WESTMINSTER
GROUP PLC

Interim Results

2021

Worldwide world class protection

Westminster Group Plc

('Westminster', the 'Group' or the 'Company')

Interim Results for the six months to 30 June 2021

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 2021.

Operational Highlights:

- Secured 20-year managed services contract – 5 airports in the DRC.
- Secured 10-year managed services contract – port in West Africa.
- Post-period, secured high profile contract to provide security services to the Tower of London.
- 5-year security contract for the Palace of Westminster (UK Parliament) underway.
- Ghana port operations continue to perform well.
- West African Airport operations recovering ahead of expectations.
- Developed new Covid-19 testing programme initiative in partnership with Certific.
- Aviation training business graded as 'Outstanding in all Areas' by UK Civil Aviation Authority.
- Awarded Queen's Award for Enterprise in recognition of outstanding contribution to International Trade.

Financial Highlights:

- Group revenues up 16% from H2 2020 to £3.5 million (H1 2020: £7.0 million, H2 2020: £3.0 million).
- Gross margin increased to 45% (H1 & H2 2020: 40%).
- Operating Loss of £0.93 million (H1 2020: Profit £0.48 million, H2 2020 Loss £1.22 million).
- Loss per share of 0.32p (H1 2020: Profit of 0.16p, H2 2020: Loss 0.59p).
- Administration expenses slightly up at £2.5 million (H1 2020: £2.3 million, H2 2020: £2.4 million) as we increase selling capacity.
- £2.5m equity raise completed in June 2021 for recently won and future projects.
- Group debt free, excluding £0.05 million of imputed lease debt (30 June 2020: £3.37 million debt, 31 December 2020: £0.07 million lease debt).
- Cash balance as at 30 June 2021: £3.1 million (30 June 2020: £1.6 million, 31 December 2020: £2.1 million).

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

"In our 2020 Annual Report we stated the outlook for 2021 was looking positive and this remains the case.

“Not only are we seeing recovery and growth in our existing operations, but we are developing new initiatives and revenue streams, such as the Covid-19 testing programme, and in recent weeks and months we have announced several significant new large-scale, long-term contract wins that will produce a several million-pound step change in our annual revenues, together all underpinning confidence in our business model and growth trajectory.

“Covid-19 has, of course, continued to create challenges during the first half of 2021 with the global uncertainty causing many businesses and organisations to be cautious on their spending plans and with travel restrictions still in place in many parts of the world, resulting, as previously announced, in further 'right-shifting' of certain expected contracts and revenues. Because of this our first half year revenues are therefore down on H1 2020, which had record revenues for the first three months before the Covid-19 pandemic had any real impact. However, at £3.5m, H1 revenues are 16% ahead of the second half of 2020 (£3.0m) demonstrating recovery is underway and we believe that, providing the expected easing of restrictions and the resultant recovery continues, together with the recently secured contracts and our strong pipeline we are on track to deliver a strong performance for 2021 and we are confident in our future forecasts.

"In the last few years, we have achieved a lot, despite the challenges, and it is rewarding to see the quality of our services and our many achievements being widely recognised. I am extremely proud therefore, that in April 2021, Westminster was granted the Queen's Award for Enterprise in recognition of outstanding achievement in international trade. The award ceremony and Westminster's open day will now take place at Westminster House on 3 September 2021. Shareholders who would like to attend may register their interest here www.wg-plc.com/queens-award-2021”.

Investor Presentation

Westminster Group Plc is pleased to announce that Peter Fowler (CEO) and Mark Hughes (CFO) will provide a live presentation relating to Westminster Group PLC 2021 Half Year Results via the Investor Meet Company platform on 17th Aug 2021 at 11:00am BST.

The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via your Investor Meet Company dashboard up until 9am the day before the meeting or at any time during the live presentation.

