refocussed sales activity.
- H1 2018 sales order intake increased by 389% to £3.9m (H1 2017: £0.8m) including new contract awards for equipment, training and services to a number of airports around the world.
- We still expect to be EBITDA positive for the full year.
- West Africa airport operations performing broadly in line with expectations. The extended elections in Sierra Leone impacted airport passenger numbers in H1 2018, but a strong start to the year and recovery from June have largely balanced this. With new carriers such as Turkish Airlines commencing operations in 2018 we expect full year passenger numbers to be ahead of 2017.
- New Managing Director appointed for Technology Division in February 2018.
- Further PLC board changes in accordance with our ongoing strategic review. Sir Tony Baldry moved from Non-Executive to Executive Chairman in January. Patsy Baker appointed as a Non-Executive Director from 1 June 2018. Martin Boden will be leaving the Company as Chief Financial Officer on 31 October 2018 to pursue new opportunities. Mark Hughes BSc MBA FCA has been appointed to replace Martin and he joins the Company as Chief Financial Officer on 1 November 2018.

Financial Highlights:

- Group revenues of £2.6m (H1 2017: £2.9m). These revenues exclude £0.7m (H1 2017 £0.1m) of unrecognised revenue from the Middle Eastern screening and other projects held in Work in Progress (WIP) that will be largely recognised along with the full ME screening project value in H2 2018.
- Change in accounting classification on Gross Margin to classify direct project costs within Cost of Sales. Gross Margin unchanged at 36% (H1 2017: 36%).
- Reduction of adjusted EBITDA loss to £0.4m (H1 2017: loss £0.6m).
- Reduction in reported loss before tax to £1.2m including £0.3m relating to a non-cash financing charge associated with the CLN extension (H1 2017: loss of £1.4m).
- Loss per share reduced to 1.0p (H1 2017: 1.4p).
- £0.8m new equity before expenses raised in January 2018 and a further £0.7m raised since June 2018, including $250k (£191k) from convertible redeemable unsecured loan notes carrying a 5% coupon from a strategic investor.
- Convertible loan notes extended in May 2018 to 30 June 2019 at a coupon of 12%; the Company has an option to extend to 31 December 2019 at a coupon of 15%.
- Cash balance of £0.3m at 30 June 2018 and £0.8m at 14 September 2018 (30 June 2017: £0.8m).

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

"Both our Managed Services and Technology businesses have performed in line with expectations and our financial results for the period show an improved performance compared to the first half of 2017. This, together with around £0.7m of unrecognised revenue already in WIP and the balance of the $4.5m Middle Eastern vehicle screening contract, which we expect to deliver in H2 2018 of this year, producing a strong year on year revenue growth, keeps us on track to deliver an EBITDA positive result for the full year to 31 December 2018.

"The first six months of the financial year have been defined by our intense focus, efforts and achievements in developing our Managed Services business, which has the potential to deliver transformational growth. Not least in this respect was the signing of the large scale, long term contract for one of 60 airports in Iran and I am pleased to report that we continue to work with our Iranian customer and the EU Authorities in order to address the challenges created by the US unilateral withdrawal from the JCPOA and with a view to commencing the project at the earliest opportunity once the remaining issues have been resolved.

"Our West Africa airport operations performed broadly in line with expectations. The extended elections in Sierra Leone impacted airport passenger numbers for a few months in H1 2018 however a strong start to the year and recovery in latter months have largely balanced this. With new carriers such as Turkish Airlines commencing operations we expect full year passenger numbers to be ahead of 2017.

"Our Managed Services business has a growing portfolio of opportunities it is pursuing and has in the period secured a number of new contract awards for equipment, training and services to a number of airports around the world. We continue to work towards signing at least one further long term Managed Services contract this year although, as always, there is never certainty as to timing or outcome in these matters.

"Our Technology Division continues to win business from countries across the world and is developing a number of large scale opportunities in addition to the $4.5m Middle East contract secured earlier this year.

"We have identified complementary new potential business opportunities that will assist our growth into new markets which are being actively pursued.

"We expect to secure funding in Q4 2018 for our Iranian contract and to support the further growth of the business, for which planning is already in place.

