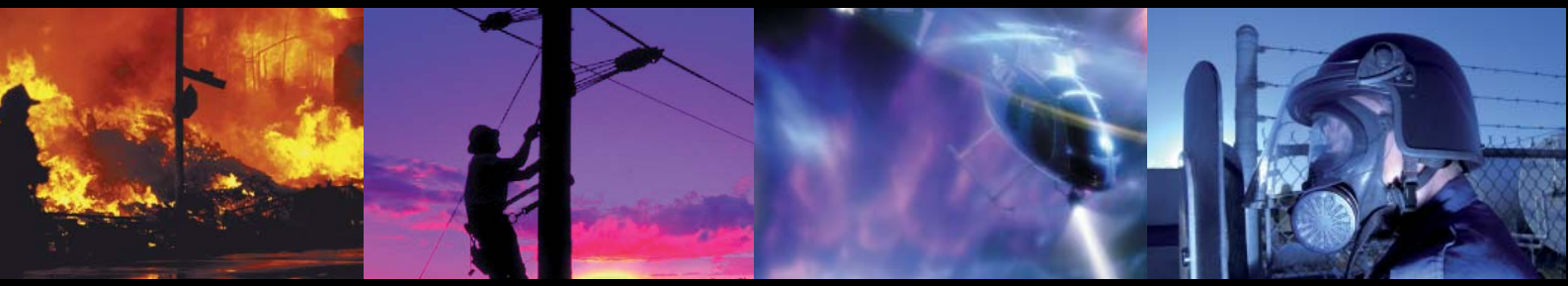
Annual Report & Accounts 2009

Worldwide World Class Protection



FIRE I SAFETY I SECURITY I DEFENCE

WESTMINSTER
GROUP PLC

The Westminster Group is a specialist security group operating worldwide via an extensive international network of agents and offices in over 45 countries.

The Group's principal activity is the design, supply and ongoing support of advanced technology Fire, Safety, Security and Defence solutions to governments and government agencies, non-governmental organisations and blue chip commercial organisations worldwide.

The Mission of Westminster Group plc is to be recognised as a worldwide centre of excellence for the provision of Fire, Safety, Security and Defence products and services.

CONTENTS

"We have a robust business plan and vision with adequate resources to enable the further development of the profile of the business. We have clear strategic goals and objectives and a commitment to the continuing development of our operational infrastructure. We have a strong management team and an experienced board of directors. Accordingly we are confident of a solid performance for 2010 and exciting growth prospects beyond".

Peter Fowler
Chief Executive Officer

Operational Highlights

- Expansion of international distribution network to over 45 countries offering unique in-country representation, knowledge and support
- $2.72m contract extension to Juba International Airport project
- Contract secured for Nagaa Hammadi Dam complex in Egypt for €2m
- Contract secured for ThruPORT fast deployment scanning portals for £1m
- Contract secured to provide 24/7 protection for National Bank of Ethiopia to include their Headquarters and the national mint
- Acquisition of Close Protection and Risk Assessment specialist Longmoor Security
- Longmoor Security 'Close Protection' contract award worth £540k per annum
- Exclusive distribution agreement with Pentagon Protection plc in Asia for Blast Proof film
- Exclusive distribution agreement for Body Scanning Equipment in UK
- Contracts won in fields of: Perimeter Intruder Detection, Bank Protection, Access Control, Command & Control, Blast Film Protection, Overt & Covert Scanning Equipment, Police Mobile Surveillance, Close Protection, Frequency Jamming Equipment, Explosive Detection Equipment and Fire Prevention

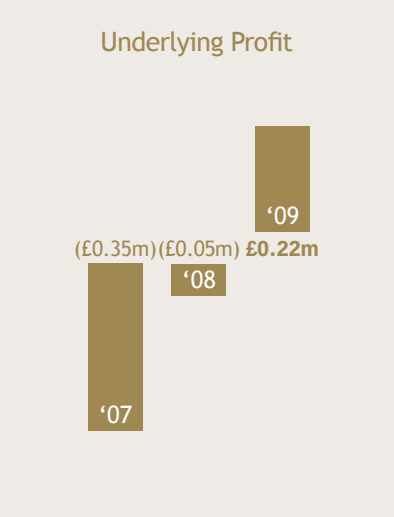
Financial Highlights

- Turnover increased 45% to £7.9m
- Gross profit margin maintained at 34.6% (2008: 34.9%)
- Underlying profit* increased to £217,000 (2008: loss £47,000)
- Placing to raise £763,000 before expenses (post year end)

*Underlying profit comprises profit before tax after adjusting for exchange gains and losses and financing income and costs related to the Convertible Loan Notes.

Post Period Highlights

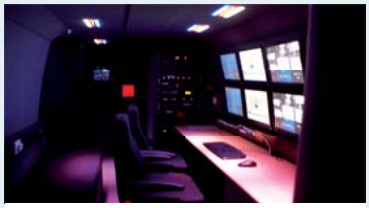
- Acquisition of niche security specialist CTAC Limited for up to £1.8m
- Contract secured with Ministry of Justice to supply and maintain security equipment to 139 prisons in UK
- Contracts won in fields of: Fever Detection, Integrated Fire and Intruder Alert, Prison Security to Ministry of Justice



Mobile Surveillance Solutions - Sub Saharan Africa

In September 2009 Westminster was awarded a contract from a National Government to supply the first of what is expected to be a fleet of bespoke mobile surveillance vehicles and equipment to assist with urban policing and state security. The vehicles involve audio & visual surveillance, covert tracking and secure communication systems.

Westminster has also been contracted by the same Government to build a state of the art Command & Control centre from which these vehicles and other security solutions can be monitored and controlled.



$650,000
Contract Value

Fire is the leading cause of commercial and industrial property damage worldwide. In the UK alone fire is responsible for millions of pounds of loss and damage, not to mention the often devastating effects on families and businesses.

Under EU law, many properties are required to install and maintain appropriate fire detection and suppressions systems and associated equipment. Similar laws exist or are coming into effect in other regions around the world. The demand for good quality, reliable fire detection & suppression systems and solutions worldwide remains high.

Westminster has the experience, technical knowledge and infrastructure to design and deliver fire detection & suppression solutions in compliance with legislative requirements worldwide and to ensure such solutions are professionally installed and maintained.

Market Analysis

5%

"Our Group is continuing to expand both organically and through acquisition. The acquisition and subsequent performance of Longmoor and the recent acquisition of CTAC demonstrate that we have the skills and management capability to continue this expansion. Our industry continues to have excellent growth prospects and I am confident of our future success".

Lt. Col Sir Malcolm Ross GCVO, OBE
Chairman

WESTMINSTER
GROUP PLC

The Westminster Group Plc is a highly experienced and internationally acclaimed Fire, Safety, Security and Defence group operating worldwide through an extensive network of agents and international offices in 45 countries. The Group consists of four operating divisions providing a wide range of solutions and services.

Westminster International Ltd:

Providing solutions to almost any Fire, Safety, Security and Defence requirement, working with government agencies, military establishments, airports, sea ports, embassies, banks, power stations and major organisations and corporations worldwide.

The range of products and services is broad and covers Anti-Terrorism & Risk Reduction Solutions, Border & Perimeter Security, Covert & Overt Surveillance and Tracking Systems together with Defence & Homeland Security Solutions etc.

www.wi-ltd.com

Longmoor Security Ltd:

Recognised as a leading provider of quality security personnel and corporate security solutions worldwide protecting high profile international customers including organisations such as the BBC. Longmoor's operatives all hold British Home Office or British Armed Forces qualifications in their specialist fields.

The company covers four areas - Training, Security & Protection, Risk Management and Special Projects - providing a complete security solution.

www.longmoor-security.com

RMS Integrated Solutions Ltd:

A specialist provider of integrated low voltage systems throughout the UK, including Fire & Security Systems, CCTV, Structured Cabling, TV & Satellite Distribution and Wireless Technology Distribution. Solutions are tailored to clients' specific needs, keeping goals and budgets at the forefront of design.

RMS has all the technical and financial resources necessary to undertake any project regardless of size or complexity.

www.rms-is.com

CTAC Ltd:

A specialist integrated provider of 'high end' security solutions to a blue chip client base which operates in operationally critical, high value and high profile fields such as cash handling, bullion storage, jewellery and diamond merchants, chemical storage and utilities.

The company operates a major 24hour Alarm Receiving Centre (ARC) which is built, operated and certificated to the National Security Inspectorate (NSI) Gold standard and is capable of monitoring signals from around the world.

www.ctac-ltd.com

Safety of people, whether in the workplace, when travelling or simply in normal everyday life, is of paramount importance and an area which is increasingly covered by legislation.

Governments are responsible for the safety of their citizens, businesses are responsible for ensuring their activities and services are safe and employers in many areas of the world have a duty of care, set in law, to ensure the safety of their employees.

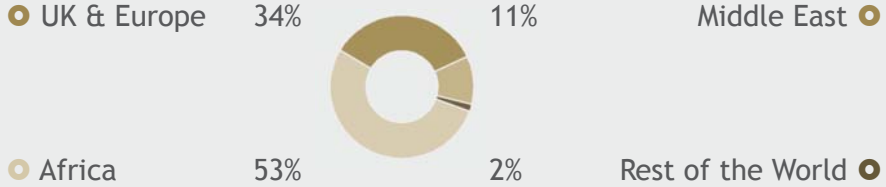
Westminster offers a wide range of safety products and services, including risk assessments, to improve the safety of people worldwide. We provide emergency lighting and evacuation systems, public address systems, nurse and warden call systems. We provide medical alert systems for the elderly and infirm and personnel protection systems for staff in hospitals etc. We have developed lone worker monitoring systems protecting people in isolated locations. We provide security equipment and clothing for civilians and service personnel. We provide fever detection and screening systems for airports and public events and we provide travel advice and emergency evacuation services for overseas travellers.

Market Analysis

5%

Geographical Analysis

The Group's international business is conducted on a global scale.

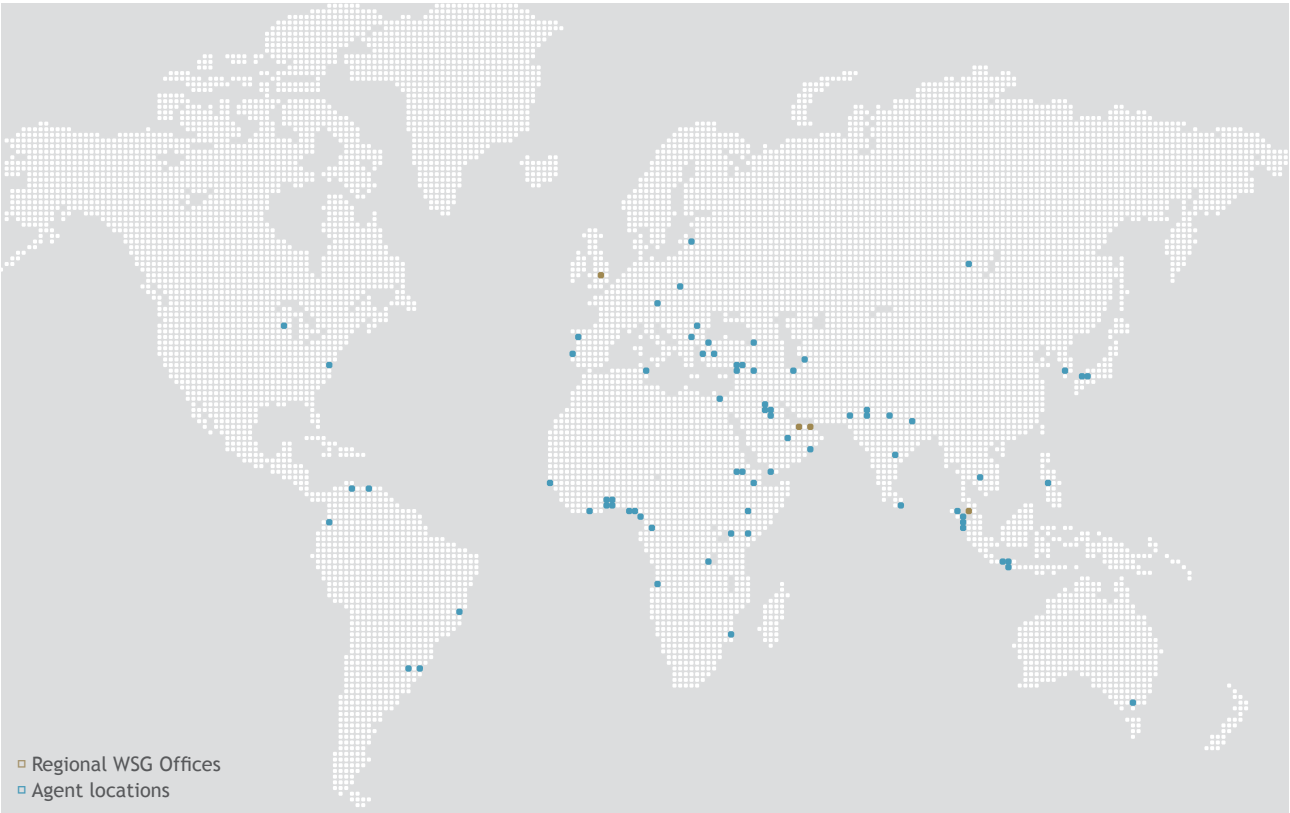


Worldwide World Class Protection

The focus of our business is to provide niche products and services to niche markets around the world. We do so through an expanding network of strategically located offices and agents in over 45 countries covering every continent with the exception of Antarctica.

We have invested and continue to invest heavily in building our international presence and agency network. The strategy we have developed to capitalise on the market opportunities that undoubtedly exist around the world today is, we believe, creating a competitive advantage for our Group and we are therefore well placed to achieve significant growth from the many opportunities presented.

A growing network of agents amd offices in over 45 countries



Today we face not only the common threats of theft, personal attack, trespass, fraud and information leakage, but also the more serious risk of terrorism on an international scale.

Security is of primary concern to everyone from individuals, who wish to ensure the security of their property from theft and personal intrusion, to governments, non-governmental organisations and multi-national corporations worldwide, who need to protect their staff and key assets.

Westminster, offers a wide a broad range of products and services internationally to all sectors to protect the individual, companies and governments, their property, assets and critical infrastructure against attack, loss and sabotage.

In addition to our extensive range of electronic and physical solutions we also offer risk management, training, close protection and 24/7 monitoring services.

Market Analysis

57%




FIRE I SAFETY I SECURITY I DEFENCE

A broad range of services

We are not a manufacturer and are not therefore tied to any one single product or technology; this is a key strength of our Group. We are not dependent on any one supplier, customer or region.

As a solutions provider/systems integrator, we offer a broad range of products and services from suppliers all over the world, wherever possible negotiating advantageous or exclusive rights prior to promoting them to our target client base. We believe that another key strength of the Group is our ability to bring together and integrate a wide range of technologies from different sources to produce comprehensive bespoke solutions suited to our clients' needs.

Westminster is continually developing and expanding its range of solutions for customers in all sectors. Our recent acquisitions of Longmoor and CTAC have further extended our range of services and, in addition to our technology solutions, we now also offer risk management, training, close protection and 24/7 monitoring services.

Sectors

Airports & Aviation
Westminster's wide portfolio of Fire, Safety, Security and Defence solutions and expertise in the provision of airport security is helping to protect airports throughout the world.

Banking
Westminster can provide security solutions for every aspect of the Banking and financial services industry.

Border Security
Westminster can provide a wide range of Border Security solutions for the surveillance, detection and screening of persons crossing national land, sea or air borders.

Buildings & Compounds
Threats to buildings & compounds are many and vary from the tangible to intangible. Westminster offers a wide range of equipment and solutions to counter such threats; from leak detection to blast protection!

Critical Infrastructure
Westminster has an extensive portfolio of solutions to protect critical infrastructure, such as electricity generation and distribution, water supplies, transport, tunnels and bridges.

Embassies
Westminster has a wide portfolio of products and services both for the protection of Embassies and Embassy staff worldwide.

Governments
Westminster is able to assist Governments and their agencies to deal with various security issues, whether it be protecting buildings, infrastructure, information or individuals or the gathering of intelligence or provision of systems for the fight against crime, insurgency and terrorism.