Investors can sign up to Investor Meet Company for free and add to meet Westminster Group Plc via:

https://www.investormeetcompany.com/westminster-group-plc/register-investor

Westminster Group Plc	Media enquiries via Walbrook PR
Rt. Hon. Sir Tony Baldry - Chairman	
Peter Fowler - Chief Executive Officer	
Mark Hughes - Chief Financial Officer	
Strand Hanson Limited (Financial & Nominated Adviser)	
James Harris	020 7409 3494
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Notes:

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

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

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

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

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

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

Chief Executive Officer's Review

Overview

In our 2020 Annual Report we stated the outlook for 2021 was looking positive and this remains the case.

A key strength of our business is the multiple revenue stream business model we have developed which provides a degree of resilience to world events beyond our control and which has proved invaluable during the Covid-19 crisis.

In this respect, not only are we seeing recovery and growth in our existing operations, but we are developing new initiatives and revenue streams, such as the Covid-19 testing programme. Additionally, in recent weeks and months we have announced several significant new large-scale, long-term contract wins that will produce a several million-pound step change in our annual revenues, thereby underpinning confidence in our business model and growth trajectory.

Covid-19 has, of course, continued to create challenges during the first half of 2021 with the global uncertainty causing many businesses and organisations to be cautious on their spending plans and with travel restrictions still in place in many parts of the world, resulting, as previously announced, in further 'right-shifting' of certain expected contracts and revenues. Because of this our first half year revenues are therefore down on H1 2020, which had record revenues for the first three months before the Covid-19 pandemic had any real impact. However, at £3.5m H1 revenues are 16% ahead of the second half 2020 (£3.0m) demonstrating recovery is underway and we believe that, with the ongoing recovery in our existing business together with the recently secured contracts, anticipated new contracts and our strong pipeline and providing the expected easing of restrictions and delays and the resultant recovery continues, are on track to meet full year expectations and we are confident in our 2022 and future forecasts

In the last few years, we have achieved a lot and it is rewarding to see the quality of our services and our many achievements being widely recognised. I am extremely proud that in April 2021, Westminster was granted the Queen's Award for Enterprise in recognition of outstanding achievement in international trade. The award ceremony and Westminster's open day will now take place at Westminster House on 3 September 2021. In November 2020 the London Stock Exchange selected Westminster as one of a 1,000 companies to inspire Britain and in May 2020, and again in April 2021, the UK Civil Aviation Authority (CAA) graded our aviation training business as 'Outstanding in all Areas'. These are all important accolades for our business and a testament to the skill and hard work of all our people.

Divisional Review

Services Division

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

In our 2020 Annual Report we stated one of our key goals for 2021 was to secure at least one more long-term managed services contract and in that respect, I am delighted that, with an easing of restrictions, we have not only been able to secure one, but two, significant new long-term contract wins.

In December 2020 we announced we were in the advanced stages of securing a long-term contract for 5 airports in an African country. We had been pursuing this opportunity since our acquisition of our French business Euro Ops in 2019 and we expected to secure this contract in 2020 but due to the various lockdowns and travel restrictions in place progress was delayed. I was delighted therefore to be able to announce on 15 June 2021 that we had secured and signed a 20-year manged services contract to provide security services to 5 airports in the Democratic Republic of the Congo ('DRC'), Central Africa. This was a very significant achievement and not only means we will now have an established presence in a new region of Africa but also the project offers substantial growth opportunities. We are excited about this new contract and looking forward to commencing operations once formalities are finalised. I am pleased to report we have already commenced deployment of key personnel for the project, our 100% subsidiary, Westminster Aviation Security Services RDC, which will be employing the local personnel and other logistics, has now been formed, local professional advisors engaged and we are currently preparing the operational logistics ready for commencement.

In addition, on 16 June 2021, we further announced that we had signed another long-term managed service contract to provide port screening services in West Africa for the next 10+ years. We had been pursuing and developing this opportunity for several years and it is another important win for the Company that further extends our global footprint and profile in the port screening sector. Likewise, personnel deployment and company formation processes are underway. Our project team is working with the client to prepare the land for the port screening and inspection areas.