"We have a strong board with diverse skills and expertise. Sir Tony Baldry moved from Non-Executive to Executive Chairman in January. In June I was delighted to welcome Patsy Baker to the Board, Patsy has enormous experience of companies growing their global business and brings considerable public relations experience to the Board. Martin Boden will be leaving the Company as Chief Financial Officer on 31 October 2018 to pursue new opportunities. Mark Hughes BSc MBA FCA has been appointed to replace Martin and he joins the Company as CFO on 1 November 2018. Mark's wide-ranging international experience, particularly in emerging markets together with his considerable experience in capital markets and in M&A work as CFO of listed (main market and AIM) venture capital, private and private equity owned companies, will be a great asset in assisting the Company achieve its growth potential. I would like to express my thanks to Martin Boden for his support during his time with the business and we wish him well for the future."

For further information please contact:

Westminster Group Plc	Media enquiries via Walbrook PR
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Notes:

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

Westminster's principal activity is the design, supply and ongoing support of advanced technology security solutions, encompassing a wide range of surveillance, detection, 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

Both our Managed Services and Technology businesses have performed in line with expectations and our financial results for the period show an improved performance compared to the first half of 2017. This, together with around £0.7m of unrecognised revenue already in WIP and the balance of the $4.5m Middle Eastern vehicle screening contract, which we expect to deliver in H2 2018 of this year producing a strong year on year revenue growth, keeps us on track to deliver an EBITDA positive result for the full year to 31 December 2018.

Managed Services

The first six months of the financial year have been defined by our intense focus, efforts and achievements in developing our Managed Services business, which has the potential to deliver transformational growth. Not least in this respect was the signing in May of the large scale, long term contract for one of 60 airports in Iran.

Following the US unilateral withdrawal from the Joint Comprehensive Plan of Action (JCPOA) we had to put the project temporarily on hold whilst we worked with our Iranian customer and the EU Authorities in order to address a number of challenges created by the US action. Despite the fact that none of the proposed equipment or services related to this project are covered by existing or proposed, new primary or secondary sanctions, the US position has created some uncertainty in the business world. Westminster does not have any significant US business activities and the US is not a target market for us and so the US position is not a threat to our business. Unfortunately, some of the proposed equipment manufactures in the supply chain do have US exposure and so we have had to address this and in some cases source alternative suppliers.

Equally the restrictions on financing and banking being promoted by the US have created challenges and we have had to put various measures in place to deal with these which have included changes to our UK banking arrangements and ensuring we have robust payment and receipt processes in place that do not involve any funds coming from or going to Iran. The project is a Euro denominated contract and there will be no USD transactions.

Insurance is another area that has been affected by the US position however I am pleased to report we are making good progress in this respect.

We have been working closely with our Iranian client on addressing all these issues and are currently preparing an addendum to the contract covering proposed changes in equipment, order of the rollout programme and the financial and payment structures. Both parties remain committed to the project and are eager to exchange board letters to commence the project at the earliest opportunity.

On a wider front our Managed Services business has a growing portfolio of opportunities it is pursuing and has, in the period, secured a number of new contract awards for equipment, training and services to a number of airports around the world and we continue to work towards signing at least one further long term Managed Services contract this year although, 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.

Our West Africa airport operations performed broadly in line with expectations. The extended elections in Sierra Leone impacted airport passenger numbers for a few months in H1 2018 however a strong start to the year and recovery in latter months have largely balanced this. With new carriers such as Turkish Airlines commencing operations we expect full year passenger numbers to be ahead of 2017. The new government of Sierra Leone is also keen on encouraging new airlines and more passenger traffic to the country and we are exploring with them ideas on how this may be achieved.

Whilst airport security remains the key focus of our Managed Services Division, there are also other opportunities such as port security and other infrastructure security solutions that we are pursuing.

Technology Division
The Technology 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 February we appointed a new and experienced Managing Director, Stuart Gilbert, to head up the Technology business and we are already seeing the benefit of this appointment with increased sales activity and order intake significantly ahead of the same period last year.

In March the Technology Division secured a $4.5m advanced vehicle screening solutions contract for an important client in the Middle East which is currently underway and expected to be largely, if not wholly, completed by year end.

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

Ferry Operation
Having exited the ferry operations at the end of September 2017, we continue to operate and manage the ferry terminals in accordance with our 21-year agreement although revenues currently are not material. We still have the Sierra Queen and are seeking to sell her at the earliest opportunity. The book value was written down to nil at 31 December 2017.