Hotels, Clubs, Casinos & Bars
Anywhere where there are large numbers of people there is the potential for disturbance, unrest, fraud, criminal and even terrorist activity. Westminster offers a wide range of products and solutions to assist the management of these threats and to protect guests and patrons accordingly.

Military
Westminster can supply a wide range of non-offensive military equipment and defence solutions such as RF jammers, armoured vehicles, mine detection and disposal equipment, protective clothing, ID systems, medical and trauma packs, survival equipment, diver detection sonar and perimeter detection systems.

Non-Governmental Organisations
Westminster has extensive experience of providing safety and security solutions to protect NGO's such as the UN or World Food Programme in hostile areas around the globe.

Oil & Gas
Westminster can provide expert guidance on oil & gas production plants, pipeline infrastructure, pumping stations, terminals and even shipping and has a wide range of specialist fire and security solutions for the protection of such facilities, including advanced pipeline protection solutions.

Police & Law Enforcement
Westminster offers a range of covert and overt scanning and tracking solutions, data gathering solutions and protective equipment to assist the security services carry out their vital roles safely and efficiently.

Ports & Harbours
Westminster has a wide range of security and defence solutions which can be deployed to protect ports & harbours including both land and marine based systems.

Power Stations & Utilities
Westminster can protect power stations & utilities using a range of specialist solutions including perimeter security, surveillance systems and specialist fire detection & suppression systems etc.

Prison & Detention Centres
Westminster provides a range of effective security solutions for prisons & detention centres to control and monitor the flow of people moving in and out of the premises, as well as within the facilities themselves.

Schools & Hospitals
There is a growing concern around the world that schools and colleges are now becoming subject to violent crime. Staff in the healthcare sector are regularly subject to violent threats and attack from patients and guests. Westminster can advise on and supply a wide range of solutions to address this problem.

Theatres, Stadiums & Arenas
Large entertainment venues provide a unique set of safety and security challenges. Westminster can provide a vast array of security and safety solutions to help minimise risk and disruption and also provide structured and comprehensive training of officials in how to cope with threats and emergencies as well as risk assessment planning.

VIP & Personal Protection
Westminster provides comprehensive solutions for VIP protection. Individuals themselves can be protected using Westminster's specialist and discreet personal security and close protection teams.

We live in an unsafe world. War, conflict and civil unrest are common concerns in many regions. Hundreds of terrorist organisations exist, each with their own hatreds and agendas. Regional disputes, religious, racial and ethnic tensions and border disputes can all give rise to conflict.

Westminster believes all citizens of the world have a right to personal safety, security and freedom from the threat of conflict. We offer a wide range of non aggressive defence systems and equipment to authorised governments and military worldwide in order to help protect personnel, facilities and national security from attack by land, sea or air

The defence services and equipment we offer all function to protect and save lives. We do not supply aggressive equipment or weaponary.

Market Analysis

33%

"We continue to be focussed on providing niche products and services for niche markets worldwide and in 2009 we have successfully delivered a wide range of products and services to a wide range of clients situated in countries across the globe".

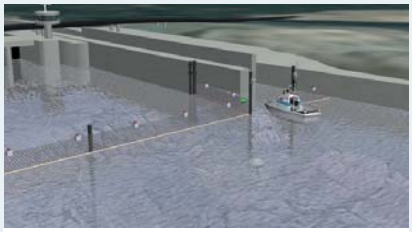
Peter Fowler
Chief Executive Officer

Specialist Marine Security Net - Egypt

Westminster International has secured a prestigious contract to protect the new Nagaa Hammadi Dam complex on the river Nile in Egypt.

The contract is to supply and install an advanced security net across the river Nile; to prevent access to the dam from either vessels or divers and to protect the hydraulic control structure from any floating or submerged objects.

The security net comprises a steel wire mesh with an integral fibre optic core woven into every strand. Any attempted attack on the net will signal an alarm and indicate the location of attack within the security control room. The net, spanning the entire width of the river Nile, will be fitted with an automatic gate which can be remotely opened and closed from within the control room.



€2m
Contract Value

International VIP Protection - Middle East

Longmoor Security has been awarded a rolling 12 month contract for the protection of a High Net Worth Individual and his family based in the Middle East.

Under the contract, Longmoor will provide both male and female close protection operatives (bodyguards), providing 24hr security to the principal and his family both within their home country and also during their worldwide travels.

£540,000
PA Contract Value

Total Airport Security – Juba, Southern Sudan

Westminster has been awarded a $2.72m extension contract for additional security and safety systems and equipment to enhance the security of Juba International Airport in Southern Sudan.

The extension contract relates to an additional 6km of security fencing and perimeter detection systems together with Under Vehicle Surveillance Systems (UVSS), Automatic Number Plate Recognition systems (ANPR) & Vehicle Control Barriers on entranceways, additional CCTV Surveillance and Solar Powered Street Lighting around car parks and follows the $4.7million contract Westminster was awarded in 2008.

$7.4m
Total Project Value

"Given the challenges presented by the global economy I am delighted to report that we have produced another set of solid results, which underpins our belief in our business strategy".

Lt. Col Sir Malcolm Ross GCVO, OBE
Chairman

Overview

I am pleased to present the accounts of Westminster Group plc for the year ended 31 December 2009. Given the challenges presented by the global economy I am delighted to report that we have produced another set of solid results, which underpins our belief in our business strategy. We have continued to grow, both in terms of revenues increasing by 45% and by continued improvement in the underlying level of profitability. We are still investing heavily in building our international presence and infrastructure, the costs of which we expense through the P&L as incurred, and which will stand us in good stead to continue our growth strategy. Despite the challenging economic conditions, continued investment in the business, exchange rate losses and financing costs, I am happy to report a healthy £140,000 pre tax profit.

Market

The market for fire, safety, security and defence solutions continues to develop, even through the challenges of the current economic climate. Organisations throughout the world are still mindful of the need to protect their assets and their people.

A key strength of our business plan is the extensive network of agents and offices we have built up around the world and which provide local intelligence, logistics, representation and manpower. This network means we can carry out our international business in a very cost effective manner and ensures scalability in our operations. We have agents located in all the countries in which we wish to operate, currently standing at over 45. This is a substantial barrier to entry for competitors and enables us to offer the quality of service our customers demand. Although we cover a wide range of countries, we focus our efforts on countries where our skills and expertise can be of most benefit and do not actively pursue other markets.

Corporate governance

In our industry it is vitally important that we maintain the highest standards of corporate governance. You will see in the Directors' report on corporate governance all the detailed measures we take to ensure that our standards, and those of our agents, can stand any scrutiny by Government or other official bodies.

Longmoor Security

On 25 February 2009 we completed the acquisition of Longmoor Services Limited, now renamed Longmoor Security Limited, a relatively new business specialising in close protection and security risk advice. Its training courses for close protection are highly regarded. The management team of Longmoor has extensive security experience from their time in the Royal Military Police and UK Police forces. I am pleased to report that the Longmoor business is rapidly developing within our Group.

CTAC

After the year end, on 15 April 2010 we acquired the entire issued share capital of CTAC Limited for a maximum consideration of up to £1.8 million. CTAC is a specialist integrated provider of 'high end' security solutions to a blue chip client base which operates in operationally critical, high value and high profile fields such as cash handling, bullion storage, jewellery and diamond merchants, chemical storage and utilities. We welcome the CTAC team to the Group.

Share issues

I am very glad to report that we have been able to strengthen our balance sheet after the year end by the issue of new shares to raise £763,000 before expenses.

Staff

Our staff are vital to the development of our business and continue to demonstrate their dedication. I warmly thank them for all that they have done for us.

Summary

As I reported last year, our Group is continuing to expand both organically and through acquisition. The acquisition and subsequent performance of Longmoor and the recent acquisition of CTAC demonstrate that we have the skills and management capability to continue this expansion. Our industry continues to have excellent growth prospects and I am confident of our future success.

I would also like to thank you, our shareholders, for your continued support.

Lt. Col. Sir Malcolm Ross GCVO, OBE

Chairman

23 April 2010

"Whilst our primary focus in recent years has been on delivering major projects, equipment and services internationally, the UK nevertheless remains an important market for us and our focus in the coming year will be in extending our presence and market share within the UK and Europe whilst continuing to expand our international operations".

Peter Fowler
Chief Executive Officer

Overview

Despite 2009 being an extremely challenging year for the world economy I am pleased to report that Westminster has once again produced another solid performance with a significant increase in revenues and a broadening and expansion of our revenue base in line with our strategic growth plans. We continue to be focussed on providing niche products and services for niche markets worldwide and in 2009 we have successfully delivered a wide range of products and services to a wide range of clients situated in countries across the globe.

Our total revenues grew by 45% over the year. Westminster International, our Advanced Technological division, increased its revenues by 53%. Longmoor Security, our Close Protection division, contributed revenues of £335,000, which is encouraging, as most of this was concentrated in the last few months of the year. RMS Integrated Solutions, our Low Voltage Integrated Systems division, saw a slight reduction in revenues, a consequence of the difficulties in the construction industry.

We have continued to build our international presence and infrastructure and have invested heavily in expanding our overseas operations, the cost of which we expense through the P&L as incurred, which gives us an even stronger platform to continue our growth and I am pleased to report that, after exchange rate losses and financing costs, the Group made a profit before tax for the year of £140,000.

The Group's principal activity remains the design, supply and ongoing support of advanced technology fire, safety, security and defence solutions, together with risk management, close protection and training services. Our principal clients are Governments and related agencies, non-governmental organisations (NGOs), military establishments, airports, sea ports, banks, power stations and blue chip commercial organisations worldwide.

Our Market

The market in which we operate is large, growing and unlikely to experience serious downturn or contraction any time soon, even in the challenging economic climate of today. It is a wide and diverse market with intense competition in certain areas, whilst having under-developed, fragmented competition in others. These latter areas are the primary focus of our international activities.

The investment we have made in recent years, and continue to make, in building up our international presence and agency network, together with the marketing strategy we have developed, provide Westminster with a competitive advantage and I believe we are therefore well placed to achieve significant growth from the many opportunities presented around the world.

Our acquisition of Longmoor Security further extends our market focus and capabilities with the provision of risk management, close protection and training services to high net worth clients, corporations and government bodies worldwide.

Whilst our primary focus in recent years has been on delivering major projects, equipment and services internationally, the UK nevertheless remains an important market for us and our focus in the coming year will be in extending our presence and market share within the UK and Europe whilst continuing to expand our international operations.

Strategy

We believe success in our target markets requires meeting exacting criteria: credibility, financial stability, professionalism and experience, with a demonstrable track record and, crucially, 'in-country' knowledge and connections. These, together with the political and logistical issues presented in many countries, present a significant barrier to entry for many companies, yet provide a major opportunity for a company such as Westminster, which has the right credentials and an extensive local support network. Our target clients are potentially high value repeat order customers with demanding performance criteria.

We have demonstrated our ability to deliver complex and innovative solutions to an impressive list of clients worldwide and have therefore clearly established credibility and a demonstrable track record with governments and blue chip organisations, which stand us in good stead to secure and deliver increasing business within this target market.

We have, in recent years, devoted much of our efforts to establishing a credible worldwide network of agents who can provide in-country logistics support, manpower, intelligence and, critically for our clients, on-going service support once we have provided the goods or services. Agents are chosen for their connections and knowledge of the country or region and for their ability to act as a conduit between Westminster and its target clients. We now have an extensive agent

network in over 45 countries covering every continent with the exception of Antarctica and whilst we will continue to grow this network we believe we now have the structure and global reach to begin delivering meaningful growth.

We are not a manufacturer and are not therefore tied to any one single product or technology. As a solutions provider, we offer a broad range of products and services from manufacturers all over the world, wherever possible negotiating advantageous or exclusive rights prior to promoting them to our target client base. We believe that one of the key strengths of the Group is our ability to bring together and integrate a wide range of technologies from different sources to produce comprehensive bespoke solutions suited to clients' needs.

In addition to the above, our strategy going forward is to capitalise on the extensive portfolio of products and projects we have delivered worldwide and to build a meaningful recurring revenue base of maintenance and monitoring income.

We are committed to delivering this strategy both through organic growth and by strategic and targeted acquisitions.

Websites

Due to the global nature of our business, an effective web presence is an important aspect of our marketing strategy. We have therefore continued to invest heavily in our various Group websites not only in design and functionality but also in search engine optimisation.

In April 2009 we announced the launch of our new international, multilingual, 'Generation 2' security and defence website, (**www.wi-ltd.com**). The new site is believed to be one of the largest security product websites in the world and has become a case study for the Microsoft Corporation as a result of its complexity and successful delivery.

Features offered include: multilingual support; secure e-commerce; secure access to files for Westminster's agents & partners; encrypted enquiry facilities; personalised customer account centres; site-wide search of all products & datasheets; interactive worldwide 'contact us' facility; related product suggestions and a product library that is five times greater than the previous generation's site.

The new site gives the Group far greater reach and greater control over our product catalogue. Our industry is fast changing, making the traditional printed catalogues very hard to keep up to date. The efficiency of our worldwide network of agents is dependent upon supporting them in the field with the most up to date product information and manuals on a real time basis.

Since the launch of the new website in April 2009, we have seen an increase in online enquiries of 89% and an increase in online sales of 62% (for the comparative period of May to December 2009 versus May to December 2008). We calculate that this site will not only improve our product sales, order processing and delivery, but will additionally deliver cost savings through reduced print of catalogues and product marketing materials and greater efficiencies through advanced management information.

Our multi-lingual Group website (**www.wg-plc.com**) is fully compliant with rule 26 of the AIM market of the London Stock Exchange and has been designed to provide shareholders access to a wide range of shareholder information, including an email alert system, as well as acting as a portal to our various group companies and services.

Our RMS website (**www.rms-is.com**), covers the extensive range of their services and helps promote our UK services to a far wider audience.

Following our acquisition of Longmoor Security we have developed the Longmoor website (**www.longmoor-security.com**) as an integrated part of the Group. A key driver for acquiring Longmoor is our belief that we can greatly enhance their marketing reach through our website and agents, which is already bearing fruit as the business expands.

All websites are fully interactive and provide an excellent showcase for the Group's extensive range of products and services.

Business review

This year has been significant in two ways; firstly, the securing of a number of major new contracts and, secondly, the continued enhancement in the quality and size of enquiries in which we are involved. As in previous years revenues were strongly biased towards the second half of the year which is, in part, due to the buying cycles of governments and large corporations.

A review of activities by region is given below:

In Africa

Africa remains an important market for us and one where we see significant business opportunities for the future. During 2009 we secured a number of important contracts in the region some of which are highlighted below.

During the year we were awarded a $2.72 million extension contract from the Government of Southern Sudan ("GOSS") for additional security at Juba International Airport, Southern Sudan. The contract is an extension of the $4.7 million contract Westminster was awarded in 2008 to secure Juba International Airport and which has been an ongoing project during 2009. The extension contract relates to additional security fencing and perimeter detection systems together with Under Vehicle Surveillance Systems (UVSS), Automatic Number Plate Recognition systems (ANPR) and Vehicle Control Barriers on entranceways, additional CCTV Surveillance and Solar Powered Street Lighting around car parks.

We also secured a new contract for the provision of an integrated security system for the National Bank of Ethiopia headquarters along with other bank buildings including the country's mint. Westminster's sophisticated IP-Based CCTV installation will include multiple control rooms which simultaneously monitor and record movements 24/7 for the security and safety of bank personnel. The advanced security solution will be fully integrated providing security, surveillance and management across all buildings.

We were awarded a contract by a Sub Saharan African Government for the supply of bespoke mobile surveillance systems and equipment to assist with

urban policing and state security. The contract valued at circa $660,000 was completed during 2009. In addition we were awarded a further contract to provide the Command & Control facility for the systems. The contract valued at approximately $220,000 is to provide a comprehensive Command & Control system capable of monitoring and controlling the mobile surveillance systems network. The new control room will be capable of monitoring a number of surveillance units simultaneously. The project is being undertaken in parallel with the manufacture of the mobile surveillance units and should be completed by the middle of 2010.