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

These important new contract wins not only demonstrate our global reach but, as we have stated on a number of occasions, that large-scale projects such as these do take time to develop and negotiate and equally demonstrate that we have the skills and resources required to successfully deliver on such opportunities. Together these new contracts alone will add, once fully operational, several million pounds to our annual revenues and together with our other managed services and recurring revenue contracts, underpin confidence in our future forecasts and growth.

In addition to these important new contracts, we are encouraged in the recovery and growth of our existing operations.

Our West African Airport managed services operation continues to be ahead of our expectations (currently, in June 2021, it was 70% of pre-Covid-19 levels) although we do not expect to see a full recovery to pre-Covid-19 levels until late 2022 although it is encouraging that this operation is recovering faster than the average African and European airport traffic and we may see full recovery earlier than forecast.

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

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

Our guarding business has already secured important new business and we are pursuing a number of interesting new opportunities which could see revenues from this business increase dramatically.

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

We continue to develop new opportunities and initiatives such as our partnership with Certific in their new Covid-19 testing programme for which Westminster is providing verification services. This new initiative has delivered six figure revenues in H1 as the programme began its roll out and, whilst it is uncertain how long Covid-19 testing will remain a requirement, our expectation is this will be some time yet. Indeed, there is a likelihood this could be a requirement for international travel for the foreseeable future and we therefore are looking at additional opportunities in this sector and expect revenues from such to continue to grow into 2022 and possibly beyond.

Technology Division

We continue to experience healthy enquiry levels and during H1 2021 have secured orders for our products and services from over 40 countries around the world, although Covid-19 and travel restrictions have caused some delays in delivery.

The caution on spending by many companies during H2 2020, continued into H1 2021 and this has meant that purchasing decisions regarding some of our larger technology project opportunities have been deferred. We are encouraged however that discussions have now re-commenced on several of these opportunities and one or more of these could land at any time.

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

In the UK we are pleased to report that the Palace of Westminster contract which was secured in 2020 but could not be started until recently due to Covid-19 restrictions is well underway and we are already looking at possible extensions to this project.

As previously advised, we have established Westminster Arabia in the Kingdom of Saudi Arabia jointly with our partners Hazar International but have been delayed from finalising licences due to travel restrictions. I am pleased to report however that with some easing of restrictions we are preparing to re-enter the Kingdom to finalise matters which should be completed by Q4 2021. This will be an important step in enabling us to formally bid on and pursue the many medium and large-scale opportunities we have been investigating there.

Financial

Revenues at £3.5 million (H1 2020: £7.0 million) for the first half year were 16% ahead of the second half 2020 performance (H2 2020: £3.0 million). H1 2020 benefited from record passenger numbers in our West African Airport operation in the first quarter. When Covid-19 hit this, as well as our training and guarding revenues, it was more than counterbalanced by an increase in fever detection product sales. However, this trend did not last as travel restrictions and shutdowns around the world worsened and business confidence declined, with growing uncertainty leading to companies conserving resources and reducing spending. H1

2021 represents recovery as the airport operations increased, to reach in June just over 70% of a normal year (better than many other airports, latest global traffic levels are reported as 38% of normal), plus training and guarding are both once again operational and new contracts are being secured.

The Group generated a gross profit of £1.6 million (H1 2020: £2.8 million, H2 2020: £1.2m) which equates to a gross margin of 45% (H1 & H2 2020: 40%). The percentage increase is due to the increase in high margin managed services sales in H1 2021.

Administration expenses have increased by 8% (£0.2m) from H1 2020 to H1 2021. Almost all of this represents an investment in an expanded sales team to drive revenues forward in future periods.

The operating loss was £0.93 million (H1 2020: profit of £0.48 million; H2 2020 loss of £1.20 million). This is primarily driven by the drop in sales due to Covid-19 effect offset by improving gross margin.

Our underlying cash interest cost was zero (H1 2020: £0.18 million) The 2020 figure was primarily the interest on the convertible loan notes which were redeemed in December 2020. There were no non-cash financing charges arising from the amortisation and extension of the convertible loan notes (H1 2020: £0.06 million). A small amount, £2,000 (H1 2020: £20,000), was booked in respect of operating leases in accordance with IFRS16. In total, the financing costs have been effectively eliminated (H1 2020: £0.24 million).