Strategic Review & Board Changes
In our Annual Report issued in June we provided an update on our ongoing strategic review to ensure we are well positioned to maximise opportunities going forward and successfully take the business to a new level. As part of this review we have identified complimentary new potential business opportunities that will assist our growth into new markets which are being actively pursued.

As part of the review process we have made a number of changes and new appointments to our senior management and the Board. Sir Tony Baldry moved from Non-Executive to Executive Chairman in January. In June I was delighted to welcome Patsy Baker to the Board, Patsy has enormous experience of companies growing their global business and brings considerable public relations experience to the Board. Martin Boden will be leaving the Company as Chief Financial Officer on 31 October 2018 to pursue new opportunities. Mark Hughes BSc MBA FCA has been appointed to replace Martin and he joins the Company as CFO on 1 November 2018. Mark's wide-ranging international experience, particularly in emerging markets together with his considerable experience in capital markets and in M&A work as CFO of listed (main market and AIM) venture capital, private and private equity owned companies, will be a great asset in assisting the Company achieve its growth potential. I would like to express my thanks to Martin Boden for his support during his time with the business and we wish him well for the future.

Our business is set to benefit from unprecedented growth opportunities and it is essential we have the right strategies, people and processes in place to successfully deliver such growth. Accordingly, the changes we have made to date and intend to make over the coming months will, I believe, serve the Company well and greatly assist our planned growth.

Financial
Revenues for the first half year were in line with the Boards' expectations at £2.6m (H1 2017: £2.9m). Managed Services revenues were £1.7m (H1 2017: £1.8m). The Managed Services revenues were impacted by the elections in Sierra Leone earlier this year and, as expected, have picked up again from June onwards. Technology Division revenues, excluding £700k of unrecognised revenue held in WIP, were £0.9m (H1 2017: £1.0m). Around 16% (H1 2017: 10%) of the Technology Division revenues were from maintenance and service as we continue to build the recurring revenue base of the Technology Division. Technology Division revenues are lumpy and will be strongly ahead of last year in H2 2018 following delivery of the $4.5m Middle Eastern vehicle screening contract.

We have changed our accounting classification on gross margin in 2018 to classify direct project costs within cost of sales. This change in classification reduces gross margin but has no impact on operating loss or EBITDA. The Group generated a gross profit of £0.9m (H1 2017: £1.0m) which equates to a gross margin of 36% (H1 2017: 36% restated on a like for like basis).

Administrative expenses reduced by 26% to £1.6m (H1 2017: £2.2m). Exceptional items amounted to £0.2m (H1 2017: £0.3m). In both H1 2018 and H1 2017 the exceptional items primarily related to the pre-contract costs of the new Iranian contract.

The loss from operations of £0.7m was £0.5m lower than the loss of £1.2m in H1 2017 and the EBITDA loss of £0.4m compares to an EBITDA loss of £0.6m in H1 2017.

Our underlying cash interest cost was £0.2m (H1 2017: £0.1m) reflecting primarily the interest on the convertible loan notes. A further £0.3m (H1 2017: £0.1m) 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 2017: £0.2m).

Earnings per share were a loss of 1.0 pence (H1 2017: loss of 1.4 pence). Although the number of shares in issue increased, the loss after tax decreased resulting in the reduced loss per share over H1 2017.

Statement of Financial Position and Cash Flow
The Group ended the period with a £0.3m cash balance, and at 14 September 2018 the cash balance was £0.8m. The net cash used in operating activities was £0.7m (H1 2017: £0.7m). No cash was used in investing activities (H1 2017: £0.1m) and £0.75m of cash was generated from financing activities being the £0.8m of new equity raised in January 2018 before expenses (H1 2017: £1.7m equity).

At the end of the period, the Group had a convertible loan note outstanding with a principal of £2.2m (H1 2017: £2.2m). The coupon is 12% payable quarterly in arrears, it has a conversion price of 25 pence and is repayable in June 2019. The Company has an option to extend repayment to 31 December 2019 with an increased coupon of 15% from July to December 2019.