We secured a contract to provide a high security perimeter intruder detection system (PID) to protect the Nigerian Communication Satellite Limited (NIGCOMSAT) main operating base station in Nigeria. The contract, valued at circa $210,000, is to protect the high profile base against intrusion involving the installation of a high security detection system covering the 1.2km site perimeter that will detect any attempt to climb or penetrate the perimeter walls or fencing. The contract will be completed in 2010

We have also supplied blast resistant doors for the West African Gas Pipeline project, fever detection systems for the World Health Organisation and a range of security equipment including covert search, investigation and explosive detection equipment to government security services in Sub Sahara Africa.

We also secured a contract to supply the United Nations Mission to Western Sahara with an advanced Access Control System. The system specified is capable of securing up to 2,000 doors across a maximum of 255 sites with capacity of up to 30,000 separate users.

In the Middle East

Whilst our strategy is to develop and operate through our agent network, we recognise that we also need a strategic 'regional office' presence in some regions to support our agents and provide additional credibility. The Middle East is the most important region in question and during the year we have continued to invest heavily in our Middle East office operations in Dubai and Abu Dhabi and on developing much stronger relationships in the region. This investment, amounting to some £400,000, all of which has been expensed in the P&L during the year, is already proving to be a sound strategy as shown below and is, I believe, leading to valuable business and increased market presence.

As I reported in our last annual report, in March 2009 we were awarded a £1 million contract for the supply of Westminster's newly developed 'ThruPORT' rapid deployment, high security scanning portals which are to be deployed at airports within Iraq. The contract was completed at the end of 2009.

ThruPORT is a complete self contained scanning solution designed by Westminster and utilising a range of overt and covert scanning systems, built within a specialised ISO shipping container which is rapidly deployable and can be shipped throughout the world. Once it has arrived on site the unit can be set up and fully operational within hours.

In April 2009 we were awarded a €2 million contract for the supply and installation of an advanced security net across the river Nile to protect the new Nagaa Hammadi Dam complex in Egypt. This contract is well underway and will be completed in 2011.

The security net comprises a steel wire mesh with an integral fibre optic core woven into every strand. Any attempted attack on the net will signal an alarm and indicate the location of attack within the security control room. The net, spanning the entire width of the river Nile, will be fitted with an automatic gate which can be remotely opened and closed from within the control room, allowing authorised ships passage into the lock complex.

The ability to design and deliver wide and diverse creative solutions of this nature, addressing difficult security issues is, we believe, what distinguishes Westminster in the market.

Our Close Protection and Consultancy division, Longmoor Security, has been awarded a rolling 12 month contract for the protection of a High Net Worth Individual and his family based in the Middle East. Under the contract, Longmoor will provide both male and female close protection operatives (bodyguards) providing 24hr security to the principal and his family both within their home country and also during their worldwide travels. The contract is valued at £540,000 per annum and commenced in September 2009.

The Americas

In South America, although we have won some valuable smaller orders, the major contracts on which we have been working

Rapid Deployment Scanning Portals - Iraq

Westminster secured a contract to supply its ThruPORT self contained scanning solution to airports in Iraq. The unit was designed and built by Westminster within a specialised ISO shipping container which is rapidly deployable and can be shipped throughout the world. Westminster developed the ThruPORT concept in response to a market need for a system which could provide a secure environment for thorough and effective scanning of both people and baggage entering vulnerable or high security sites, such as airports, embassies, military compounds and government buildings.

The ThruPORT has generated considerable interest from around the world.

£1m

Contract Value

have yet to materialise. We currently have several major enquiries under discussion and now that our website is available in Spanish, we believe that this market could be more promising for us. We are not focussed on winning business in North America at this time.

In Asia Pacific

The Asia Pacific region is also a focus area for the Group where we anticipate growing demand for our services. We have received a number of significant enquiries for our products and services in the region and we are hopeful of announcing important contract wins later in 2010.

In conjunction with the British High Commission (BHC) and UK Trade & Industry (UKTI), we held a two day security seminar in Colombo, Sri Lanka. The event, held in August 2009 at the BHC's conference facilities, was extremely well attended. The war in the North of Sri Lanka ended recently, however the potential for insurgent activity is increasing. It was felt that this was an opportune time to conduct security seminars for commercial organisations and government/defence departments. The focus of discussions was blast protection, security of buildings, enhancing perimeter security, protection of critical infrastructure and various anti terrorism and crime reduction solutions.

In September 2009 we reached an agreement with Pentagon Protection plc, the AIM quoted specialist in the supply and installation of enhanced glass protection, to be its exclusive agent and distributor for the Pentagon range of blast and solar reflective films and anchoring solutions in Asia.

In UK & Europe

As reported earlier we are now focussed on developing our market share and presence within the UK and Europe, expanding our customer base in the region with a broader range of products and services and potential security solutions.

During the year we continued to supply and support HM Prisons, which culminated in our entering into a four-year framework contract with the UK Ministry of Justice (MoJ) relating to the supply and maintenance of various security equipments for UK Prisons. The MoJ oversees the operation of 139 prisons in England and Wales with varying levels of security requirements. Given the scale of the Ministry of Justice's operations we are hopeful that we can further develop the supply relationship to incorporate more of Westminster's products and services in the MoJ's security and protection solution. We have negotiated exclusive supply and maintenance contracts with overseas suppliers, which we believe will be relevant to MoJ.

We have secured a new contract for installation of a FOSS perimeter detection system to protect a high-security petrochemical facility in Eastern Europe. The Westminster FOSS Perimeter Detection System is a fibre optic perimeter security detection and alarm locating system which detects intrusions to within 25 metres along perimeter fences up to 80km long. Multiple systems can be networked to monitor long distances such as national borders.

Our RMS division has won a new contract for the provision of safety systems to the Lower Academy in Basildon, Essex. The contract is to install and commission a Fire Alarm System across three blocks with a total of 400 devices. The contract will also include the installation of a Disabled Refuge and Disabled WC system. An extension to this contract was announced in January 2010.

RMS has also been awarded various contracts in June and July to supply CCTV and Intruder Alarm systems to properties throughout the London and Nottingham areas. RMS was awarded a contract to supply various exterior and interior cameras with integrated intruder alarms by a repeat customer in June. RMS was awarded a contract to supply BT Master sockets in a large apartment block in London, as an additional extension of an existing project.

Although there have been some successes, RMS has been affected by the considerable problems of the construction industry. We are looking at ways of diversifying its customer base away from its traditional customers in the construction industry in order to provide a more stable flow of orders.

We have also been awarded a number of important contracts within the UK including a contract from Corpus Christi College in Cambridge, UK, for installation of a specialist fire prevention system called OxyReduct, a contract to supply blast protection solutions to Thames Valley Police, contracts to supply weapon and contraband detection systems to be deployed at various British Embassies around the world, a contract for the supply of fire test equipment for Associated British Ports in Southampton, a contract for the supply of specialist fire test equipment for Britain's Foreign & Commonwealth Office (FCO) and a contract for the supply of our JX-P Portable Wide Band Frequency Jammer for a client in France.

Longmoor Security, acquired in 2009, has been awarded a contract to protect VIPs and celebrities attending the 2009 Eurovision Song Contest in Russia and provided close protection services during the Children in Need TV appeal and numerous other specialist protection contracts as well as running regular and accredited close protection training courses throughout the year.

In September 2009 we held a two day open day event at our extensive grounds at Westminster House which was open to both customers and shareholders. The event was well supported by numerous manufacturers and a wide range of products and services were on display. The two day event attracted a lot of interest and was even featured on the BBC – a video of which can be seen along with other Group videos on the Westminster Channel on You Tube here **www.youtube.com/user/WestminsterGroup**

Longmoor Security

On 25 February 2009 we acquired Longmoor Services Limited, which was renamed at the end of the year as Longmoor Security Limited. The founders of Longmoor are highly experienced experts in the field of close protection. The company offers a range of services in this field, including training and consultancy, as well as close protection

for individuals. This is a specialist field that is of considerable interest to many of our customers around the world. Their services complement our existing range of services.

Since joining the Group, Longmoor has seen its level of activity substantially increase, as the result of more intensive marketing and more attractive terms for the customers, which have built upon the reputation for its training services and we have high expectations of Longmoor's performance during 2010

The non-executive chairman of Longmoor, The Rt Hon Sir John Wheeler, JP, DL, has significant experience and extensive contacts within the security field, which have already been most valuable to us.

Management & Staff

We started 2009 with 44 staff which by the year end had grown to 45, including our overseas operatives, which, given the significant increase in revenues we achieved in the year, reflects the scalability of our operations.

CTAC

I am delighted to report that, on 15 April 2010, we acquired CTAC Limited for a maximum consideration of up to £1.8 million. CTAC is a specialist integrated provider of 'high end' security solutions to a blue chip client base, which operates in operationally critical, high value and high profile fields such as cash handling, bullion storage, jewellery and diamond merchants, chemical storage and utilities.

A key strength of the business is its 24 hour Alarm Receiving Centre (ARC) which is built, operated and certificated to the National Security Inspectorate (NSI) Gold standard, the highest level of such certification in the UK. The ARC operates as a 24/7 command & control centre and monitors alarm and video signals from over 1,000 systems across the UK, producing a strong recurring revenue stream.

Founded in 2004, CTAC operates from a 3,000 sq ft premises in Kidderminster, UK, supporting clients primarily within the UK but with a growing interest and significant market potential internationally.

The addition of CTAC to the Group continues Westminster's expansion through the integration of complementary services. Synergistic benefits of the acquisition include:

- Niche business in sector and good fit with Westminster's core business;
- 24 hour Command & Control facility and Alarm Receiving Centre is a major enhancement to the Group's service operations presenting cross selling opportunities to other Group companies and international clients operating across international time zones;
- Opportunity to add new services such as 24 hour travel advice, emergency medical & hostile extraction services to overseas travellers and third party remote monitoring & call centre services; and
- Ready built nationwide service team and infrastructure to serve Westminster's increasing UK customer base, including Westminster's recently announced contract with the Ministry of Justice covering 139 Prisons in England and Wales.

Share issues

Since the year end we have issued shares to raise £763,000 before expenses. This included investment from three new institutional shareholders. The growth and the prospects of our business have attracted attention, both within our industry and the financial markets. It is pleasing therefore to see institutions actively investing in Westminster.

Current trading and outlook

We have made a good start to 2010 with significant contract awards being announced for all of our operating divisions. Our enquiries are running at record levels and we have a substantial, active quote bank.

We have demonstrated our ability to deliver complex and innovative solutions and secure a broad range of contracts in our target markets globally. Westminster's reputation in these markets is significantly enhanced with each contract delivered.

We have a robust business plan and vision with adequate resources to enable the further development of the profile of the business. We have clear strategic goals and objectives and a commitment to the continuing development of our operational infrastructure. We have a strong management team and an experienced board of Directors. Accordingly we are confident of a solid performance for 2010 and exciting growth prospects beyond.

Peter Fowler

Chief Executive Officer

23 April 2010

Perimeter Detection Systems – NIGCOMSAT Nigeria

Westminster has been awarded a contract to provide a high security perimeter intruder detection system (PID) to protect the Nigerian Communication satellite Ltd (NIGCOMSAT) main operating base station in Nigeria.

The system has been designed to protect the high profile base against intrusion and involves the installation of a high security detection system covering the 1.2km site perimeter that will detect any attempt to climb or penetrate the perimeter walls or fencing.

$210,000

Contract Value

"The growth in revenues of the business continued in 2009, resulting in revenues of £7.9 million, 45% higher than in 2008. Since the year end we have issued shares to raise £763,000 before expenses. The ability to raise capital in such difficult times gives the Board confidence that we can continue to attract support to develop our business".

Nicholas Mearing-Smith
Finance Director

General

The growth in revenues of the business continued in 2009, resulting in revenues of £7.9 million, 45% higher than in 2008. The second half revenues were 37% higher than the strong second half of 2008. As a result of this performance in the second half, we made a profit after tax for the year of £121,000, compared with a profit of £204,000 in 2008. This reduction in profits conceals an underlying improvement in operating profit before foreign exchange gains and losses and financing charges. The net cash reserves of the Group at 31 December 2009 were £0.2 million (2008: £0.6 million).

Income statement

The revenue growth in 2009 to £7.9 million (2008: £5.5 million) was accompanied by a broadening in the sources of our revenues. Africa represented 53% of revenues (2008: 56%), but spread amongst more clients than in the previous year.

Our gross profit margin in 2009 was very close to 2008 at 34.6% (2008: 34.9%). Our gross margins are a function of the mix of business with large complex projects tending to generate higher gross profit margins than the more straightforward supply of products.

Administrative expenses increased by 49% over the year to £2.60 million (2008: £1.74 million).In 2008 the Group benefitted from invoicing in dollars and holding dollars to the extent of £248,000, whereas in 2009 we had foreign exchange losses of £73,000. Excluding currency gains and losses and the administrative costs of Longmoor, our comparable administrative expenses rose by 11% year on year. We continue to keep costs under tight control, whilst ensuring that we spend sufficiently to support our continuing growth.

Financing costs were £116,000 for the year (2008: £4,000), £82,000 of this cost was the effective interest cost on the Convertible Loan Notes that were issued on 29 June 2009. Finance income was £107,000 (2008: bank interest £39,000), which was all attributable to the fair value movement relating to the embedded derivative in the Convertible Loan Notes.

The Group's profit for the year has been offset against losses brought forward, so that no tax is payable, although there are movements on deferred tax.

Segmental performance

Our advanced technological division, Westminster International, saw revenues increase by 53%, which resulted in an improvement in profit after tax to £239,000 (2008: £63,000). Our low voltage division, RMS, saw a slight reduction in revenues, but came under serious margin pressure, largely as the result of the downturn in the construction industry. As a result the loss after tax increased from £55,000 to £165,000. Our close protection division, Longmoor Security, generated a loss after tax of £134,000, broadly in line with expectations for the first period of operation.

Balance sheet

At 31 December 2009 the Group had shareholders' equity of £3.8 million (2008: £3.3 million). The Group's principal tangible assets are £0.2 million cash (2008: £0.6 million) and the 4.5 acre freehold head office site in Oxfordshire. The site was valued as at 31 December 2009 at £859,000. We have made further improvements to the property, but do not consider that an external valuation is warranted this year, as the Directors believe that no diminution in value of the property has taken place in the last year.

Trade receivables were £3.60 million at 31 December 2009 (2008: £2.41 million). On the Juba contract $3.4 million was due at 31 December 2009 (2008: $2.3million). Our customer, the Government of Southern Sudan has had payment timing problems. However during 2009 we received $1.8 million and in 2010 we have received $2.72 million, which demonstrates the willingness of GOSS to ensure that we are paid in full. We wish to co-operate with the Government, as there is major reconstruction work going on in Southern Sudan and we believe that our co-operation will lead to substantial new orders there in the future.

The Group has contracts that straddle financial periods and that are closer to completion than invoicing would suggest; this has enabled the Group to recognise amounts recoverable on contracts of £94,000 that will be invoiced in 2010 (2008: £157,000).

894,735 new shares were issued in the year as part of the consideration for the acquisition of Longmoor Security Limited. They were issued at a price of 43.5p each, thereby generating a premium of £299,000 taken to merger relief reserve. Goodwill was also created of £578,000, as detailed in the notes to the accounts.

Liabilities include trade payables which totalled £518,000 at 31 December 2009

(2008: £714,000). Deferred income stands at £423,000 (2008: £477,000) and represents invoices raised on which the revenue has not yet been recognised on a number of contracts. Accruals and other payables have fallen to £179,000 at the year end (2008: £222,000) and represent a number of relatively minor items.

One unusual aspect of our balance sheet is the need to provide performance bonds, advance payment guarantees and bid bonds underwritten by our bank in respect of various contracts that we have secured or are seeking. Our bank facility provides for a maximum of £545,000 of such bonds to be outstanding at any one time. If the total of bonds outstanding exceeds that figure, then the excess has to be locked up as cash on deposit to secure the bonds. The Board is still looking for ways to improve our capacity to support higher amounts of bonds without requiring cash deposits.

Cash flows

The Group had net cash outflows of £370,000 (2008: £1.0 million), which comprised operating cash used of £1.2 million (2008: £764,000), investing cash used £185,000 (2008: £234,000) and financing activities cash generated of £1.02 million (2008: cash used £18,000). The operating cash used is much higher than would be anticipated from a profitable business, owing to the effects of the Juba contract, as discussed in the section – Balance Sheet. Investing activities, cash used relates mainly to the improvements to the property.