Earnings per share were a loss of 0.32 pence (H1 2020: a profit of 0.16 pence, H2 2020: 0.59p loss).

Statement of Financial Position and Cash Flow

The Group ended the period with a £3.1 million cash balance (2020: £1.6 million). The net cash outflow from operating activities was £1.3m (H1 2020: inflow of £0.7 million). £0.1 million cash was used in investing activities (H1 2020: £0.2 million) and a movement of £2.5 million (before expenses) came from raising new equity (H1 2020: £1.85 million new equity). The funds raised will be used in the new contracts which are starting in the second half of 2021, as well as to help secure the Company's prospective pipeline of future contracts.

At the end of the period, the Group had no borrowings other than a balance of £48,000 arising from the IFRS 16 treatment of operating leases (2020: £3,368,000 of which £92,000 was for operating leases).

Outlook

The business model and opportunities we have been developing over the years have created a foundation from which we can deliver significant growth and sustainable revenue streams and build shareholder value. The recent large-scale long-term contracts we have secured which will provide an upward step change in revenues, the recovery and growth in our existing operations and the numerous new opportunities we are developing underpin our confidence for the future growth of our business.

Whilst acknowledging that there is still global uncertainty and delays may still impact the delivery of certain projects in the short term, providing the expected easing of restrictions and delays and the resultant recovery continues we are on track to meet full year expectations. We are however confident in our 2022 and future forecasts. The Board and I remain committed to delivering on our significant growth potential.

Peter Fowler,
Group Chief Executive
13 August 2021

Condensed consolidated statement of comprehensive income (unaudited)

for the six months ended 30 June 2021

	Note	**Six months ended 30 June 2021 Total**	Six months ended 30 June 2020 (restated) Total	Year ended 31 December 2020 Total
		£'000	£'000	£'000
Revenue	5	**3,477**	6,959	9,945
Cost of sales		**(1,912)**	(4,186)	(5,974)
Gross profit		**1,565**	2,773	3,971
Administrative expenses		**(2,492)**	(2,297)	(4,715)
Operating (loss) / profit	7a	**(927)**	476	(744)
Analysis of operating loss/profit		**(927)**	476	(744)
Add back depreciation and amortisation		**117**	108	225
EBITDA (loss)/profit from underlying operations	6	**(810)**	584	(519)
Finance Costs	8	**(2)**	(240)	(17)
(Loss) / profit before taxation		**(929)**	236	(761)
Taxation	7b	-	-	31
Total comprehensive income for the period		**(929)**	236	(730)
Profit / (loss) and total comprehensive income attributable to:				
Owners of the parent		**(920)**	182	(560)
Non-controlling interest		**(9)**	54	(170)
Profit / (loss) and total comprehensive income		**(929)**	236	(730)
Earnings per share (pence)	7c	**(0.32p)**	0.16p	(0.45p)

The 2020 half year results have been restated to remove an exceptional item not recognised in the 2020 audited results. In H1 2020 an exceptional item was recorded to reflect the effect of Covid-19. This was reviewed at the full year and following guidance from the Finance Reporting Council, it was decided that this should not have been recorded as an exceptional item.

Condensed consolidated balance sheet (unaudited)