We raised £0.8m of new equity in January and a further £0.7m raised since June 2018 including $250k from convertible redeemable unsecured loan notes carrying a 5% coupon from a strategic investor. These funds provide financing for the pre-contract costs of the Iranian project and for the other contracts we are working on. Plans are in place to raise further funds to support the Iranian contract and the other expected new Managed Services airport contract and we expect to complete this exercise in Q4.

Outlook
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.

The signing of the large scale long term Iranian airport contract and the $4.5m Middle Eastern vehicle screening contract together with numerous smaller contracts around the world so far this year demonstrate the Company's market reach and ability to pursue and close complex project opportunities. Over the next few months and years we have an opportunity to achieve unprecedented growth from the prospects we are pursuing around the world, and I believe we are closer now than we have ever been in delivering on our vision. The Board and I remain committed to delivering on this potential and we thank our shareholders and other stakeholders for their continued support.

Peter Fowler

Chief Executive Officer

Consolidated Statement of Comprehensive Income (unaudited)

for the six months ended 30 June 2018

	Note	**Six months ended 30 June 2018**	**Six months ended 30 June 2018**	**Six months ended 30 June 2018**	Six months ended 30 June 2017 (restated)	Six months ended 30 June 2017 (restated)	Six months ended 30 June 2017 (restated)	Year ended 31 December 2017 (restated)	Year ended 31 December 2017 (restated)	Year ended 31 December 2017 (restated)
		Continuing Operations	**Discontinued Operations**	**Total**	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
		£'000	**£'000**	**£'000**	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	7	**2,586**	**-**	**2,586**	2,868	51	2,919	5,330	66	5,396
Cost of sales	3	**(1,664)**	**-**	**(1,664)**	(1,733)	(137)	(1,870)	(3,358)	(191)	(3,549)
Gross profit	3	**922**	**-**	**922**	1,135	(86)	1,049	1,972	(125)	1,847
Administrative expenses		**(1,622)**	**(14)**	**(1,636)**	(1,759)	(443)	(2,202)	(3,790)	(3,544)	(7,334)
Operating loss	7	**(700)**	**(14)**	**(714)**	(624)	(529)	(1,153)	(1,818)	(3,669)	(5,487)
Analysis of operating loss										
Add back depreciation and amortisation		**77**	**-**	**77**	105	102	207	170	144	314
Add back share option expenses		**-**	**-**	**-**	-	-	-	63	-	63
Add back impairment charges		**-**	**-**	**-**	-	-	-	397	2,491	2,888
Add back exceptional items	9	**215**	**14**	**229**	305	-	305	653	335	988
EBITDA loss from underlying operations		**(408)**	**-**	**(408)**	(214)	(427)	(641)	(535)	(699)	(1,234)
Finance Costs	10	**(484)**	**-**	**(484)**	(230)	-	(230)	(630)	-	(630)
Loss before taxation		**(1,184)**	**(14)**	**(1,198)**	(854)	(529)	(1,383)	(2,448)	(3,669)	(6,117)
Taxation		**(5)**	**-**	**(5)**	-	-	-	-	-	-
Total comprehensive expense for the period		**(1,189)**	**(14)**	**(1,203)**	(854)	(529)	(1,383)	(2,448)	(3,669)	(6,117)
Loss and total comprehensive loss attributable to:										
Owners of the parent		**(1,192)**	**(14)**	**(1,206)**	(854)	(529)	(1,383)	(2,248)	(3,669)	(5,917)
Non-controlling interest		**3**	**-**	**3**	-	-	-	(200)	-	(200)
Loss and total comprehensive loss		**(1,189)**	**(14)**	**(1,203)**	(854)	(529)	(1,383)	(2,448)	(3,669)	(6,117)
Loss per share (pence)	8	**(0.96)**	**(0.01)**	**(0.97)**	(0.85)	(0.52)	(1.37)	(2.24)	(3.36)	(5.60)

Consolidated Statement of Financial Position (unaudited)

As at 30 June 2018

	Note	**As at 30 June 2018**	As at 30 June 2017	As at 31 December 2017
		£'000	£'000	£'000
Goodwill		**-**	397	-
Other intangible assets		**112**	173	129
Property, plant and equipment		**1,916**	4,488	1,952
Total Non-Current Assets		**2,028**	5,058	2,081
Inventories		**42**	48	39
Trade and other receivables		**1,256**	786	693
Cash and cash equivalents		**318**	759	392
Total Current Assets		**1,616**	1,593	1,124
Total Assets		**3,644**	6,651	3,205
Called up share capital	12	**12,503**	11,324	12,074
Share premium account		**9,597**	9,136	9,226
Merger relief reserve		**299**	299	299