Gross profit margin

Gross profit margin was broadly stable between 2009 – 34.6% and 2008 – 34.9%. The level of gross profit margin is largely dependent upon the mix of business in the year. In general, product supply generates lower margins than more complex integrated systems.

Earnings per share

The Group recorded basic earnings per share of 0.82 pence (2008: 1.45 pence).

Key performance indicators

The main performance indicators used in 2009 were gross profit margin, operating profit and loss and individual job profitability. The Group management information contains significant detail concerning operational performance and, in addition to the above measures, the Board reviews the ratio of operating profit to operating cash flows, administrative expenses compared to budget as well as debtor ageing and revenue visibility.

In addition to the main financial indicators, the Board reviews a range of non-financial indicators. The business is long-term in nature, meaning that decisions concerning major projects can take years to develop to the point of order. Therefore operational management monitors enquiry activity very closely. The Group maintains an extensive quote book of live enquiries which are reviewed on a regular basis with all call activity logged. We particularly focus on those enquiries where decisions are expected imminently. In addition, the number and average size of orders are carefully reviewed to identify any emerging trends in order sizes or products demanded. The use of these extensive indicators ensures that we are well informed of, and in control of, the finances of the Group.

Acquisition of CTAC Limited

On 15 April 2010 Westminster Group plc acquired the entire issued share capital of CTAC Limited for an initial consideration of £825,000, which was satisfied by £500,000 in cash and the balance of £325,000 by the issue of 792,683 new ordinary shares of 10p each in Westminster at 41p on the date of completion. Two further performance based payments will be made, calculated on 40% of net profit in each of the two years following completion, up to a maximum aggregate additional payment of £1 million.

All the numbers referred to in this paragraph are unaudited. The net assets of CTAC at 31 December 2009 were £280,000. The pre tax loss for the year to 31 December 2009, after exceptional costs of £274,000, was £70,000 compared with a pre tax profit for the year to 31 December 2008 of £200,000. The exceptional costs of £274,000 in 2009 relate to contract over-runs, now rectified, and one-off consultancy fees relating to preparation for sale and the NSI certification costs. Excluding exceptional costs the operating profit for 2009 was £204,000. The first three trading months of 2010 indicate an underlying trading profit of £89,000 and a strong recurring revenue base.

Share issues

On 15 April 2010 Westminster Group plc placed 747,000 New Ordinary Shares at a placing price of 33.5p to raise £250,000 before expenses.

On 16 April 2010 The Group raised further working capital through a subscription of 1,250,000 new Ordinary Shares at 41p, raising £512,000 before expenses from new investors. Following the issue of the new shares for the acquisition of CTAC, the placing on 15 April 2010 and the subscription on 16 April 2010, Westminster's enlarged issued share capital will comprise 17,730,754 Ordinary Shares.

The ability to raise capital in such difficult times gives the Board confidence that we can continue to attract support to develop our business.

Nicholas Mearing-Smith

Finance Director

23 April 2010

Lieutenant Colonel
Sir Malcolm Ross GCVO, OBE
Non-Executive Chairman

Lieutenant-Colonel Sir Malcolm Ross GCVO OBE, was a member of the Royal Household of the Sovereign of the United Kingdom, and from 2006 to 2008, of the Prince of Wales.

Sir Malcolm was educated at Eton and Sandhurst. He served in the Scots Guards, holding the posts of Adjutant at the Royal Military Academy Sandhurst, and reached the rank of Lieutenant-Colonel in 1982.

Sir Malcolm joined the Royal Household in 1987 as Assistant Comptroller of the Lord Chamberlain's Office and Management Auditor. In 1989 he ceased to be Management Auditor, but remained as Assistant Comptroller until 1990. From 1989 to 1990 he was Secretary of the Central Chancery of the Orders of Knighthood. He was Comptroller of the Lord Chamberlain's Office 1991-2005, and became Master of the Household to the Prince of Wales in 2006. Since 1988 he has been an Extra Equerry to The Queen.

Peter Fowler
Chief Executive Officer

Peter has over 40 years experience operating within the security industry, with particular reference to the electronic protection sector.

Peter started his career in the security industry in 1970, quickly progressing into senior management roles and has a long history of running successful companies having built and sold two security businesses, successfully carried out acquisitions and disposals and has held several senior positions in listed companies.

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

Nicholas Mearing-Smith
BScEcon, FCA, ATII, MSI
Finance Director

Nicholas is a chartered accountant, a former partner of a major stockbroking firm and an ex-investment banker. In 1989 he founded a cable television business, which became part of NYNEX CableComms plc, of which he became Chief Financial Officer. When NYNEX CableComms merged into Cable & Wireless Communications plc, he became Finance Director of the operation which had a £2.3 billion turnover. Both companies were floated on the London Stock Exchange, in 1995 and 1997 respectively.

Nicholas left in 1999 to become C.E.O. of an international cable business and has more recently been involved in starting and managing new telecoms and related businesses.

Nicholas joined Westminster as Finance Director in February 2007.

Roger Worrall
Commercial Director

Roger has 40 years experience in the electrical and electronic installation and manufacturing industries.

Roger began his career in the Royal Navy before joining an electrical company specialising in large scale electrical contracting. In 1975 Roger joined the then newly formed Menvier (Electronic Engineers) Limited, a forerunner to the Menvier-Swain Group Plc, an international supplier of fire and safety systems, and was appointed a director in 1987. The Menvier-Swain Group Plc grew from a small group of companies in the UK to a global group of 18 companies. Roger was involved with the integration and the subsequent rationalisation of many of these companies.

Menvier Swain Group Plc joined the Unlisted Securities Market (USM) in 1986 and moved to a full listing in 1992. Roger remained with the Menvier-Swain Group Plc until 1999, when he joined Westminster Security Systems as a Director.

Stuart Fowler BEng (Hons)
Operations Director

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

Stuart studied computing and business studies at University obtaining a Bachelor of Engineering Honours degree in 1996. After university Stuart successfully implemented several software development projects for listed companies before joining Westminster in 1998 as IT manager. After acquiring considerable experience with the vast array of technical products and equipment in which the Company is involved, he was appointed a Director within the Group in 2000.

Since that time Stuart has been instrumental in the design and implementation of many larger complex systems installed by Westminster and is now responsible for the Group's operations and technical implementation worldwide.

Sir Michael Pakenham KBE, CMG
Non-Executive Director

Sir Michael Pakenham had a distinguished career in the British Diplomatic Service lasting nearly 40 years, during which time he held posts in Poland, Paris, Washington, New Delhi, Nairobi, Brussels, Luxembourg and London. Whilst in the Cabinet Office in Whitehall he served for three years as Cabinet Secretary for Defence and Overseas Affairs, as Chairman of the Joint Intelligence Committee and as Intelligence Coordinator. He retired from the Service in 2003 at which point he was British Ambassador to Poland.

He is a Senior Advisor to Access Industries, a US-based private holding company with global interests, including in Russia; and a member of the European Advisory Board to Northrop Grumman IT. He has led work on the EU Security & Technology research project with Thales and IISS. Other appointments include being a member of the Council of Kings College, London University; and Trustee of the Chevening Estate.

The Directors present their report and the audited financial statements for the year ended 31 December 2009.

Principal activities

Westminster Group plc (the "Company") and its subsidiaries (together the "Group") design, supply and provide ongoing support for advanced technology security, safety, fire and defence solutions to a variety of government and related agencies, non-governmental organisations and mainly blue chip commercial organisations.

The Group operates through a network of agents located in 45 countries at 31 December 2009. These agents typically generate sales leads and work with the Group in preparing tender documentation. The majority of the agents are based in the Middle East, the Far East and Africa.

Review of business, future developments and key performance indicators

A full review of the business and future developments, incorporating key performance indicators, is set out in the Chief Executive Officer's and Finance Director's reports.

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

Executive Directors

P.D. Fowler
S.P. Fowler
N.P. Mearing-Smith
R.W. Worrall

Non-Executive Directors

Lt. Col. Sir Malcolm Ross GCVO OBE
The Hon. Sir Michael Pakenham KBE CMG

Risk management objectives and strategy

The Group faces a number of risks posed by international expansion, the solvency of contractors, start date risks as well as political risks. The Group also has large contracts, which create particular risks. The Group's management is active in assessing all risks and uncertainties facing the Group and is proactive in taking preventative action to mitigate these risks wherever possible. However, political risks are beyond the control of the Group's management.

The main implications for our business of these risks are:

International expansion creates risks of doing business in countries and jurisdictions with differing cultures and laws to that of the UK. By working with agents who are local to each country, we seek to minimise those risks;

The solvency of suppliers/contractors is a potential risk. Although we try to ensure that alternative suppliers are available to us, this is not always possible. Under such circumstances great care is taken to ensure the stability of such suppliers and commercial terms are agreed to reduce the risk to the Group;

Large contracts, due to size, can constitute some risk. However we aim to reduce this risk by careful planning, project management and obtaining a broader spread of contracts;

We experience start date risks with some of our larger contracts, as the clients cannot always be sure of when their budgets will be approved and, sometimes, we have to fit our schedule around that of a larger overall contract. We seek to limit such risks by avoiding committing ourselves to purchasing supplies until the start date has been firmly agreed;

Political risks are always an issue when dealing with Government clients. We endeavour to minimise such risks by having sound contracts and a good understanding of what is happening in the specific country through the knowledge of our agents;

The Director's believe that the Group's strategy of not being a manufacturer or being dependent on any particular technology and in offering a broad range of products and services to a wide range of clients with a wide geographical spread is a key strength and helps minimise operational risk.

The main financial risks are set out in Note 30. At the balance sheet date, the most significant risk was in respect of the amount due on the Juba contract. However since the year end we have received $2.72 million, which removes any risk concerns in this respect. Other risks are monitored and controlled on a continuing basis.

Results and dividends

The Group's results for the financial year are set out in the consolidated statement of comprehensive income.

The Directors do not recommend the payment of a dividend (2008: nil).

Directors' interests in share capital and share options

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

Other significant interests in the Company

At 23 April 2010 those shareholders, other than Directors, who had disclosed to the Company an interest of more than 3 per cent of the issued share capital, are set out as follows:

Name of shareholder or nominee	Holding %
Northcote (IOM) Ltd	13.48%

Policy on payments to suppliers

It is a policy of the Group in respect of all suppliers, where reasonably practical, to agree the terms of payment with those suppliers when agreeing the terms of each transaction and to abide by them. The ratio of amounts owed to trade creditors at the year end to total purchases during the year was 43 days (2008: 70 days).

Share price

During 2009 the Company's share price ranged from 31p to 48p and the share price at 31 December 2009 was 32.5p (2008: 44.5p).

Acquisition of Longmoor Security Limited

On 25 February 2009 the Group acquired Longmoor Services Limited, now renamed Longmoor Security Limited. The initial consideration of £389,210 was satisfied by the issue of 894,735 Ordinary Westminster shares at 43.5p on the date of completion.

In each of the two years following completion, a calculation of net profit before tax will be made and, on the basis of that calculation, two performance based payments will be made of 50% of those profits, if earned, up to a maximum aggregate additional payment of £2 million. See note 9.

Directors' and officers' liability insurance

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

Post balance sheet events

On 15 April 2010 we acquired the entire issued share capital of CTAC Limited for an initial consideration of £825,000, which was satisfied by £500,000 in cash and the balance of £325,000 by the issue of 792,683 new ordinary shares of 10p each in Westminster at 41p on the date of completion. Two further performance based payments will be made, calculated on 40% of net profit in each of the two years following completion, up to a maximum aggregate additional payment of £1 million.

On 15 April 2010 Westminster Group Plc placed 747,000 New Ordinary Shares at a placing price of 33.5p to raise £250,245 before expenses.

On 16 April 2010 The Group raised further working capital through a subscription of 1,250,000 new Ordinary Shares at 41p, raising £512,500 before expenses from new investors. Following the Issue of the new shares for the acquisition of CTAC, the placing on 15 April 2010 and the subscription on 16 April 2010, Westminster's enlarged issued share capital will comprise 17,730,754 Ordinary Shares.

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. This is explained further in note 2.

Auditor

Grant Thornton UK LLP were appointed auditor on 22 September 2009 to fill a casual vacancy in accordance with section 489(3) of the Companies Act 2006. In accordance with s489(4) of the Companies Act 2006 a resolution to reappoint Grant Thornton UK LLP as auditor will be proposed at the Annual General Meeting to be held on 3 June 2010

On behalf of the Board

P.D. Fowler	**N.P. Mearing-Smith**
Director	Director
23 April 2010	
Registered number	3967650

The information contained in this report is unaudited except where specified.

Introduction

As an AIM-listed company, the preparation of a Remuneration Committee report is not an obligation. The Group has, however, sought to provide information that is appropriate to its size and organisation.

Unaudited

The Remuneration Committee of the Board was established on admission of the Company to AIM in June 2007 and consists solely of the following Executive and Non-Executive Directors:

Lt. Col. Sir Malcolm Ross (Chairman)
Peter Fowler
Sir Michael Pakenham

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

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

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

Share options are granted having regard to an individual's seniority within the business and are designed to give Directors an interest in the increase in the value of the Group.

Benefits primarily comprise the provision of health insurance.

Annual bonus, all Executive Directors and executive management participate in the Group's annual bonus scheme, which is based upon the assessment of individual performance, subject to the Group achieving profitability commensurate with its revenues and capital employed. For the years ended 31 December 2009 and 2008 no bonus payments were payable.

Meetings

The Remuneration Committee met twice during the year.

Options

The Group considers it important to incentivise employees and Directors through share incentive arrangements. The Company adopted the Share Option Scheme on 3 April 2007, under which it granted EMI options and unapproved options to certain employees and Directors over its ordinary shares. Options have been granted subsequently, as set out in note 24, as are the main terms of the option scheme.

Non-Executive Directors' remuneration

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

Non-Executive Directors	Severance	Notice	Contractual Fees £
Lt. Col. Sir Malcolm Ross	None	3 months	35,000
Sir Michael Pakenham	None	3 months	24,000

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

Details of the Executive and Non-Executive Directors' remuneration and interest in share capital for the year ended 31 December 2009 are as follows:

Audited

Executive Directors	Basic salary/fee £'000	Benefits in kind £'000	Bonus £'000	Share based payment cost £'000	Total remuneration 2009 £'000
P.D. Fowler	150	1	-	-	151
S.P. Fowler	75	1	-	-	76
N.P. Mearing-Smith	125	2	-	-	127
R.W. Worrall	75	1	-	-	76
	425	5	-	-	430
Non-Executive Directors					
Lt. Col. Sir M. Ross	35	3	-	1	39
Sir Michael Pakenham	24	-	-	-	24
	59	3	-	1	63
	484	8	-	1	493

Unaudited

The Executive and Non-Executive Directors who held office during the year had no interests in the shares in, or debentures or loan stock of, the Company or any of its subsidiaries except for the following holdings of Ordinary shares in the Company:

Executive Directors and Non-Executive Directors	Interest at end of year	Interest at beginning of year (or date of appointment if later)
Lt. Col. Sir M. Ross	37,550	37,550
P.D. Fowler	4,625,930	4,625,930
S.P. Fowler	541,618	541,618
N.P. Mearing-Smith	91,944	91,944
R.W. Worrall	2,128,522	2,128,522
Sir Michael Pakenham	-	-

In addition to the interests disclosed above, certain Executive and Non-Executive Directors have options to acquire ordinary shares in the Company granted under the Share Option Plan. Full details are as follows:

Number of options over ordinary shares of 10p each in the Company:

Directors	1 Jan 2009	Granted	Exercised	Forfeited	31 Dec 2009	Exercise price	Market price at date of grant	Date from which exercisable
Lt. Col. Sir M. Ross	67,862	-	-	-	67,862	67.5p	67.5p	21 Jun 09
S.P. Fowler	48,000	-	-	-	48,000	10.0p	5.7p	5 Apr 09
S.P. Fowler	-	15,000	-	-	15,000	34.5p	34.5p	25 Sep 11
N.P. Mearing-Smith	15,000	-	-	-	15,000	10.0p	5.7p	5 Apr 09
N.P. Mearing-Smith	9,000	-	-	-	9,000	74.0p	75.0p	20 Sep 09
N.P. Mearing-Smith	-	15,000	-	-	15,000	34.5p	34.5p	25 Sep 11
R.W. Worrall	24,000	-	-	-	24,000	10.0p	5.7p	5 Apr 09
R.W. Worrall	-	5,000	-	-	5,000	34.5p	34.5p	25 Sep 11
Sir Michael Pakenham	15,000	-	-	-	15,000	52.5p	52.5p	21 Apr 10
Sir Michael Pakenham	-	2,000	-	-	2,000	34.5p	34.5p	25 Sep 11

The market price of the shares at 31 December 2009 was 32.5p and the range during the year was 31p to 48p.