as at 30 June 2021

	Note	**As at 30 June 2021 £'000**	As at 30 June 2020 £'000	As at 31 December 2020 £'000
Goodwill		**613**	616	614
Other intangible assets		**151**	205	187
Property, plant and equipment		**1,882**	1,947	1,901
Deferred Tax		**956**	907	956
Total Non-Current Assets		**3,602**	3,675	3,658
Inventories		**585**	444	773
Trade and other receivables		**2,328**	3,767	2,438
Cash and cash equivalents		**3,054**	1,582	2,143
Total Current Assets		**5,967**	5,793	5,354
Non-current receivable		**484**	-	484
Total Assets		**10,053**	9,468	9,496
Called up share capital	9	**16,322**	16,040	16,278
Share premium account		**16,346**	9,579	14,069
Merger relief reserve		**300**	300	300
Share based payment reserve		**1,050**	1,318	1,050
Equity Reserve on Convertible Loan Note		**-**	398	-
Revaluation reserve		**139**	133	139
Retained earnings		**(25,162)**	(23,662)	(24,242)
Equity attributable to				
Owners of the parent		**8,995**	4,106	7,594
Non-controlling interest		**(544)**	(310)	(535)
Total Shareholders' Equity		**8,451**	3,796	7,059
Non-current borrowings	10	**16**	231	29
Total Non-Current Liabilities		**16**	231	29
Current borrowing	10	**32**	3,137	38
Contractual liabilities		**97**	58	100
Trade and other payables		**1,457**	2,246	2,270
Total Current Liabilities		**1,586**	5,441	2,408
Total Liabilities		**1,602**	5,672	2,437
Total Liabilities and Shareholders' Equity		**10,053**	9,468	9,469

Condensed consolidated statement of changes in equity (unaudited)

for the six months ended 30 June 2021

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

for the six months ended 30 June 2020

	Called up share capital	Share premium account	Merger relief reserve	Share based payment reserve	Equity reserve on CLN	Revaluation reserve	Retained earnings	Total	Non-controlling interest	Total share-holders' equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1st January 2020	14,540	9,577	300	1,166	423	133	(23,844)	2,295	(365)	1,930
Profit for the period	-	-	-	-	-	-	182	182	54	236
Total comprehensive income for the period	-	-	-	-	-	-	182	182	54	236
Transactions with owners in their capacity as owners:										
Issue of new shares	1,500	350	-	-	-	-	-	1,850	-	1,850
Costs of new share issues	-	(348)	-	-	-	-	-	(348)	-	(348)
CLN Movements	-	-	-	-	(25)	-	-	(25)	-	(25)
Issue of new warrant	-	-	-	152	-	-	-	152	-	152
Other movements in equity	-	-	-	-	-	-	-	-	1	1
	1,500	2	-	152	(25)	-	-	1,629	1	1,630
As at 30th June 2020	16,040	9,579	300	1,318	398	133	(23,662)	4,106	(310)	3,796

for the twelve months ended 31 December 2020

	Called up share capital	Share premium account	Merger relief reserve	Share based payment reserve	Equity reserve on CLN	Revaluation reserve	Retained earnings	Total	Non-controlling interest	Total share-holders' equity
AS AT 1 JANUARY 2020 as previously stated	14,540	9,577	300	1,166	423	133	(23,844)	2,295	(365)	1,930
Prior year adjustment	-	-	-	(188)	-	-	147	(41)	-	(41)
AS AT 1 JANUARY 2020 Restated	14,540	9,577	300	978	423	133	(23,697)	2,254	(365)	1,889
Shares issued for cash	1,525	5,225	-	-	-	-	-	6,750	-	6,750
Cost of share issues	-	(733)	-	-	-	-	-	(733)	-	(733)
Share based payment charge	-	-	-	87	-	-	-	87	-	87
Lapse of share options	-	-	-	(15)	-	-	-	(15)	-	(15)
Exercise of warrants and share options	213	-	-	-	-	-	-	213	-	213
Revaluation of freehold property	-	-	-	-	-	6	-	6	-	6
Other movements in equity	-	-	-	-	-	-	15	15	-	15
CLN Movement	-	-	-	-	(423)	-	-	(423)	-	(423)
TRANSACTIONS WITH OWNERS	1,738	4,492	-	72	(423)	6	15	5,900	-	5,900
Total comprehensive expense for the year	-	-	-	-	-	-	(560)	(560)	(170)	(730)
AS AT 31 DECEMBER 2020	16,278	14,069	300	1,050	-	139	(24,242)	7,594	(535)	7,059