Share based payment reserve		**598**	594	621
Equity Reserve on Convertible Loan Note		**506**	186	186
Revaluation reserve		**134**	134	134
Retained earnings		**(24,033)**	(18,155)	(22,853)
(Deficit)/Equity attributable to				
Owners of the parent		**(199)**	3,518	(113)
Non-controlling interest		**(197)**	-	(200)
Total Shareholders' (Deficit)/Equity		**(396)**	3,518	(313)
Non-current borrowings	14	**2,200**	-	2,184
Total Non-Current Liabilities		**2,200**	-	2,184
Current borrowings	14	**-**	2,073	-
Trade and other payables		**1,049**	1,055	1,096
Deferred income		**639**	5	-
Total Current Liabilities		**1,688**	3,133	1,096
Liabilities of disposal group classified as held for sale		**152**	-	238
Total Liabilities		**4,040**	3,133	3,518
Total Liabilities and Shareholders' Equity		**3,644**	6,651	3,205

Consolidated Statement of Changes in Equity (unaudited)

for the six months ended 30 June 2018

	Called up share capital £'000	**Share premium account £'000**	**Merger relief reserve £'000**	**Share based payment reserve £'000**	**Equity reserve on CLN £'000**	**Revaluation reserve £'000**	**Retained earnings £'000**	**Non-controlling interest £'000**	**Total share-holders' equity £'000**
As at 1st January 2018	12,074	9,226	299	621	186	134	(22,653)	(200)	**(313)**
Issue of new shares	341	409	-	-	-	-	-	-	**750**
Costs of new share issues	-	(38)	-	-	-	-	-	-	**(38)**
CLN extension	-	-	-	-	320	-	-	-	**320**
Warrants exercised	88	-	-	(23)	-	-	23	-	**88**
Total transactions with owners	**429**	**371**	**-**	**(23)**	**320**	**-**	**23**	-	**1,120**
Loss for the period	-	-	-	-	-	-	(1,206)	3	**(1,203)**
As at 30th June 2018	**12,503**	**9,597**	**299**	**598**	**506**	**134**	**(23,836)**	**(197)**	**(396)**
As at 1st January 2017	8,711	9,169	299	569	186	134	(16,772)	-	**2,296**
Issue of new shares	1,542	84	-	-	-	-	-	-	**1,626**
Costs of new share issues	-	(117)	-	-	-	-	-	-	**(117)**
Warrants exercised	4	-	-	-	-	-	-	-	**4**
CLN conversion	1,067	-	-	-	-	-	-	-	**1,067**
Warrants issued in the period	-	-	-	25	-	-	-	-	**25**
Total transactions with owners	**2,613**	**(33)**	**-**	**25**	**-**	**-**	**-**	-	**2,605**
Loss for the period	-	-	-	-	-	-	(1,383)	-	**(1,383)**
As at 30th June 2017	**11,324**	**9,136**	**299**	**594**	**186**	**134**	**(18,155)**	-	**3,518**
As at 1st January 2017	8,711	9,169	299	569	186	134	(16,772)	-	**2,296**
Issue of new shares	2,291	-	-	-	-	-	-	-	**2,291**
Cost of share issues	-	(76)	-	-	-	-	-	-	**(76)**
Share options lapsed	-	-	-	(34)	-	-	34	-	**-**
Exercise of share options	5	-	-	(2)	-	-	2	-	**5**
CLN conversion	1,067	133	-	-	-	-	-	-	**1,200**
Share based payment charge	-	-	-	88	-	-	-	-	**88**
Total transactions with owners	3,363	57	-	52	-	-	36	-	**3,508**
Loss for the year	-	-	-	-	-	-	(5,917)	(200)	**(6,117)**
As at 31st December 2017	12,074	9,226	299	621	186	134	(22,653)	(200)	**(313)**

Consolidated Cash Flow Statement (unaudited)
for the six months ended 30 June 2018