On behalf of the Board

Lt. Col. Sir Malcolm Ross
Chairman of the Remuneration Committee
23 April 2010

The Directors are committed to delivering high standards of corporate governance to the Group's shareholders and other stakeholders including employees, suppliers and the wider community. As an AIM-listed company, full compliance with the Combined Code is not a formal obligation. The Group has, however, sought to adopt the provisions of the Code that are appropriate to its size and organisation and establish frameworks for the achievement of this objective. The Board of Directors operates within the framework described below.

The Board

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

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

Organisational structure and control environment

The Board of Directors meets at least six times a year to review the performance of the Group. It seeks to foster a strong ethical culture across the Group. There are clearly defined lines of responsibility and delegation of authority from the Board to the operating subsidiaries. The Directors of each trading subsidiary meet on a regular basis with normally at least two members of the Group Board in attendance.

Internal control

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

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

There is currently no internal audit function in view of the size of the Group, although this is kept under annual review.

Risk management

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

Risk reviews are carried out by each subsidiary and reviewed annually as part of an ongoing risk assessment process. The focus of the reviews is to identify the circumstances, both internally and externally, where risks might affect the Group's ability to achieve its business objectives. The management of each subsidiary periodically reports to the Board any new risks. In addition to risk assessment, the Board believes that the management structure within the Group facilitates free and rapid communication across the subsidiaries and between the Group Board and those subsidiaries and consequently allows a consistent approach to managing risks. Certain key functions are centralised, enabling the Group to address risks to the business present in those functions quickly and efficiently.

Corporate responsibility

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

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

Financial planning, budgeting and monitoring

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

Capital management policies and procedures

The Group's capital management objectives are:

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

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

The Group sets the amount of capital in proportion to its overall financing structure, ie equity and financial liabilities other than its convertible loan. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

There is no requirement for the Group to maintain a strong capital base for each of its UK subsidiaries and therefore each subsidiary is financed by inter-company debt from the parent company. These policies have not changed in the year. The Directors believe that they have been able to meet their objectives in managing the capital of the Group.

Capital for the reporting periods under review is summarised as follows:

	2009 £'000	2008 £'000
Total equity	3,817	3,299
Convertible loan	843	-
Cash and cash equivalents	(475)	(588)
Capital	4,185	2,711
Total equity	3,817	3,299
Borrowings	1,116	16
Overall financing	4,933	3,315
Capital to overall financing ratio	0.85	0.82

Non-Executive Directors

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

Audit Committee

The Audit Committee meets no less than twice a year with the auditor in attendance. It also assists the Board in observing its responsibility for ensuring that the Group's accounting systems provide accurate and timely information and that the Group's published financial statements represent a true and fair reflection of the Group's financial position and its performance in the period under review. The Committee also ensures that internal controls and appropriate accounting policies are in place, reviews the scope and results of the audits, the independence and objectivity of the auditor and establishes that an effective system of internal financial control is maintained.

The Committee has primary responsibility for making a recommendation on the appointment or re-appointment of the external auditor. In order to maintain the independence of the external auditor, the Board has determined guidelines as to what non-audit services can be provided by the Company's external auditor and the approval processes related to them. Under those policies work of a consultancy nature will not be offered to the external auditor unless there are clear efficiencies and value added benefits to the Company. Additionally the auditor confirms its independence in writing each year. The committee also monitors the level of non-audit fees paid to the external auditor.

The Audit Committee consists of Sir Michael Pakenham (Chairman) and Sir Malcolm Ross.

Remuneration Committee

The Remuneration Committee meets no less than twice a year and is responsible for determining the remuneration of main Board Directors and agrees the terms and conditions of their service contracts. It has access to relevant comparable information in respect of similar businesses. The Committee is responsible for the allocation of options under the Company's executive share option scheme. The Committee also maintains a watching brief over the general employment terms and pay structures, existing or proposed, for the subsidiary trading companies. The Remuneration Committee consists of Sir Malcolm Ross as Chairman, Sir Michael Pakenham and Peter Fowler.

Risks and uncertainties

The Group's management is active in assessing all the risks and uncertainties facing the Group and is proactive in taking preventative action to mitigate these risks wherever possible.

Dialogue with Institutional Shareholders

The Directors seek to build on a mutual understanding of objectives between the Group and its institutional shareholders. This is done through meetings following the publication of the year-end and interim results.

Board attendance

The Board and principal Committee meetings attended by each Director during the year are shown in the table below:

Director	Board meetings attended in the year		Audit Committee meetings attended in the year	Remuneration Committee meetings attended in the year
	Scheduled meetings	Non-scheduled meetings		
Total	6	2	3	2
Sir Michael Pakenham	6	-	3	1
Lt Col Sir M. Ross	5	1	3	2
P.D. Fowler	5	2	-	2
S.P. Fowler	6	2	-	-
N.P Mearing-Smith	6	-	3	-
R.W. Worrall	6	2	-	-

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs). The financial statements are required by law to give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

On behalf of the Board

P.D. Fowler
Director
23 April 2010

N.P. Mearing-Smith
Director

We have audited the financial statements of Westminster Group plc for the year ended 31 December 2009 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statements of changes in equity, the consolidated and company statements of cash flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 27, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2009 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Tracey James
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Oxford

23 April 2010

	Note	2009 £'000	2008 £'000
REVENUE	3	7,948	5,477
Cost of sales		(5,197)	(3,568)
Gross profit		2,751	1,909
Administrative expenses		(2,602)	(1,743)
PROFIT BEFORE INTEREST AND TAXES (EBIT)		149	166
Financing costs	4	(116)	(4)
Finance income	4	107	39
PROFIT BEFORE TAX		140	201
Income tax	6	(19)	3
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY SHAREHOLDERS		121	204
OTHER COMPREHENSIVE INCOME:			
Revaluation of non-current assets		-	(100)
Deferred tax liability on revaluation of non-current assets		-	(49)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO EQUITY SHAREHOLDERS		121	55
EARNINGS PER SHARE ON CONTINUING ACTIVITIES:			
Basic in pence	8	0.82	1.45
Diluted in pence	8	0.81	1.43

All the activities of the Group are classed as continuing.

The accompanying notes form part of these financial statements.

		Group		Company	
	Note	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Goodwill	10	578	-	-	-
Other intangible assets	11	41	37	39	37
Property, plant and equipment	12	1,137	1,113	934	933
Investment in subsidiaries	14	-	-	4,575	2,832
Trade and other receivables	19	10	-	-	-
Deferred tax asset	17	350	186	5	12
TOTAL NON-CURRENT ASSETS		2,116	1,336	5,553	3,814
Inventories	18	232	186	-	-
Trade and other receivables	19	3,765	2,796	29	23
Cash and cash equivalents	21	475	588	-	-
TOTAL CURRENT ASSETS		4,472	3,570	29	23
TOTAL ASSETS		6,588	4,906	5,582	3,837
Share capital	22	1,492	1,402	1,492	1,402
Share premium		2,304	2,304	2,304	2,304
Merger relief reserve	23	299	-	299	-
Share based payment reserve		22	14	22	14
Revaluation reserve		116	116	116	116
Retained earnings		(416)	(537)	(110)	(289)
TOTAL SHAREHOLDERS' EQUITY		3,817	3,299	4,123	3,547
Trade and other payables	26	181	2	181	-
Borrowings	25	843	-	843	-
Embedded derivative	16	184	-	184	-
Deferred tax liabilities	17	104	104	95	97
TOTAL NON-CURRENT LIABILITIES		1,312	106	1,303	97
Borrowings	25	273	16	24	16
Trade and other payables	26	1,186	1,485	132	177
TOTAL CURRENT LIABILITIES		1,459	1,501	156	193
TOTAL LIABILITIES		2,771	1,607	1,459	290
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		6,588	4,906	5,582	3,837

The accompanying notes form part of these financial statements.

The Group and Company financial statements were approved by the Board and authorised for issue on 23 April 2010 and signed on their behalf by:

P.D. Fowler **N.P Mearing-Smith**
Director Director

23 April 2010

Registered number 3967650

	Share capital £'000	Share premium £'000	Merger relief reserve £'000	Share based payment reserve £'000	Revaluation reserve £'000	Retained earnings £'000	Total £'000
AS OF 1 JANUARY 2009	1,402	2,304	-	14	116	(537)	3,299
Share based payment charge	-	-	-	6	-	-	6
Deferred tax adjustments	-	-	-	2	-	-	2
Issue of shares for the acquisition of subsidiary	90	-	299	-	-	-	389
TRANSACTIONS WITH OWNERS	90	-	299	8	-	-	397
Profit for the period	-	-	-	-	-	121	121
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS	-	-	-	-	-	121	121
AS AT 31 DECEMBER 2009	1,492	2,304	299	22	116	(416)	3,817
AS OF 1 JANUARY 2008	1,402	2,304	-	11	265	(741)	3,241
Share based payment charge	-	-	-	4	-	-	4
Deferred tax adjustments	-	-	-	(1)	-	-	(1)
TRANSACTIONS WITH OWNERS	-	-	-	3	-	-	3
Profit for the period	-	-	-	-	-	204	204
Other comprehensive income:							
Revaluation of non-current assets	-	-	-	-	(100)	-	(100)
Deferred tax liability on revaluation of non-current assets	-	-	-	-	(49)	-	(49)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS	-	-	-	-	(149)	204	55
AS AT 31 DECEMBER 2008	1,402	2,304	-	14	116	(537)	3,299

The accompanying notes form part of these financial statements.

	Share capital	Share premium	Merger relief reserve	Share based payment reserve	Revaluation reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
AS OF 1 JANUARY 2009	1,402	2,304	-	14	116	(289)	3,547
Share based payment charge	-	-	-	6	-	-	6
Deferred tax adjustments	-	-	-	2	-	-	2
Issue of shares for the acquisition of subsidiary	90	-	299	-	-	-	389
TRANSACTIONS WITH OWNERS	90	-	299	8	-	-	397
Profit for the period	-	-	-	-	-	179	179
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS	-	-	-	-	-	179	179
AS AT 31 DECEMBER 2009	1,492	2,304	299	22	116	(110)	4,123
AS OF 1 JANUARY 2008	1,402	2,304	-	11	265	(485)	3,497
Share based payment charge	-	-	-	4	-	-	4
Deferred tax adjustments	-	-	-	(1)	-	-	(1)
TRANSACTIONS WITH OWNERS	-	-	-	3	-	-	3
Profit for the period	-	-	-	-	-	196	196
Other comprehensive income							
Revaluation of non-current assets	-	-	-	-	(100)	-	(100)
Deferred tax liability on revaluation of non-current assets	-	-	-	-	(49)	-	(49)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS	-	-	-	-	(149)	196	47
AS AT 31 DECEMBER 2008	1,402	2,304	-	14	116	(289)	3,547

		Group		Company	
		2009	2008	2009	2008
	Note	£'000	£'000	£'000	£'000
PROFIT BEFORE TAX		140	201	188	184
Adjustments	27	130	52	59	35
Net changes in working capital	27	(1,474)	(1,017)	(51)	87
NET CASH (USED IN)/FROM OPERATING ACTIVITIES		(1,204)	(764)	196	306
INVESTING ACTIVITIES:					
Purchase of property, plant and equipment		(126)	(238)	(35)	(108)
Purchase of intangible assets		(15)	(35)	(12)	(35)
Cash costs of acquisition of Longmoor Services Limited net of cash acquired	9	(44)	-	(38)	-
Interest received		-	39	-	15
Advances to subsidiaries		-	-	(1,135)	(1,274)
NET CASH USED IN INVESTING ACTIVITIES		(185)	(234)	(1,220)	(1,402)
FINANCING ACTIVITIES:					
Gross proceeds from the issue of Convertible Loan Notes		1,200	-	1,200	-
Costs of Loan Note issue		(116)	-	(116)	-
Finance lease repayments		-	(14)	-	-
Interest paid		(65)	(4)	(68)	(2)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES		1,019	(18)	1,016	(2)
Net change in cash and cash equivalents		(370)	(1,016)	(8)	(1,098)
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD		572	1,588	(16)	1,082
CASH AND EQUIVALENTS AT END OF PERIOD	21	202	572	(24)	(16)

The accompanying notes form part of these financial statements.

1. General information and nature of operations

Westminster Group plc ("the Company") was incorporated on 7 April 2000 and is domiciled and incorporated in the United Kingdom and listed on the London Stock Exchange AIM Market. The Group's financial statements for the year ended 31 December 2009 consolidate the individual financial statements of the Company and its subsidiaries (together referred to as "the Group").

Westminster Group plc and its subsidiaries design, supply and provide ongoing support for advanced technology security, safety, fire and defence solutions to a variety of government and related agencies, non-governmental organisations and mainly blue chip commercial organisations.

2. Summary of significant accounting policies

Basis of preparation

The Group financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The company has elected to prepare its parent company financial statements in accordance with IFRS as adopted by the European Union.

The financial information is presented in the Company's functional currency, which is Great British Pounds ('GBP') since that is the currency in which the majority of the Group's transactions are denominated.

The accounting policies set out below have been applied consistently to all periods presented in these Group financial statements, except for the adoption of IAS 1 Presentation of Financial Statements (revised 2007), IFRS 8 Operating Segments and the amendment to IFRS 7 Improving Disclosures about Financial Instruments.

The adoption of IAS 1 (revised 2007) does not affect the financial position or profits of the Group in the current or preceding periods. The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged in the current and preceding periods. However the revaluation of land and buildings previously recognised directly in equity is now recognised in other comprehensive income. IAS 1 (revised 2007) only affects the presentation of owner changes in equity and requires this to be a primary statement and introduces a 'Statement of comprehensive income'. Under IAS 1 (revised 2007) an extra comparative statement of financial position is required when an accounting policy is applied retrospectively. This information has not been given on the grounds that there have been no changes to the earliest comparative statement of financial position, being the year ended 31 December 2007, as a result of the retrospective application and therefore its omission does not cause the financial statements to be materially misstated.

The adoption of IFRS 8 has not changed the segments that are disclosed in the financial statements as the segmental information previously disclosed complied with IFRS 8. Under IFRS 8 the accounting policy for identifying segments is now based on the internal management reporting information that is regularly reviewed by the chief operating decision maker.

The adoption of the amendment to IFRS 7 Financial instruments requires enhanced disclosures concerning fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of fair value hierarchy.

As permitted by the Companies Act 2006 s408, a separate profit and loss account for the Company has not been included in these financial statements. The profit presented in the financial statements of the Company is £179,000 (2008: £196,000).

Going concern

The accounts are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, management have taken into account all relevant available information about the future. As part of its assessment, management have taken into account the profit and cash forecasts, the continued support of the shareholders and Directors, banking facilities and management ability to affect costs and revenues.

Management regularly forecast profit, financial position and cash flows for the Group. Revenue streams are forecast in detail. Management have reviewed forecast costs for reasonableness against prior years and with knowledge of expected movements. The major risks for future trading are set out in the Directors' Report.

It is therefore considered appropriate to use the going concern basis to compile these financial statements.

Basis of measurement

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

Consolidation

(i) Basis of consolidation

The consolidated financial statements comprise the financial statements of Westminster Group plc and its subsidiaries for the year ended 31 December 2009.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. Subsidiaries are fully consolidated using the purchase method of accounting from the date that control commences until the date that control ceases. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(iii) Transactions eliminated on consolidation

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

(iv) Company financial statements

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

Business combinations

Business combinations are accounted for using the purchase method. The purchase method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition. On initial recognition, the assets and liabilities of the acquired subsidiary are included in the consolidated statement of financial position at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquiree at the date of acquisition. Any excess of identifiable net assets over acquisition cost is recognised in profit or loss immediately after acquisition.