Consolidated Cash Flow Statement (unaudited)

for the six months ended 30 June 2021

	Note	**Six months ended 30 June 2021 Total £'000**	Six months ended 30 June 2020 Total £'000	Year ended 31 December 2020 Total £'000
(Loss) / Profit after taxation		**(929)**	236	(730)
Tax		**-**	-	(31)
Loss before taxation		**(929)**	236	(761)
Non-cash adjustments	**8**	**122**	43	(59)
Net changes in working capital	**8**	**(517)**	457	(1,033)
Cash inflow/(outflow) from operating activities		**(1,324)**	736	(1,853)
Investing activities				
Purchase of property, plant and equipment		**(65)**	(84)	(111)
Purchase of intangible assets		**-**	(103)	(121)
Cash outflow from investing activities		**(65)**	(187)	(232)
Financing activities				
Gross proceeds from the issue of ordinary shares and exercise of warrants		**2,500**	1,850	6,963
Equity placing and sharing agreement loan		-	(1,750)	-
Costs of share issues		**(179)**	(348)	(733)
Mezzanine Loan		-	1,500	-
Repayment of CLN in cash		-	(508)	(2,222)
Reduction in finance lease debt		**(19)**	(66)	(69)
Finance cost on lease liabilities	**8**	**(2)**	(20)	(5)
Interest paid	**8**	**-**	(182)	(262)
Other loan repayments, including interest		**-**	-	(1)
Cash inflow from financing activities		**2,300**	476	3,671
Change in cash and cash equivalents in the period		**911**	1,025	1,586
Cash and cash equivalents at the beginning of the period		**2,143**	557	557
Cash and cash equivalents at the end of the period		**3,054**	1,582	2,143

Notes to the unaudited financial statements
for the six months ended 30 June 2021

1. General information and nature of operations

This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2021 has been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting. These unaudited interim financial statements were approved by the board on 12 August 2021. The 31 December 2020 numbers are extracted from the Group's audited accounts.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2020 and any public announcements made by Westminster Group Plc during the interim reporting period.

Westminster Group Plc (the "Company") was incorporated on 7 April 2000 and is domiciled and incorporated in the United Kingdom and quoted on AIM. The Group's financial statements for the six-month period ended 30 June 2021 consolidate the individual financial information of the Company and its subsidiaries. The Group designs, supplies and provides advanced technology security solutions and services to governmental and non-governmental organisations on a global basis.

The Group does not show any distinct seasonality.

2. Significant changes in the current reporting period

The result reflected a continuing return towards normal from the damage inflicted by the Covid-19 pandemic.

However, the most significant move forward for the group has already been mentioned in the Chief Executive Officer's Review above. That is the signing of two new managed services contracts.

Whilst uncertainty still exists around the world, particularly in terms of travel, we remain positive about our prospects for H2 and the full year.

3. Basis of preparation

This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2021 has been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2020 and any public announcements made by Westminster Group Plc during the interim reporting period.

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

These consolidated interim financial statements for the six months ended 30 June 2021 have neither been audited nor formally reviewed by the Group's auditors. The financial information for the year ended 31 December 2020 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 2020 have been reported on by the Company's auditors and delivered to the Registrar of Companies. A copy is available at https://www.wsg-corporate.com/investor-relations/publications/.

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

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

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

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

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

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

4. Going concern

The directors have considered the impact of Covid-19 and the way the Group has traded positively through the crisis although at a lower level. The equity capital raises in December 2020 and June 2021 have ensured that the group has sufficient funds to perform its obligations under recently signed contracts. At the time of approving this interim report, and in view of the foregoing, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

5. Segment reporting

Operating segments

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

6 Months to **30 June 2021**

	Services	Technology	Group and Central	Group Total
	£'000	£'000	£'000	£'000
6 MONTHS TO JUNE 2021				
Supply of products	10	678	-	688
Supply and installation contracts	-	329	-	329
Maintenance and services	2,209	153	-	2,362
Training courses	51	47	-	98
Revenue	**2,270**	**1,207**	**-**	**3,477**
Segmental underlying EBITDA	966	1,060	(2,836)	(810)
Depreciation & amortisation	(54)	(4)	(59)	(117)
Segment operating result	**912**	**1,056**	**(2,895)**	**(927)**
Finance cost	-	-	(2)	(2)
Profit/ (loss) before tax	912	1,056	(2,897)	(929)
Income tax charge	-	-	-	-
Profit/(loss) for the financial year	**912**	**1,056**	**(2,897)**	**(929)**
Segment assets	3,912	1,136	5,005	10,053
Segment liabilities	716	474	412	1,602
Capital expenditure	20	-	45	65