	Note	**Six months ended 30 June 2018 Continuing Operations**	**Six months ended 30 June 2018 Discontinued Operations**	**Six months ended 30 June 2018 Total**	Six months ended 30 June 2017 Continuing Operations	Six months ended 30 June 2017 Discontinued Operations	Six months ended 30 June 2017 Total	Year ended 31 December 2017 Continuing Operations	Year ended 31 December 2017 Discontinued Operations	Year ended 31 December 2017 Total
		£'000	**£'000**	**£'000**	£'000	£'000	£'000	£'000	£'000	£'000
Loss after taxation		**(1,189)**	**(14)**	**(1,203)**	(854)	(529)	(1,383)	(2,448)	(3,669)	(6,117)
Non-cash adjustments	*11*	**562**	**-**	**562**	335	102	437	1,294	2,635	3,929
Net changes in working capital	*11*	**26**	**(85)**	**(59)**	307	(16)	291	435	206	641
Cash outflow from operating activities		**(601)**	**(99)**	**(700)**	(212)	(443)	(655)	(719)	(828)	(1,547)
Investing activities										
Purchase of property, plant and equipment		**(26)**	**-**	**(26)**	(43)	(4)	(47)	(69)	(4)	(73)
Purchase of intangible assets		**-**	**-**	**-**	(54)	-	(54)	(56)	-	(56)
Proceeds from the sale of fixed assets		**-**	**-**	**-**	-	-	-	1	-	1
Cash outflow from investing activities		**(26)**	**-**	**(26)**	(97)	(4)	(101)	(124)	(4)	(128)
Financing activities										
Gross proceeds from the issue of ordinary shares		**838**	**-**	**838**	1,626	-	1,626	2,376	-	2,376
Costs of share issues in the period		**(38)**	**-**	**(38)**	(117)	-	(117)	(160)	-	(160)
Borrowing repayments		**-**	**-**	**-**	(34)	-	(34)	(36)	-	(36)
Interest paid		**(148)**	**-**	**(148)**	(112)	-	(112)	(265)	-	(265)
Cash inflow from financing activities		**652**	**-**	**652**	1,363	-	1,363	1,915	-	1,915
Change in cash and cash equivalents in the period		**25**	**(99)**	**(74)**	1,054	(447)	607	1,072	(832)	240
Cash and cash equivalents at the beginning of the period				**392**			152			152
Cash and cash equivalents at the end of the period				**318**			759			392

Notes to the financial statements

for the six months ended 30 June 2018

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 2018 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 2018. 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 2017.

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 2017, with the exception of the change in accounting policy for Administration Expenses and Cost of Sales as described in note 3 below.

These consolidated interim financial statements for the six months ended 30 June 2018 have neither been audited nor reviewed by the Group's auditors. The financial information for the year ended 31 December 2017 set out in this interim report does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The statutory financial statements for the year ended 31 December 2017 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. Change in accounting classification

During the period, the directors have reviewed the categorisation of certain contract related costs which have historically been classified within Administration Expenses and concluded that it would be more appropriate for these costs to be classified within Cost of Sales within the Consolidated Statement of Comprehensive Income. The prior periods have been restated within this document for this change in accounting classification. This change in accounting classification only affects Cost of Sales and Administration Expenses and there is no impact on Profit Before Tax or Retained Earnings. The impact on the year to 31 December 2017 and the six months to 30 June 2017 is shown in the table below.

	Six months ended 30 June 2017 Continuing operations £'000	Six months ended 30 June 2017 Discontinued Operations £'000	Six months ended 30 June 2017 Total £'000	Year ended 31 December 2017 Continuing operations £'000	Year ended 31 December 2017 Discontinued Operations £'000	Year ended 31 December 2017 Total £'000
Impact of change in accounting classification						
Revenue	-	-	-	-	-	-
Cost of sales	653	9	662	1,343	9	1,352
Gross profit	**653**	**9**	**662**	**1,343**	**9**	**1,352**
Administration expenses	(653)	(9)	(662)	(1,343)	(9)	(1,352)
Operating loss	-	-	-	-	-	-
Profit after tax	**-**	**-**	**-**	**-**	**-**	**-**

4. 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.

5. Basis of consolidation

These Group financial statements consolidate those of the Group and its subsidiary undertakings drawn up to 30 June 2018. 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.

6. 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.

7. 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. In 2017 the operating business units also included Sovereign Ferries. This split of business segments is based upon the products and services each offer.