Goodwill represents the excess of the acquisition cost in a business combination over the fair value of the Group's share of the identifiable net assets acquired. Goodwill is carried at cost less accumulated impairment losses.

Foreign currency

The consolidated financial statements are presented in Sterling (GBP), which is also the functional currency of the parent company.

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

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

Segmental reporting

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

An operating segment is a component of the Group:

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

Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of products and services, net of value-added tax, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

(i) Supply of products

Revenue in respect of the supply of products is recognised when title effectively passes to the customer.

(ii) Supply and installation of contracts and supply of services

Where the outcome can be estimated reliably in respect of long-term contracts and contracts for on-going services, revenue represents the value of work done in the period, including estimates of amounts not invoiced. Revenue in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion, where the stage of completion can be assessed with reasonable accuracy. This is assessed by reference to the estimated project costs incurred to date compared to the total estimated project costs. Revenue is calculated to reflect the substance of the contract, and is reviewed on a contract-by-contract basis, with revenues and costs at each divisible stage reflecting known inequalities of profitability. Where a contract is loss making, the full loss is recognised immediately.

(iii) Maintenance income

Revenues in respect of the supply of maintenance contracts are recognised on a straight line basis over the life of the contract. The unrecognised portion of maintenance income is included within trade and other payables as deferred income.

(iv) Close protection services

Revenues in respect of close protection services are recognised when the service is provided to the client.

(v) Training courses

Revenues in respect of training courses are recognised when the trainees attend the courses.

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin. Expenditure for warranties is recognised and charged against the associated provision when the related revenue is recognised.

Interest income and expenses

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

Goodwill

Goodwill represents the excess of the acquisition cost in a business combination over the fair value of the Group's share of the identifiable net assets acquired. Goodwill is carried at cost less accumulated impairment losses.

Other intangible assets

Development costs incurred on specific projects are capitalised when all the following conditions are satisfied:
completion of the intangible asset is technically feasible so that it will be available for use or sale;

- the group intends to complete the intangible asset and use or sell it;
- the group has the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits;
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- the expenditure attributable to the intangible asset during its development can be measured reliably.

Development costs not meeting the criteria for capitalisation are expensed as incurred.

Other intangible assets comprise website costs, which are capitalised and amortised on a straight line basis over 5 years, the expected economic life of the asset.

Property, plant and equipment

Land and buildings held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at their revalued amounts, being the fair value on the date of revaluation, less any subsequent accumulated depreciation. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in the other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to profit or loss.

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

Depreciation is charged so as to write off the cost or valuation of assets to their residual value over their estimated useful lives, using the straight-line method, on the following bases:

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

Material residual value estimates and estimates of useful life are updated as required, but at least annually, whether or not the asset is revalued.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Impairment of non-financial assets

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

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets and financial liabilities are measured subsequently as described

below.

Financial assets

For the purpose of subsequent measurement financial assets are classified as loans and receivables upon initial recognition.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within 'financing costs' or 'finance income', except for impairment of trade receivables which is presented within 'administration expenses'.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at original effective interest rate. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'administration expenses' in the statement of comprehensive income.

Financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Borrowings are recorded at their fair value, net of transaction costs incurred and subsequently valued at amortised cost. Finance charges are allocated to the statement of comprehensive income as "financing costs" or "financing income" using an effective interest rate, on the outstanding carrying value of the instrument.

Trade and other payables are measured subsequently at amortised cost using the effective interest method.

The conversion option in relation to the convertible loan leads to a potentially variable number of shares, therefore the convertible loan is accounted for as a host debt with an embedded derivative. The embedded derivative financial instrument in relation to the convertible loan is accounted for at fair value through profit or loss and fair valued at each reporting date. All changes in the instrument's fair value are reported in profit or loss and included within 'financing costs' or 'finance income'.

The main purpose of these financial instruments is to fund the Group's operations and manage working capital.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for the management of these risks and these are summarised in note 30. These policies have remained unchanged throughout the year.

Inventories

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

Income tax

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes

items that are never taxable or deductible. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date.

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

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Equity, reserves and dividend payments

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

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

Merger relief reserve includes any premiums on issue of share capital as part or all of the consideration

in a business combination.

The share based payment reserve represents equity-settled share-based employee remuneration until such share options are exercised or lapse.

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

Retained earnings include all current and prior period retained profits.

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

All transactions with owners of the parent are recorded separately within equity.

Defined Contribution Pension Scheme

The Group operates a defined contribution pension scheme for employees. However no contributions have yet been made to the scheme. If contributions were made, then the assets of the scheme would be held separately from those of the Group; the pension cost would be charged against profits to represent the amounts payable by the Group or Parent Company and would be expensed as it becomes payable.

Employee benefits - Share-based compensation

The Group operates an equity-settled share-based compensation plan. The fair value of the employee services received in exchange for the grant of options is recognised as an expense over the vesting period, based on the Group's estimate of awards that will eventually vest, with a corresponding increase in equity as a share based payment reserve. For plans that include market based vesting conditions, the fair value at the date of grant reflects these conditions.

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

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

Provisions

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

Significant management judgements in applying accounting policies

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

Revenue recognition

Recognition of income is considered appropriate when all significant risks and rewards of ownership are transferred to third parties. In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion, where the stage of completion can be assessed with reasonable accuracy. In this process management makes significant judgements about milestones, actual work performed and the estimated costs to complete the work. Revenue is calculated to reflect the substance of the contract, and is reviewed on a contract-by-contract basis, with revenues and costs at each divisible stage reflecting known inequalities of profitability.

Revalued freehold property

The Group owns a freehold property which is carried at a revalued amount. The carrying value of this property at the year end is based on the directors' valuation. Management plan to conduct periodic revaluations of the property, although where market conditions dictate that there may be a material change in value, further valuations may be necessary and management may use external professionals if deemed necessary.

Deferred tax assets

The assessment of the probability of future taxable income against which deferred tax assets can be utilised is based on the Group's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties are assessed individually by management based on the specific facts and circumstances.

Estimation uncertainty

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgements, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Impairment

An impairment loss is recognised for the amount by which an asset's or cash generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future gross profits. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Business combinations

On initial recognition, the assets and liabilities of the acquired business are included in the consolidated statement of financial position at their fair values. In measuring fair value management uses estimates about future cash flows and discount rates, however, the actual results may vary. Any measurement changes upon initial recognition would affect the measurement of goodwill. Details of the assets and liabilities acquired are given in note 9.

Share–based payments

With regard to the share-based payments outstanding, the fair values have been estimated using a Black-Scholes model in accordance with the judgemental assumptions set out in note 24.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments, where active market quotes are not available. Details of the assumptions used are given in note 16 regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not

observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

In valuing the embedded derivative in relation to the Convertible Loan Notes management has employed professional valuers.

Adopted IFRSs in the year:

- IFRS 8 Operating Segments (effective 1 January 2009)
- Improvements to IFRS 2008 (various effective dates, mostly effective 1 January 2009 other than changes relating to business combinations)
- IAS 1 (Revised 2007) Presentation of Financial Statements (effective 1 January 2009)
- Amendment to IFRS 7 Improving Disclosures about Financial Instruments (effective 1 January 2009)

Adopted IFRSs not yet applied:

At the date of authorisation of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective:

- IFRS 9 Financial Instruments (effective 1 January 2013)
- IAS 24 (Revised 2009) Related Party Disclosures (effective 1 January 2011)
- IAS 27 Consolidated and Separate Financial Statements (Revised 2008) (effective 1 July 2009)
- Amendment to IAS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items (effective 1 July 2009)
- Group Cash-settled Share-based Payment Transactions - Amendment to IFRS 2 (effective 1 January 2010)
- Improvements to IFRSs 2009 (various effective dates, earliest of which is 1 July 2009, but mostly 2010)
- IFRS 3 Business Combinations (Revised 2008) (effective 1 July 2009)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective 1 July 2010)
- Amendment to IAS 32 Classification of Rights Issues (effective 1 February 2010)

The Directors anticipate that the adoption of these standards and Interpretations in future periods will have no material impact on the financial statements of the Company or Group.

3. Segment reporting

Operating segments

The following segment information has been prepared in accordance with IFRS 8 Operating Segments, which defines requirements for the disclosure of financial information of an entity's operating segments. IFRS 8 follows the management approach, which is the basis for decision making within the Group.

The Board considers the Group on a business unit basis. Reports by Business Unit are used by the chief decision-maker in the Group. The Business Units are the three operating companies: Westminster International, RMS Integrated Solutions and Longmoor Security. This split of business segments is based on the products and services each offer.

Westminster International provides advanced technological products, systems and solutions, RMS Integrated Solutions provides low voltage systems for high-rise buildings and Longmoor Security provides close protection training, consultancy and services.

	Westminster International	RMS Integrated Solutions	Longmoor Security	Unallocated	Group
	£'000	£'000	£'000	£'000	£'000
2009					
Supply of products	1,614	12	-	9	1,635
Supply and installation contracts	4,740	1,155	-	-	5,895
Maintenance and service	17	81	18	-	116
Close protection services	-	-	204	-	204
Training courses	-	-	113	-	113
Intragroup sales	(6)	(9)	-	-	(15)
Revenue	6,365	1,239	335	9	7,948
Segment result	324	(191)	(181)	197	149
Finance cost	(1)	-	-	(115)	(116)
Finance income	1	-	-	106	107
Income tax	(85)	26	47	(7)	(19)
Profit/(loss) for the financial year	239	(165)	(134)	181	121
Segment assets	3,820	555	629	1,584	6,588
Segment liabilities	769	172	373	1,457	2,771
Capital expenditure	88	2	1	50	141
Depreciation and amortisation	62	7	2	44	115

	Westminster International	RMS Integrated Solutions	Unallocated	Group
	£'000	£'000	£'000	£'000
2008				
Supply of products	663	378	-	1,041
Supply and installation contracts	3,516	921	-	4,437
Maintenance and service	2	73	-	75
Intragroup sales	(33)	(43)	-	(76)
Revenue	4,148	1,329	-	5,477
Segment result	67	(71)	170	166
Finance cost	(2)	(1)	(1)	(4)
Finance income	24	-	15	39
Income tax benefit	(26)	17	12	3
Profit/(loss) for the financial year	63	(55)	196	204
Segment assets	3,129	765	1,012	4,906
Segment liabilities	969	343	295	1,607
Capital expenditure	127	11	135	273
Depreciation and amortisation	31	8	43	82
Impairment of property	-	-	100	100

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 geographic market, irrespective of the origin of the goods/services:

	Group	
	2009	2008
	£'000	£'000
United Kingdom & Europe	2,738	2,239
Africa	4,217	3,048
Middle East	858	98
Rest of the World	135	92
	7,948	5,477

Some of the Group's assets are located outside the United Kingdom where they are being put to operational use on specific contracts. At 31 December 2009 fixed assets with a net book value of £127k were located in Africa and the Middle East (2008: £89k).

Major customers who contributed greater than 10% of total Group revenue

One of Westminster International's customers contributed 31% of Group revenue (in 2008 one customer contributed 45%).

4. Finance costs and income

	Group	
	2009	2008
	£'000	£'000
Finance costs:		
Interest payable on overdraft	(5)	(3)
Interest payable on finance leases	-	(1)
Interest payable on Convertible Loan Notes	(60)	-
Embedded derivative transaction costs	(29)	-
Amortised finance cost on Convertible Loan Notes (see note 16)	(22)	-
	(116)	(4)
Finance income:		
Interest receivable on bank balances	-	39
Fair value movement of embedded derivative (see note 16)	107	-
	107	39
Net finance (costs)/income	(9)	35

5. Profit from operations

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

	Group	
	2009	2008
	£'000	£'000
Staff costs (see Note 7)	1,843	1,442
Depreciation of property, plant and equipment:		
- Owned assets	104	72
- Leased assets	-	6
Amortisation of intangible assets	11	4
Operating lease rentals payable		
- Property	70	71
- Plant and machinery	14	-
- Other	50	58
Foreign exchange loss/(gain)	73	(248)

Amortisation of intangible assets is included within administrative expenses in the statement of comprehensive income.

Auditor's remuneration

Amounts payable to Grant Thornton UK LLP (2008: Baker Tilly UK Audit LLP) and their associates in respect of both audit and non-audit services:

	Group	
	2009	2008
	£'000	£'000
Audit services		
- Statutory audit of parent and consolidated accounts	17	21
- the auditing of accounts of associates of the company pursuant to legislation	25	27
Total audit fees	42	48
Other services supplied pursuant to legislation	-	3
Other services relating to taxation	-	6
Total non-audit fees	-	9
Total fees	42	57

6. Income tax expense

Analysis of charge/(credit) in year:

	Group	
	2009	2008
	£'000	£'000
Current year tax expense	-	-
Movement in deferred tax	26	66
Adjustment to prior year charge	(7)	(69)
Taxation	19	(3)
Reconciliation of tax expense		
Profit on ordinary activities before tax	140	201
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008: 28.5%)	39	57
Effects of:		
(Income)/expenses not deductible for tax purposes	(11)	9
Utilisation of tax losses	(96)	(69)
Unrealised losses arising in the period	94	-
Adjustment to prior year charge	(7)	-
Total tax charge/(credit)	19	(3)

7. Staff costs

Staff costs for the Group during the year

	Group	
	2009	2008
	£'000	£'000
Wages and salaries	1,708	1,312
Social security costs	165	126
	1,873	1,438
Share based payments	6	4
	1,879	1,442

The Group operates a stakeholder pension scheme. The Group made no pension contributions during the year and no pension contributions were outstanding at the year end (2008: £nil).

Details of the Directors' remuneration are included in the Remuneration Committee report. Key management within the business are considered to be the Board of Directors.

Average monthly number of people (including Executive Directors) employed

	Group	
	2009 Number	2008 Number
By function		
Sales	7	-
Production	22	18
Administration	11	14
Management	8	6
	48	38

8. 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 year.

For diluted earnings per share the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. Only those outstanding options that have an exercise price below the average market share price in the year have been included.

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

	Group	
	2009 '000	2008 '000
Issued ordinary shares		
Start of period	14,022	14,022
Effect of shares issued during the period	760	-
Weighted average basic number of shares for period	14,782	14,022
Dilutive effect of options	190	252
Weighted average diluted number of shares for period	14,972	14,274

Basic and diluted earnings per share is calculated as follows:

	Group	
	2009	2008
Profit for the year attributable to equity shareholders of the Company (£'000)	121	204
Basic earnings per share (pence)	0.82	1.45
Diluted earnings per share (pence)	0.81	1.43

9. Acquisition of Longmoor Services Limited (now renamed Longmoor Security Limited)

On 25 February 2009 Westminster Group plc acquired 100% of the share capital of Longmoor Services Limited for an initial consideration of £389,210, which was satisfied by the issue of 894,735 Ordinary shares at 43.5p on the date of completion. The Directors considered that this constituted a fair value for the business acquired, and no external valuation was considered necessary. The acquisition was made to introduce the Group to the close protection market.

In each of the two years following completion, a calculation of net profit before tax will be made and, on the basis of that calculation, two performance based payments will be made of 50% of those profits, if earned, up to a maximum aggregate additional payment of £2 million. The vendors may elect to receive such payments in cash or in new Ordinary shares (to be calculated on the average closing mid-market price of the shares over the 5 business days preceding the issue of such shares). Based upon the budgeted profitability of Longmoor Security, deferred contingent consideration would become payable in 2011. No provision for deferred contingent consideration was made on the date of acquisition as it could not be measured reliably.

The total cost of acquisition was £427,000 and includes the components stated below:

	£000
Purchase price, settled in shares	389
Transaction costs	38
	427

The allocation of the purchase price to the assets and liabilities of Longmoor Services Limited was completed in 2009. The amounts recognised for each class of the acquiree's assets and liabilities at the acquisition date are as follows:

	Pre-acquisition carrying amount at 25 February 2009	Adjustments to fair value at 25 February 2009	Fair value at 25 February 2009
	£'000	£'000	£'000
Plant, property & equipment	2	-	2
Deferred tax asset	-	181	181
Total non-current assets	2	181	183
Trade & other receivables	15	-	15
Total current assets	15	181	15
Bank liabilities	(6)	-	(6)
Trade & other payables	(162)	-	(162)
Total current liabilities	(168)	-	(168)
Net identifiable assets and liabilities	(151)	181	30
Goodwill on acquisition (note 10)			397
Total consideration including direct costs			427
Cost of acquisition settled in cash			38
Bank liabilities acquired			6
Net cash outflow arising on acquisition			44

The goodwill of £397,000 is attributed to the synergies that are expected to arise in the post acquisition period, the reputation established by the business in its market and the substantial skill and expertise of the company's staff. Goodwill has been allocated to the cash-generating unit at 31 December 2009.