6 Months to 30 JUNE 2020 (restated)

	Services	Technology	Group and Central	Group Total
	£'000	£'000	£'000	£'000
6 MONTHS TO JUNE 2020				
Supply of products	22	3,360	-	3,382
Supply and installation contracts	-	1,184	-	1,184
Maintenance and services	2,146	167	-	2,313
Training courses	80	-	-	80
Revenue	2,248	4,711	-	6,959
Segmental underlying EBITDA	657	1,060	(1,133)	584
Depreciation & amortisation	(54)	(4)	(50)	(108)
Segment operating result	603	1,056	(1,183)	476
Finance cost	-	-	(240)	(240)
Profit/ (loss) before tax	603	1,056	(1,423)	236
Income tax charge	-	-	-	-
Profit/(loss) for the financial year	603	1,056	(1,423)	236
Segment assets	4,234	1,724	3,550	9,508
Segment liabilities	2,584	692	2,311	5,587
Capital expenditure	28	9	150	187

Marketing segments

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

	Six months ended 30 June 2021 £'000	Six months ended 30 June 2020 £'000	Twelve months ended 31 December 2020 £'000
Land	**1,069**	3,654	3,939
Sea	**1,175**	1,985	3,842
Air	**1,233**	1,320	2,164
Total revenue	**3,477**	6,959	9,945

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 2021 £'000	Six months ended 30 June 2020 £'000	Year ended 31 December 2020 £'000
United Kingdom and Europe	**805**	1,458	2,056
Africa	**1,934**	1,930	4,172
Middle East	**51**	582	508
Rest of the World	**687**	2,989	3,209
Total revenue	**3,477**	6,959	9,945

6. Reconciliation of adjusted EBITDA

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

	Six months ended 30 June 2021	Six months ended 30 June 2020 (restated)	Year ended 31 December 2020
	£'000	£'000	£'000
(Loss) / Profit from Operations	**(927)**	476	(744)
Depreciation, amortisation and impairment charges	**117**	108	225
Reported EBITDA	**(810)**	584	(519)
Share based expense	**-**	-	-
Exceptional Items	**-**	-	-
Adjusted EBTIDA (loss) / profit	**(810)**	584	(519)

Adjusted EBITDA is an alternative reporting measure. For further details refer to the 31 December 2020 accounts.

The 2020 half year results have been restated to remove exceptional items not recognised in the 2020 audited results.

7. Income statement information

a. Significant Items

Profit for the half year to 30 June 2021 includes no items that are unusual because of their nature, size or incidence: In 2020, there was a Solutions delivery of one of the two advanced container screening solutions to an Asian port with a sales value of £1.2m.

b. Income Tax

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

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

c. Earnings per share

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

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

	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
	'000	'000	'000
Number of issued ordinary shares at the start of period	**286,528**	145,403	145,403
Effect of shares issued during the period	**841**	6,186	17,245
Weighted average basic and diluted number of shares for period	**287,369**	151,589	162,648
	£'000	£'000	£'000
Loss and total comprehensive expense	**(929)**	236	(730)
	p	p	p
Earnings per share	**(0.32)p**	0.16p	(0.45)p