Six months ended 30 June 2018	**Managed Services Aviation £'000**	**Technology £'000**	**Managed Services Sovereign Ferries £'000**	**Group and Central Costs £'000**	**Group Total £'000**
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
Segment revenue	**1,729**	**857**	**-**	**-**	**2,586**

Segmental underlying EBITDA	610	(47)	-	(971)	(408)
Exceptional items	(215)	-	(14)	-	(229)
Depreciation & amortisation	(39)	(6)	-	(32)	(77)
Segment Operating result	**356**	**(53)**	**(14)**	**(1,003)**	**(714)**
Finance cost	-	-	-	(484)	(484)
Segment profit/(loss) for the period before taxation	**356**	**(53)**	**(14)**	**(1,487)**	**(1,198)**

Six months ended 30 June 2017	**Managed Services Aviation**	**Technology**	**Managed Services Sovereign Ferries**	**Group and Central Costs**	**Group Total**
	£'000	£'000	£'000	£'000	£'000
Supply of products and solutions	-	906	-	-	906
Supply and installation contracts	-	15	-	-	15
Maintenance and service	-	99	-	-	99
Airport security fees	1,755	-	-	-	1,755
Training and consultancy	93	-	-	-	93
Ferry ticket sales	-	-	51	-	51
Segment revenue	**1,848**	**1,020**	**51**	**-**	**2,919**
Segmental underlying EBITDA	683	(12)	(427)	(885)	(641)
Exceptional items	(255)	-	-	(50)	(305)
Depreciation & amortisation	(73)	(8)	(102)	(24)	(207)
Segment Operating result	**355**	**(20)**	**(529)**	**(959)**	**(1,153)**
Finance cost	-	-	-	(230)	(230)
Segment profit/(loss) for the period before taxation	**355**	**(20)**	**(529)**	**(1,189)**	**(1,383)**

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 2018	Six months ended 30 June 2017
	£'000	£'000
United Kingdom and Europe	**554**	489
Africa	**1,842**	2,033
Middle East	**3**	129
Rest of the World	**187**	268
Total revenue	**2,586**	2,919

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

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

	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
	'000	'000	'000
Number of issued ordinary shares at the start of period	**120,743**	87,107	87,107
Effect of shares issued during the period	**3,710**	13,822	22,087
Weighted average basic and diluted number of shares for period	**124,453**	100,929	109,194

9. Exceptional items

	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
	£'000	£'000	£'000
Middle East contract pre-contract costs	**215**	255	603
Ferry closure costs	**14**	-	335
Other	**-**	50	50
Total exceptional items	**229**	305	988

10. Finance costs

	Six months ended 30 June	Six months ended 30 June	Year ended

	2018	2017	31 December 2017
	£'000	£'000	£'000
Interest payable on bank and other borrowings	**(36)**	(9)	(44)
Cash interest expenses on convertible loan notes	**(117)**	(106)	(225)
Underlying finance costs	**(153)**	(115)	(269)
Non-cash amortised finance cost on convertible loan notes	**(56)**	(115)	(361)
Non-cash finance cost upon extension of convertible loan notes	**(275)**	-	-
Total finance costs	**(484)**	(230)	(630)

11. 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 2018 Continuing Operations	**Six months ended 30 June 2018 Discontinued Operations**	**Six months ended 30 June 2018 Total**	Six months ended 30 June 2017 Continuing Operations	Six months ended 30 June 2017 Discontinued Operations	Six months ended 30 June 2017 Total	Year ended 31 December 2017 Continuing Operations	Year ended 31 December 2017 Discontinued Operations	Year ended 31 December 2017 Total
	£'000	**£'000**	**£'000**	£'000	£'000	£'000	£'000	£'000	£'000
Adjustment for non-cash items									
Depreciation, amortisation and impairment of non-financial assets	**77**	**-**	**77**	105	102	207	567	2,635	3,202
Finance costs	**484**	**-**	**484**	230	-	230	630	-	630
Loss on disposal of non-financial assets	**1**	**-**	**1**	-	-	-	9	-	9
Share-based payment expenses	**-**	**-**	**-**	-	-	-	88	-	88
Total adjustments	**562**	**-**	**562**	335	102	437	1,294	2,635	3,929
Net changes in working capital:									
Decrease/(increase)in inventories	**(3)**	**-**	**(3)**	150	-	150	159	-	159
Decrease/(increase) in trade and other receivables	**(562)**	**-**	**(562)**	178	(44)	134	162	39	201
Increase/(decrease) in trade and other payables	**(48)**	**(85)**	**(133)**	(21)	28	7	141	167	308
Increase in deferred income	**639**	**-**	**639**	-	-	-	(27)	-	(27)
Total changes in working capital	**26**	**(85)**	**(59)**	307	(16)	291	435	206	641