No major line of business will be disposed of as a result of the combination.

Longmoor incurred a loss of £134,000 for the 10 months from 25 February 2009 to the reporting date.

10. Goodwill

Group	2009 £'000
Gross carrying amount	
Balance 1 January 2009	-
Acquired through business combination (Note 9)	397
Adjustment to contingent deferred consideration	181
Balance 31 December 2009	578
Accumulated impairment	
Balance 1 January 2009 and 31 December 2009	-
Carrying amount at 31 December	578

At 31 December 2009 a discounted provision of £181,000 has been made to reflect the deferred contingent consderation expected to be payable to the vendors of Longmoor Security Limited.

Goodwill on the acquisition of Longmoor is reviewed at the end of each financial period for impairment.

At the year end management carried out an impairment review of goodwill. Following that review it is of the opinion that no impairment has taken place. In its review of other assets management is also of the opinion that the carrying value of such assets is reasonably stated and that no impairment has occurred.

For the purpose of annual impairment testing goodwill is allocated to the following cash-generating unit, which is the unit expected to benefit from the synergies of the business combinations in which the goodwill arises.

	2009 £'000
Longmoor Security	578
Balance as at 31 December	578

The recoverable amount of the cash generating unit was determined based on value in use calculations for the next five years which management believe will reflect the minimum period during which the business will benefit from the resulting cash generation. Projections are based on the detailed two year forecast and cash flows for the business unit, followed by an extrapolation of expected cash flows for the full review period, applying growth rates which management believe are prudent in the prevailing economic conditions. The development of the business is based upon performance since the business was acquired by the Group and by the increased flow of potential business. Some of that business is recurring in nature and some appears reasonably predictable. The business is unlikely to be affected by technological change. Where applicable, management have assumed a forecast growth rate of 2%.

The discount factor used was 18.33% which reflects the Group's cost of capital during the review period.

Management's key assumptions include stable profit margins based on past experience in this market which management see as the best available information to forecast this market.

Apart from the considerations described in determining value in use, management are not aware of any reasonable changes in key assumptions that would necessitate changes in key estimates.

11. Other intangible assets

Group	Website £'000
2009	
Gross carrying amount	
At 1 January 2009	47
Additions	15
At 31 December 2009	62
Amortisation and impairment	
At 1 January 2009	10
Charge for the year	11
At 31 December 2009	21
Net book value at 31 December 2009	41
2008	
Gross carrying amount	
At 1 January 2008	12
Additions	35
At 31 December 2008	47
Amortisation and impairment	
At 1 January 2008	6
Charge for the year	4
At 31 December 2008	10
Net book value at 31 December 2008	37

Intangible assets are amortised over 5 years, of which approximately 3 years remains for most of the assets.

Company	Website £'000
2009	
Gross carrying amount	
At 1 January 2009	47
Additions	12
At 31 December 2009	59
Amortisation and impairment	
At 1 January 2009	10
Charge for the year	10
At 31 December 2009	20
Net book value at 31 December 2009	39

2008	
Gross carrying amount	
At 1 January 2008	12
Additions	35
At 31 December 2008	47
Amortisation and impairment	
At 1 January 2008	6
Charge for the year	4
At 31 December 2008	10
Net book value at 31 December 2008	37

12. Property, plant and equipment

Group	Freehold property	Plant and equipment	Office equipment, fixtures and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
2009					
Gross carrying amount					
At 1 January 2009	840	158	229	77	1,304
Additions	19	67	40	-	126
Acquired through business combination	-	-	2	-	2
At 31 December 2009	859	225	271	77	1,432
Depreciation and impairment					
At 1 January 2009	-	42	104	45	191
Charge for the year	-	45	48	11	104
At 31 December 2009	-	87	152	56	295
Net book value at 31 December 2009	859	138	119	21	1,137
2008					
Gross carrying amount					
At 1 January 2008	914	74	132	47	1,167
Additions	76	84	48	30	238
Revaluation	(100)	-	-	-	(100)
Disposals	(1)	-	-	-	(1)
Transfers	(49)	-	49	-	-
At 31 December 2008	840	158	229	77	1,304
Depreciation and impairment					
At 1 January 2008	-	23	57	33	113
Charge for the year	-	19	47	12	78
At 31 December 2008	-	42	104	45	191
Net book value at 31 December 2008	840	116	125	32	1,113

Company	Freehold property	Plant and equipment	Office equipment fixtures and fittings	Total
	£'000	£'000	£'000	£'000
2009				
Gross carrying amount				
At 1 January 2009	840	14	156	1,010
Additions	19	-	16	35
At 31 December 2009	859	14	172	1,045
Depreciation and impairment				
At 1 January 2009	-	12	65	77
Charge for the year	-	1	33	34
At 31 December 2009	-	13	98	111
Net book value at 31 December 2009	859	1	74	934
2008				
Gross carrying amount				
At 1 January 2008	914	11	78	1,003
Additions	68	3	29	100
Revaluation	(100)	-	-	(100)
Disposals	(1)	-	-	(1)
Transfers	(41)	-	49	8
At 31 December 2008	840	14	156	1,010
Depreciation and impairment				
At 1 January 2008	-	9	29	38
Charge for the year	-	3	36	39
At 31 December 2008	-	12	65	77
Net book value at 31 December 2008	840	2	91	933

Capital commitments

Group and Company	2009 £'000	2008 £'000
Contracted but not provided for in the financial statements	184	-

The freehold property has not been externally valued at the year end as the Directors consider that there has been no significant change in valuation over the past 12 months. It was last valued professionally by Berry Morris, Chartered Surveyors, on 13 February 2009.

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

	2009 £'000	2008 £'000
Historical cost	678	659
Accumulated depreciation		
At 1 January	45	42
Charge for the year	3	3
At 31 December	48	45
Net book value at 31 December	630	614

The Group's land and buildings have been pledged as security for contingent liabilities incurred as part of the normal trading of Westminster International, see note 29.

13. Operating lease commitments

The Group and the Company lease various offices, office equipment and motor vehicles under non-cancellable operating lease agreements. The total commitments under these leases can be analysed as follows:

	Group		Company	
	Total Commitments Property £'000	Total Commitments Other £'000	Total Commitments Property £'000	Total Commitments Other £'000
As at 31 December 2009				
Within one year	42	85	-	17
In the second to fifth years inclusive	-	71	-	11
	42	156	-	28
As at 31 December 2008				
Within one year	27	55	-	21
In the second to fifth years inclusive	1	65	-	-
	28	120	-	21

Remaining lease terms range from 1 month to 3 years.

	Group £'000	Company £'000
Minimum lease payments under operating leases recognised as an expense in the year	134	14

14. Investments in subsidiaries

Company	2009 £'000	2008 £'000
Shares in subsidiary undertakings at cost		
At start of period	4	4
Acquisition of Longmoor Security Limited	608	-
Transfer to amounts due from subsidiaries	(70)	-
At end of period	542	4
Amounts due from subsidiaries	4,033	2,828
	4,575	2,832

In the opinion of the Directors, the investments in the subsidiary undertakings are valued at least at the amounts at which they are stated in the balance sheet. Details of subsidiaries are set out below. Fair value information for these investments has not been disclosed because their fair value cannot be measured reliably. This is because the investments are unlisted and there is therefore no active market for them. The company has no immediate plans to dispose of these investments.

15. Subsidiary undertakings

The subsidiary undertakings at 31 December 2009 are as follows:

Name	Country of incorporation	Principal activity	% of nominal Ordinary share capital and voting rights held
Westminster International Limited	England	Advanced technology	100
RMS Integrated Solutions Limited	England	Low voltage systems	100
Longmoor Security Limited	England	Close protection training and services	100
Westminster Technologies Limited	England	Non-trading	100
Westminster Facilities Management Limited	England	Dormant	100

16. Financial assets and liabilities

Categories of financial assets and liabilities

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

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Financial assets				
Loans and receivables				
- Amount owed by subsidiary undertakings (note 14)	-	-	4,033	2,828
- Trade and other receivables (note 19)	3,706	2,739	7	23
- Cash and cash equivalents (note 21)	475	588	-	-
	4,181	3,327	4,040	2,851
Financial liabilities				
Financial liabilities measured at amortised cost				
- Borrowings (note 25)	1,116	16	867	16
- Trade and other payables (note 26)	518	714	38	65
	1,634	730	905	81
Derivatives carried at fair value through profit or loss				
- Embedded derivative (see below)	184	-	184	-

See note 2 for a description of the accounting policies for each category of financial instruments. The fair values are presented in the related notes. A description of the Group's risk management and objectives for financial instruments is given in note 30.

Convertible Loan Notes

On 29 June 2009 the Group issued Convertible Loan Notes with an aggregate principal amount of £1,200,000.

The right of the Loan Notes to be converted into Ordinary Shares was conditional upon resolutions being passed at the Extraordinary General Meeting held on 23 July 2009. The resolutions were duly passed. A summary of the key terms applying to the Loan Notes is as follows:

Term

- 5 years

Coupon

- 10% per annum

Conversion terms

- a noteholder has the right to convert their Loan Notes into Ordinary Shares at the conversion price, which is the lower of
- 5% over the average share price for the 10 days prior to date of the Instrument and
- 5% over the price at which subsequent shares are first issued as equity financing (i) for acquisitions and/or (ii) where the new shares represent 5% or more of the issued share capital of the Company prior to the date of issue.

Board observer status

- the lead investor will be paid a monitoring fee of £25,000 p.a. They will have the right to appoint a director if there is or is likely to be an event of default (as defined in the Instrument).

Security

- There is a debenture secured against all the assets of the Company and its subsidiaries, which is subordinated to the Debenture held by HSBC.

On initial recognition the conversion option in relation to the convertible loan leads to a potentially variable number of shares, therefore the convertible loan is accounted for as a host debt, (recorded initially at fair value, net of transaction costs and subsequently valued at amortise cost) with an embedded derivative (recorded at fair value through profit and loss and fair valued at each reporting date).

	£'000
Host debt	
Fair value of host debt instrument net of transaction costs at 29 June 2009	821
Finance charge (note 4)	22
At 31 December 2009 (note 25)	843
Embedded derivative	
Fair value on recognition at 29 June 2009	291
Fair value movement (note 4)	(107)
Fair value at 31 December 2009	184

The Convertible Loan Notes have been separated into two components, the Host Debt Instrument and the Embedded Derivative on initial recognition. The value of the Host Debt Instrument will increase to £1.2m at the date of maturity of the Convertible Loan Notes in 2014. The effective interest cost of the Notes is the sum of that increasing value in the period and the interest paid to Noteholders. The Derivative element will vary in value according to the market price of the underlying Ordinary Shares and the period remaining for conversion amongst other factors. The valuation of the Host Debt and embedded derivative on initial recognition and valuation of the embedded derivative at 31 December 2009 was undertaken by independent valuers, Globalview Advisers limited, using a Monte Carlo simulation.

The key assumptions being:

Valuation date	Risk free rate	Beta	Risk premium	Small company risk	Specific risk premium	Volatility	Cost of equity
29/06/09	3.55%	0.89	5.0%	5.81%	4.00%	47.00%	17.81%
31/12/09	4.07%	0.89	5.0%	5.81%	4.00%	54.00%	18.33%

Financial instruments measured at fair value

The Group adopted the amendments to IFRS 7 Improving Disclosures about Financial Instruments effective from 1 January 2009. These amendments require the Group to present certain information about financial instruments measured at fair value in the statement of financial position. In the first year of application comparative information need not be presented for the disclosures required by the amendment. Accordingly, the disclosure for the fair value hierarchy is only presented for the 31 December 2009 year end.

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement. The financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Liabilities				
Embedded derivative	-	184	-	184
Total	-	(184)	-	(184)

There have been no transfers between levels 1 and 2 in the reporting period.

The derivative entered into by the Group is not traded in active markets. The fair values of the contract is estimated using a valuation technique that maximises the use of observable market inputs, eg market exchange and interest rates (Level 2). See above.

17. Deferred tax assets and liabilities

Deferred tax assets and liabilities have been calculated using the expected future tax rate of 28% (2008: 28.5%). Any changes in the future would affect these amounts proportionately. The movements in deferred tax assets and liabilities during the year are shown below:

Group	1 Jan 2009	Recognised in business combination	Recognised in equity	Recognised in profit and loss	31 Dec 2009
	£'000	£'000	£'000	£'000	£'000
Deferred tax (liabilities)/assets					
Non-current liabilities					
Property, plant & equipment	(104)	-	-	-	(104)
Non-current assets					
Share based payments	3	-	2	-	5
Unused tax losses	183	181	-	(19)	345
	82	181	2	(19)	246
Recognised as					
Deferred tax asset	186				350
Deferred tax liability	(104)				(104)

	1 Jan 2008	Recognised in equity	Recognised in profit and loss	31 Dec 2008
	£'000	£'000	£'000	£'000
Deferred tax (liabilities)/assets				
Non-current liabilities				
Property, plant & equipment	(55)	(49)	-	(104)
Non-current assets				
Share based payments	4	(1)	-	3
Unused tax losses	180	-	3	183
	129	(50)	3	82
Recognised as				
Deferred tax asset	184			186
Deferred tax liability	(55)			(104)

Company	1 Jan 2009	Recognised in equity	Recognised in profit and loss	31 Dec 2009
	£'000	£'000	£'000	£'000
Deferred tax (liabilities)/assets				
Non-current liabilities				
Property, plant & equipment	(97)	-	2	(95)
Non-current assets				
Share based payments	3	2	-	5
Unused tax losses	9	-	(9)	-
	(85)	2	(7)	(90)
Recognised as				
Deferred tax asset	12			5
Deferred tax liability	(97)			(95)

	1 Jan 2008 £'000	Recognised in equity £'000	Recognised in profit and loss £'000	31 Dec 2008 £'000
Deferred tax (liabilities)/assets				
Non-current liabilities				
Property, plant & equipment	(51)	(49)	3	(97)
Non-current assets				
Share based payments	4	(1)	-	3
Unused tax losses	-	-	9	9
	(47)	(50)	12	(85)
Recognised as				
Deferred tax asset	4			12
Deferred tax liability	(51)			(97)

The deferred tax asset primarily relates to accumulated tax losses carried forward. Based on future forecast and orders, the Group is anticipating to have sufficient profits to utilise these tax losses.

18. Inventories

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Finished goods	232	186	-	-
	232	186	-	-

The cost of inventories recognised as an expense within 'cost of sales' amounted to £3,621k (2008: £2,901k).

No reversal of previous write-downs was recognised as a reduction of expense in 2008 or 2009. None of the inventories are pledged as securities for liabilities.

19. Trade and other receivables

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Amounts falling due within one year:				
Trade receivables, gross	3,667	2,419	-	7
Allowance for credit losses	(72)	(12)	-	-
Trade receivables	3,595	2,407	-	7
Amounts due from contract customers	94	157	-	-
Other receivables	7	175	7	16
Financial assets	3,696	2,739	7	23
Prepayments	69	57	22	-
Non-financial assets	69	57	22	-
Trade and other receivables	3,765	2,796	29	23
Amounts falling due after one year:				
Trade receivables	10	-	-	-
Financial assets	10	-	-	-
Trade and other receivables	10	-	-	-

The average credit period taken on sale of goods in 2009 was 143 days (2008: 88). An allowance has been made for estimated irrecoverable amounts from the sale of goods of £72,000 (2008: £12,000). This allowance has been based on the knowledge of the financial circumstances of individual receivables at the balance sheet date. The largest outstanding amount at 31 December 2009 was $3.4million from the Government of Southern Sudan (2008: $2.3million). During 2009 a total of $1.8million was received. Since the year end a further $2.72 million has been received.

The Group holds no collateral against these receivables at the balance sheet date.

The following table provides an analysis of trade and other receivables that were past due at 31 December, but not impaired. The Group believes that the balances are ultimately recoverable based upon a review of past payment history and the current financial status of the customers.