8. Cash flow adjustments and changes in working capital

	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
	Total	Total	Total
	£'000	£'000	£'000
Adjustment for non-cash items			
Depreciation, amortisation and impairment of non-financial assets	**117**	108	225
Finance costs	**2**	240	(17)
Revaluation of fixed assets	**-**	-	(6)
(Profit) / loss on disposal of non-financial assets	**3**	-	33
IFRS 16 interest adjustment	**(1)**	(4)	-
Non-cash accounting for CLN	-	(199)	(119)
(Increase)/decrease in deferred tax asset	**-**	-	(49)
FX effect on goodwill	**1**	(2)	-
Conversion of CLN	**-**	(100)	(213)
Share-based payment expenses	-	-	87
Total adjustments	**122**	43	(59)
Net changes in working capital:			
Decrease / (increase) in inventories	**188**	(397)	(726)
Decrease in trade and other receivables	**110**	549	128
Increase in long term receivables	**-**	-	(484)
(Decrease) / increase in contract liabilities	**(3)**	(15)	27
(Decrease) / increase in trade and other payables	**(812)**	150	(148)
Decrease in assets of disposal group classified as held for sale	**-**	170	170
Total changes in working capital	**(517)**	457	(1,033)

9. Called up share capital

Ordinary Share Capital	**6 months to 30th June 2021**		6 months to 30th June 2020		Year to 31st December 2020	
	Number	**£'000**	Number	£'000	Number	£'000
At the beginning of the period	**286,527,511**	**287**	145,402,511	14,540	145,402,511	14,540
Arising on exercise of share options and warrants	**-**	**-**	1,000,000	100	2,125,000	213
Issued under the RiverFort EPSA	-	-	14,000,000	1,400	14,000,000	1,400
Share capital reorganisation to create deferred shares	**-**	**-**	**-**	**-**	-	(15,991)
Other issue for cash	**43,859,649**	**44**	**-**	**-**	125,000,000	125
At the end of the period	**330,387,160**	**331**	160,402,511	16,040	286,527,511	287

Deferred share capital	**6 months to 30th June 2020**		6 months to 30th June 2019		Year to 31st December 2020	
	Number	**£'000**	Number	£'000	Number	£'000
At 1 January	161,527,511	15,991	-	-	-	-
Share capital reorganisation to create deferred shares	-	-	-	-	161,527,511	15,991
At the end of the period	**161,527,511**	**15,991**	-	-	161,527,511	15,991

Total Share Capital	**6 months to 30th June 2021**		6 months to 30th June 2020		Year to 31st December 2020	
	Number	**£'000**	Number	£'000	Number	£'000
Ordinary Share Capital	**330,387,160**	**331**	160,402,511	16,040	286,527,511	287
Deferred share capital	**161,527,511**	**15,991**	-	-	161,527,511	15,991
	491,914,671	**16,322**	160,402,511	16,040	448,055,022	16,278

10. Borrowings

	Six months ended 30 June 2021	Six months ended 30 June 2020	Year ended 31 December 2020
	£'000	£'000	£'000
Current borrowings (due < 1 year)			
Mezzanine Loan	**-**	1,500	-
Convertible loan note	**-**	1,593	-
Lease Debt	**32**	44	38
Total current borrowings	**32**	3,137	38
Non-current borrowings (due > 1 year)			
Convertible loan note	-	-	-
Convertible Unsecured loan note	**-**	183	-
Lease Debt	**16**	48	29
Total non-current borrowings	**16**	231	29
Total borrowings	**48**	3,368	67

11. Contingencies

The RiverFort EPSA was described in the 2020 accounts. In summary, the company issued 14m ordinary shares and received a £1.5m mezzanine loan. At the same time under the EPSA the company issued 14m shares and booked a sundry debt of £1.75m. The loan was to be repaid and the sundry debt settled by selling down the shares. The mezzanine loan was fully repaid in December 2020. As at the 31 December 2020 there remained shares still to be sold by RiverFort and a residual sundry debt for those shares. Because of the low share price caused primarily by the market reaction to Covid-19, had the remaining shares been sold at the 30 June 2021 there would have been a loss of £885,000 (31 Dec 2020: £936,000) on this debt. However, the shares do not have to be fully sold until at least 31 December 2021 and there is reason to believe that it will be at a price higher than the 30 June 2021 price level and enough to recoup the losses.

12. Events after the Reporting Period

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

13. Copies of interim financial statements

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