12. Called up share capital

Ordinary Share Capital	**6 months to 30th June 2018**		6 months to 30th June 2017		Year to 31st December 2017	
	Number	**£'000**	Number	£'000	Number	£'000
At the beginning of the period	**120,743,420**	**12,074**	87,107,903	8,711	87,107,903	8,711
Arising on conversion of convertible loan notes	**-**	**-**	10,669,227	1,067	10,669,227	1,067
Shares issued to Beaufort Securities in settlement of their annual fee	**-**	**-**	250,000	25	250,000	25
Arising on exercise of Warrants and Share Options	**875,000**	**88**	55,000	4	55,000	5
Other issues for cash	**3,409,091**	**341**	15,161,290	1,517	22,661,290	2,266
At the end of the period	**125,027,511**	**12,503**	**113,243,420**	**11,324**	**120,743,420**	**12,074**

13. Share Options and Warrants

The Company adopted a revised Westminster Group Plc 2017 Share Option Scheme on 31 May 2018 that is in accordance with the EMI Code. The Scheme provides for the granting of both Enterprise Management Incentives and unapproved share options and is open to all full time employees and Directors of the Company.

On 1 June 2018, the Company granted a total of 7,500,000 share options over ordinary shares of 10p each in the Company at a price of 13 pence per Ordinary Share, being the closing middle market price of an Ordinary Share on 31 May 2018.

The Share Options 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 26 pence per Ordinary Share at any time, being twice the middle market price on the date of grant. No consideration was paid by the option holders in respect of the grant of their awards.

The Share Options were granted to Directors of the Company as follows:

Peter Fowler (Chief Executive Officer)	1,750,000
Martin Boden (Chief Financial Officer)	1,250,000
Sir Tony Baldry (Chairman)	750,000

Stuart Fowler (Operations Director) 750,000

The remaining 3,000,000 options were granted to all UK based employees and to key employees based overseas. Following the grant of the Share Options, there are currently a total of 11,143,000 director and employee share options outstanding, representing 8.6% of the current issued share capital of the Company.

In August 2018, the February 2016 Warrants (589,330 with a three year life and a strike price of 20.15p per Ordinary Share) were sold by Darwin Capital Limited ("Darwin") to a new holder. Darwin sold their remaining warrants (1,100,000 with a three year life and a strike price of 28.0p per Ordinary Share) to the same buyer in April 2018 and Darwin no longer hold any warrants in Westminster Group Plc.

14. Borrowings

	Six months ended 30 June 2018 £'000	Six months ended 30 June 2017 £'000	Year ended 31 December 2017 £'000
Current borrowings (due < 1 year)			
Convertible loan note	**-**	2,073	-
Total current borrowings	**-**	2,073	-
Non-current borrowings (due > 1 year)			
Convertible loan note	**2,200**	-	2,184
Total non-current borrowings	**2,200**	-	2,184
Total borrowings	**2,200**	2,073	2,184

15. Events after the Reporting Period

On 31 July 2018, the Company raised $250,000 (£190,961) by way of an issue of £190,961 of convertible redeemable unsecured loan notes ("CULN"). The CULN have a maturity date of 31 July 2021 and an annual coupon of 5%. The CULN may be converted at any time in whole or in multiples of £10,000 at a conversion price of 10p per share. The investor who subscribed for the CULN is known to the Company and assists in business development.

On 31 August 2018, the Company raised £0.5m (gross) through a placing of 5,000,000 new Ordinary Shares of 10p each at 10 pence per Ordinary Share. The placing was undertaken by SVS Securities Plc. The total number of voting rights in the Company is currently 130,027,511.

16. Approval of interim financial statements

The interim financial statements were approved by the Board of Directors on 20 September 2018.

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.

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