	2009 £'000	2008 £'000
Up to three months	283	1,926
Three to six months	303	414
Over six months	533	-
	1,119	2,340

The movement in the allowance for credit losses can be reconciled as follows:

	2009 £'000	2008 £'000
Balance 1 January	12	198
Amounts written off (uncollectable)	(29)	(197)
Impairment loss	89	11
Balance 31 December	72	12

There are no significant credit risks from financial assets that are neither past due nor impaired. At 31 December 2009 £2,574,000 (2008: £1,768,000) of trade receivables were denominated in US dollars and £1,103,000 (2008: £651,000) in sterling. The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

20. Contracts in progress

The Group had contracts in progress at 31 December 2009 as follows:

	2009 £'000	2008 £'000
Contract costs incurred plus recognised profits less recognised losses to date	5,895	4,822
Less: progress billings	(6,224)	(5,140)
	(329)	(318)
Recognised as:		
Due from contract customers included in trade and other receivables	94	157
Due to contract customers included in trade and other payables	(423)	(475)
	(329)	(318)

At 31 December 2009 retentions held by customers for contract work amounted to £67,000 (2008: £59,000).

21. Cash and cash equivalents

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Cash at bank and in hand	466	435	-	-
Short-term bank deposits	9	153	-	-
	475	588	-	-
Bank overdraft	(273)	(16)	(24)	(16)
Cash and cash equivalents for the purposes of the cash flow statements	202	572	(24)	(16)

All the bank accounts of the subsidiaries and parent company of the Group are set against each other in establishing the cash position of the Group. The bank overdrafts do not therefore represent bank borrowings, which is why they are presented as above for the purposes of the cash flow statement.

The Group's short term bank deposits are invested in money market deposits which match the forecasted operating cash requirements of the business. The carrying amount of bank deposits approximates to their fair value. Details of deposits are as follows:

Currency	Balance invested £'000	Weighted average interest rate	Weighted average term
Sterling	9	0.00%	Overnight

22. Called up share capital

Group and Company

Authorised

The total number of authorised shares is 80,000,000 ordinary shares of £0.10 each (2008: 20,000,000 ordinary shares of £0.10 each).

Issued and fully paid

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

	Ordinary shares	
	Number	£'000
At 1 January 2009	14,022,336	1,402
Issued for the acquisition of Longmoor Services Limited (now Longmoor Security Limited)	894,735	90
At 31 December 2009	14,917,071	1,492

The Company has one class of ordinary share, which carries no right to fixed income. On 25 February 2009 the Company issued 894,735 Ordinary Shares of 10p each at 43.5p giving rise to premium of £299,000 which has been taken to a merger relief reserve.

Details of the Group's capital management policies and procedures are provided as part of the corporate governance report.

23. Merger relief reserve

Group and Company

	2009 £'000	2008 £'000
At 1 January	-	-
Premium on shares issued for the acquisition of Longmoor Services Limited (now Longmoor Security Limited) (note 22)	299	-
At 31 December	299	-

24. Share options

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

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

Options have subsequently been granted on the same basis as above, which are set out below.

Share options and weighted average exercise prices are as follows for the reporting periods presented:

	Number of options	Weighted average exercise price per share (p)
Outstanding at 1 January 2008	538,585	35
Granted	20,000	53
Forfeited	(15,000)	75
Outstanding at 31 December 2008	543,585	38
Granted	104,000	34
Forfeited	(20,000)	24
Outstanding at 31 December 2009	627,585	34
Exercisable at 31 December 2008	-	-
Exercisable at 31 December 2009	-	-

The range of exercise prices and the weighted average remaining contractual life of share options outstanding at the end of the period are as follows:

		2009		2008	
Date of grant	Exercise price	Number outstanding at end of year	Weighted average remaining contractual life (in years)	Number outstanding at end of year	Weighted average remaining contractual life (in years)
5 Apr 2007	10p	298,000	7.3	311,000	8.3
11 Dec 2009	32p	30,000	9.9	-	-
25 Sep 2009	34.5p	72,000	9.7	-	-
21 Apr 2008	52.5p	15,000	8.3	15,000	9.3
11 Jun 2008	55.5p	-	-	5,000	9.4
21 Jun 2007	67.5p	203,585	7.5	203,585	8.5
20 Sep 2007	74p	9,000	7.7	9,000	8.7
Total		627,585	7.8	543,585	8.4

A Black-Scholes option pricing model is used to determine the fair value of share options at grant date. The assumptions used to

determine the fair values of share options at grant dates were as follows:

	5 Apr 2007	21 Jun 2007	20 Sep 2007	21 Apr 2008	11 Jun 2008	25 Sep 2009	11 Dec 2009
Number of options granted	311,000	203,585	9,000	15,000	5,000	74,000	30,000
Share price at date of grant (p)	5.6	67.5	75.0	52.5	55.5	34.5	32
Exercise Price (p)	10.0	67.5	74.0	52.5	55.5	34.5	32
Volatility (annualised)	1.6%	1.6%	1.6%	1.6%	1.6%	25.50%	25.50%
Average expected term to exercise (years)	4.5	4.5	4.5	4.0	4.0	4.5	4.5
Risk free rate %	1.81	1.81	2.35	2.35	2.35	4.07	4.07
Expected dividends	-	-	-	-	-	-	-
Fair value (p)	-	5.3	8.4	4.7	5.0	15.8	14.7

For share options granted in 2007 and 2008 the expected share price volatility was determined taking the share price account of the historic daily share price movements. For 2009 the standard deviation of the share price over the year has been used to calculate volatility.

As the Company was not quoted at the dates of granting of the share options before the IPO on 21 June 2007, the calculation of the expected volatility of the shares was estimated by comparisons of the historic volatility of a sample of securities of a similar size to the Company, listed on the AIM index, as well as the volatility of other listed companies in similar industries.

The average expected term to exercise used in the models is based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural conditions, forfeiture and historical experience.

The risk free rate has been determined from market yields for government gilts with outstanding terms equal to the average expected term to exercise for each relevant grant.

The amount recognised in the income statement in respect of share based payments was £6,000 (2008: £4,000).

25. Borrowings

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Current				
Bank overdraft (secured)	273	16	24	16
Non current				
Convertible loan note	843	-	843	-
Total	1,116	16	867	16

The bank overdrafts represent overdrawn amounts in some subsidiaries, which are offset by cash balances in other subsidiaries. See note 16 for details of the convertible loan note.

26. Trade and other payables

Current	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Trade payables	518	714	38	65
Financial liabilities	518	714	38	65
Other taxes and social security payable	66	74	21	49
Accruals and other payables	179	222	73	63
Deferred income	423	475	-	-
Non-financial liabilities	668	771	94	112
Total current trade and other payables	1,186	1,485	132	177

Non-current	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Deferred consideration	181	-	181	-
Financial liabilities	181	-	181	-
Deferred income	-	2	-	-
Non-financial liabilities	-	2	-	-
Total non-current trade and other payables	181	2	181	-

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs, as well as payments received in advance for contracts that have not yet been delivered. The average credit period taken for trade purchases in 2009 was 91 days (2008: 67 days). The Directors consider that the carrying value of trade payables approximates to their fair value.

Deferred income relates to amounts received from customers at year end but not yet earned.

At 31 December 2009 £65,000 (2008: £102,000) of payables were denominated in US dollars, £4,000 (2008: nil) in Euros and £449,000 (2008: £612,000) in sterling.

27. Cash flow adjustments and changes in working capital

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

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Adjustments:				
Depreciation, amortisation and impairment of non-financial assets	115	82	44	43
Interest income	(107)	(39)	(107)	(16)
Interest expenses	116	4	116	3
Loss on disposal of non-financial assets	-	1	-	1
Share-based payment expenses	6	4	6	4
Total adjustments	130	52	59	35
Net changes in working capital:				
Increase in inventories	(46)	(125)	-	-
(Increase)/decrease in trade and other receivables	(964)	(1,912)	(6)	48
(Decrease)/increase in trade and other payables	(464)	1,020	(45)	39
Total changes in working capital	(1,474)	(1,017)	(51)	87

28. Related parties

Transactions with key management personnel

The Group has a related party relationship with its shareholders and with its Directors who are its Executive officers. Details of the Executive and Non-Executive Directors' remuneration is set out in the Remuneration Committee report.

There were no amounts owed to the Directors at the year end (2008: £nil).

Transactions and balances between Group entities

At the period end, the following balances were owed to the Company by Group entities:

	Company	
	2009 £'000	2008 £'000
Westminster International Limited	3,154	2,275
RMS Integrated Solutions Limited	599	553
Longmoor Security Limited	280	-
Westminster Facilities Management Limited	3	3
Westminster Technologies Limited	192	192
Less: reserve against dormant companies	(195)	(195)
	4,033	2,828

During the period management charges were made from Westminster Group plc to its subsidiary companies as follows:

	Company	
	2009 £'000	2008 £'000
Westminster International Limited	1,337	1,074
RMS Integrated Solutions Limited	-	225
Longmoor Security Limited	90	-
	1,427	1,299

The amounts due from the subsidiaries to the Company resulting from management charges and other intercompany activity are held as intercompany accounts and are not secured. The amounts due to the Group form part of the capital used by the subsidiaries.

At 31 December 2009 one of the Directors, P D Fowler, and his wife were together the largest shareholder in the Company and may be considered the ultimate controlling party through their interest in 42% of the shares of the Company. As of 22 April 2010 they control 35%.

29. Contingent assets and contingent liabilities

Westminster International has, in the normal course of business, given guarantees and entered into counter-indemnities in respect of bonds relating to its contracts, which are cross-guaranteed by the other Group companies. The total amount outstanding at 31 December 2009 was £306,000 (2008: £98,000).

30. Financial risk management

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

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

Foreign currency sensitivity

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

Foreign currency denominated financial assets and liabilities, translated into GBP at the closing rate, are as follows. Euro assets and liabilities are not material:

Group	Short-term exposure USD £'000	Long-term exposure USD £'000
31 December 2009		
Financial assets	2,574	-
Financial liabilities	(65)	-
Total exposure	2,509	-
31 December 2008		
Financial assets	1,768	-
Financial liabilities	(102)	-
Total exposure	1,666	-

If the US dollar were to depreciate by 10% relative to its year end rate, this would cause a loss of profits in 2010 of £250,900 (2008: £166,600). This calculation is based upon an instantaneous 10% weakening of sterling relative to the dollar from the level applicable at 31 December 2009. A strengthening of sterling would have an equal and opposite effect. Such analysis is for illustrative purposes only – in practice market rates rarely change in isolation.

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

Foreign currency denominated financial assets and liabilities are immaterial for the Company.

Interest rate sensitivity

The only borrowings of the Group and Company are the convertible loans (see note 16), which are at fixed interest rates. Interest on the cash holdings of the Group are not material and therefore no calculations of interest rate sensitivity have been undertaken.

Credit risk analysis

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Cash and cash equivalents	475	588	-	-
Trade and other receivables	3,706	2,739	7	23
	4,181	3,327	7	23

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. In the case of material sales transactions, the Group usually demands an initial deposit from customers and generally seeks to ensure that the balance of funds is secured by way of letter of credit or similar instruments.

The Group's management considers that the financial assets above that are not impaired or past due for each of the reporting dates under review are of good credit quality.

None of the Group's financial assets are secured by collateral or other credit enhancements.

Some of the unimpaired trade receivables are past due at the reporting date. Financial assets past due but not impaired can be shown as follows:

Group	2009 £'000	2008 £'000
Not more than 3 months	283	1,926
More than 3 months but less than 6 months	303	414
More than 6 months but not more than 1 year	533	-
	1,118	2,340

In respect of trade and other receivables, the Group is exposed to a credit risk from a single Government customer see note 19. Trade receivables consist of a large number of customers in different sectors of the market and geographical locations. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The carrying amount of financial assets whose terms have been renegotiated, that would otherwise be past due or impaired is £nil (2008: £nil).

The credit risk for cash and cash equivalents is considered negligible, since the funds are held with banks supported by the UK government.

No unimpaired trade receivables are past due at the reporting date in respect of the Company.

Liquidity risk analysis

The Group manages its liquidity needs by monitoring scheduled debt repayments for long term financial liabilities as well as forecast cash flows due in day to day business. Net cash requirements are compared to borrowing facilities in order to determine headroom or any shortfalls. This analysis shows if available borrowing facilities are expected to be sufficient over the lookout period.

As at 31 December 2009, the Group's liabilities have contractual maturities (including interest payments where applicable) as summarised below:

Group	Current £'000		Non-current £'000	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
31 December 2009				
Convertible loans	60	60	1,620	-
Bank borrowings	273	-	-	-
Trade and other payables	1,186	-	-	-
Total	1,519	60	1,620	-

Company	Current £'000		Non-current £'000	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
31 December 2009				
Convertible loans	60	60	1,620	-
Bank borrowings	24	-	-	-
Trade and other payables	131	-	-	-
Total	215	60	1,620	-

This compares to the Group's financial liabilities in the previous reporting period as follows:

Group	Current £'000		Non-current £'000	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
31 December 2008				
Bank borrowings	16	-	-	-
Trade and other payables	1,485	-	2	-
Total	1,501	-	2	-

Company	Current £'000		Non-current £'000	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
31 December 2008				
Bank borrowings	16	-	-	-
Trade and other payables	128	-	-	-
Total	144	-	-	-

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying value of the liabilities at the reporting date. Where the customer has a choice of when an amount is paid the liability has been included on the earliest date on which payment can be required.

31. Post balance sheet events

Acquisition of CTAC Limited

On 15 April 2010 Westminster Group plc acquired the entire issued share capital of CTAC Limited for an initial consideration of £825,000, which was satisfied by £500,000 in cash and the balance of £325,000 by the issue of 792,683 new ordinary shares of 10p each in Westminster at 41p on the date of completion. The Directors considered that this constituted a fair value for the business acquired and no external valuation was considered appropriate.

Two further performance based payments will be made, calculated on 40% of net profit in each of the two years following completion, up to a maximum aggregate additional payment of £1 million.

The Completion Balance Sheet for CTAC will not be ready until after the publication of these accounts, so no fair value analysis is yet available.

Issue of new shares

On 15 April 2010 Westminster Group plc placed 747,000 New Ordinary Shares at a placing price of 33.5p to raise £250,000 before expenses.

On 16 April 2010 the Group raised further working capital through a subscription of 1,250,000 new Ordinary Shares at 41p, raising £512,000 before expenses from new investors. Following the issue of the new shares for the acquisition of CTAC, the placing on 15 April 2010 and the subscription on 16 April 2010, Westminster's enlarged issued share capital will comprise 17,730,754 Ordinary Shares.

Directors

Executive

Peter Fowler
Nicholas Mearing-Smith
Stuart Fowler
Roger Worrall

Non-Executive

Lt. Col. Sir Malcolm Ross (Chairman)
Sir Michael Pakenham

Secretary

Nicholas Mearing-Smith

Registered office

Westminster House
Blacklocks Hill
Banbury
Oxfordshire
OX17 2BS

Principal bankers

HSBC Bank plc
17 Market Place
Banbury
Oxfordshire
OX16 5ED

Nominated adviser, financial adviser and broker

Seymour Pierce
20 Old Bailey
London
EC4M 7EN

Registrars

Capita Corporate Registrars plc
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Solicitors

Charles Russell LLP
7600 The Quorum
Oxford Business Park North
Oxford
OX4 2JZ

Auditor

Grant Thornton UK LLP
1 Westminster Way
Oxford
OX2 0PZ

Financial public relations

Winningtons
St Brandon's House
29 Great George Street
Bristol
BS1 5QT

Westminster Group Plc

P: +44 (0) 1295 756300 F: +44 (0) 1295 756302 E: info@wg-plc.com

Westminster International Ltd

P: +44 (0) 1295 756300 F: +44 (0) 1295 756302 E:info@wi-ltd.com

Longmoor Security Ltd

P: +44 (0) 1295 756380 F: +44 (0) 1295 756381 E: info@longmoor-security.com

RMS Integrated Solutions Ltd

P: +44 (0) 1295 257770 F: +44 (0) 1295 257187 E: info@rms-is.com

CTAC Ltd

P: +44 (0) 845 2252820 F: +44 (0) 1299 253202 E: info@ctac-ltd.com

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

www.wg-plc.com