WESTMINSTER

GROUP PLC

EXCELLENCE THROUGH SERVICE

Westminster Group plc
Admission Document

Placing and Admission to
Alternative Investment Market

Nominated Adviser
and Broker
J M Finn & Co Ltd

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AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with his or her own independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. London Stock Exchange plc has not itself examined or approved the contents of this document.

This document constitutes an admission document drawn up in accordance with the AIM Rules. It is not a prospectus and has not been delivered to the Financial Services Authority in accordance with the Prospectus Rules published by the Financial Services Authority.

The Company, the Directors, whose names appear on page 4 of this document, accept responsibility individually and collectively for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made for the Ordinary Shares of Westminster Group to be admitted to trading on AIM. It is expected that dealings in the Issued Share Capital will commence on 21 June 2007.

The whole of this document should be read. An investment in the Company includes a significant degree of risk and the attention of investors is drawn in particular to the Risk Factors set out in Part 2 of this document.

Westminster Group plc

(Incorporated in England and Wales under the Companies Act 1985 No. 3967650)

Placing and Admission to trading on AIM

J M F

CORPORATE

Nominated Adviser and Broker

Share Capital on Admission

Authorised			*Issued*	
Number	*£*		*Number*	*£*
20,000,000	2,000,000	Ordinary Shares of 10p each	13,572,336	1,357,233.60

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EXPECTED TIMETABLE

Publication of this document	15 June 2007
Admission and commencement of dealings in the Ordinary Shares on AIM	21 June 2007
CREST accounts credited (where appropriate)	21 June 2007
Date for dispatch of definitive share certificates (where applicable)	28 June 2007

STATISTICS

Placing Price	67.5p
Number of Existing Ordinary Shares	9,035,000
Number of Placing Shares	4,537,336
Number of Ordinary Shares in issue immediately Following Admission	13,572,336
Number of Existing Ordinary Shares as a percentage of the total number of Ordinary Shares in issue Immediately following Admission	66.6 per cent.
Number of Placing Shares as a percentage of the total number of Ordinary Shares in issue Immediately following Admission	33.4 per cent.
Gross proceeds of the Placing	£3.1 million
Estimated net proceeds of the Placing	£2.5 million

DIRECTORS, SECRETARY AND ADVISERS

Directors	Sir Walter Hugh Malcolm Ross (*Non Executive Chairman*) Peter Donald Fowler (*Chief Executive*) Nicholas Paul Mearing-Smith (*Finance Director*) Roger William Worrall (*Commercial Director*) Stuart Peter Fowler (*Operations Director*) Gordon Bott (*Non-executive Director*)
	All of Westminster House Blacklocks Hill, Banbury Oxfordshire OX17 2BS
Website address	www.wg-plc.com
Company Secretary and Registered Office	Nicholas Paul Mearing-Smith Westminster House Blacklocks Hill Banbury, Oxfordshire OX17 2BS
Nominated Adviser & Broker	J.M. Finn & Co Ltd 4 Coleman Street London EC2R 5TA
Auditors **Reporting Accountants**	Baker Tilly UK Audit LLP Baker Tilly Corporate Finance LLP
	Both of 2 Bloomsbury Street London WC1B 3ST
Solicitors to the Company	Charles Russell LLP 7600 The Quorum Oxford Business Park North Oxford OX4 2JZ
Solicitors to the Nominated Adviser And Broker	SJ Berwin LLP 10 Queen Street Place London EC4R 1BE
Principal Bankers	HSBC Bank Plc 17 Market Place Banbury Oxfordshire OX16 5ED
Registrars	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Financial Public Relations	Winningtons St Brandons House 29 Great George Street Bristol BS1 5QT

DEFINITIONS

"Act"	the Companies Act 1985, as amended which shall include, to the extent that the same is in force, the Companies Act 2006
"Admission"	admission of the Ordinary Share capital to trading on AIM becoming effective in accordance with the AIM Rules
"AIM"	AIM, a market operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange (including, without limitation, any guidance notes or statements of practice) which govern the obligations and responsibilities of companies whose shares are admitted to trading on AIM, as amended from time to time
"Articles"	the Articles of Association of the Company, further details of which are set out in paragraph 5 of Part 4 of this document
"City Code"	The City Code on Takeovers and Mergers
"Combined Code"	the Principles of Good Governance and the Combined Code on Corporate Governance issued by the Financial Reporting Council, as amended from time to time
"Company", or "Westminster"	Westminster Group plc
"CREST"	the computer based system and procedures which enable title to securities to be evidenced and transferred without a written instrument
"Directors" or "Board"	the directors of Westminster Group at the date of this document whose names are set out on page 4 of this document
"DTR5"	Chapter 5 of the FSA's Disclosure Rules and Transparency Rules sourcebook
"Enlarged Share Capital"	the aggregate of the Existing Ordinary Shares and the Placing Shares
"Existing Ordinary Shares"	the 9,035,000 Ordinary Shares of 10p each in issue at the date of this document
"FSA"	the Financial Services Authority
"FSMA"	Financial Services and Markets Act 2000
"JM Finn"	J.M. Finn & Co. Ltd London
"London Stock Exchange"	London Stock Exchange plc
"NACOSS"	National Approval Council for Security Systems
"Official List"	the Official List of the UK Listing Authority
"Ordinary Shares"	ordinary shares of 10p each in the share capital of the Company
"Panel"	the Panel on Takeovers and Mergers
"Placing"	the conditional placing of the Placing Shares at the Placing Price by JM Finn as broker to the Company, pursuant to the Placing Agreement

"Placing Agreement"	the conditional agreement dated 15 June 2007 between the Company, the Directors and JM Finn in connection with the Placing, further details of which are set out in paragraph 12.1 of Part 4 of the document
"Placing Price"	67.5 pence per Ordinary Share
"Placing Shares"	4,537,336 new Ordinary Shares to be issued, which have been conditionally placed by JM Finn pursuant to the Placing Agreement
"Shareholders"	shareholders in Westminster Group plc
"Share Option Scheme"	the Westminster Group plc Share Option Scheme, a summary of the principal provisions of which are set out in paragraph 11.5 of Part 4 of this document
"UAE"	United Arab Emirates
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"USD"	US dollars
"US" or "United States"	the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia
"VAT"	UK value added tax
"Westminster Group" or "Group"	Westminster Group plc and its subsidiaries at the date of this document

PART 1

INFORMATION ON WESTMINSTER GROUP PLC

1. Introduction

Westminster is a group supplying system solutions and products to the security, defence, fire protection and safety markets. The majority of the Group's customer base, by value, comprises governments and government agencies, non governmental organisations and blue chip commercial organisations.

In recent years Westminster has devoted much of its efforts into building an international presence. The Group currently has a network of some 60 agents and distributors operating in over 40 countries. Westminster's principal markets outside the UK are in the Middle East, the Far East and Africa.

The Directors are now seeking an AIM listing to enhance the profile of the Group and to provide additional funding to grow the business. The flotation will enable it to increase significantly its marketing and sales functions and provide working capital which may be required to tender for and undertake some of the larger contracts for which Westminster is increasingly competing, as well as providing acquisition opportunities.

2. History and Background

The origins of the business date back to 1988 when Westminster Security Systems Limited ("WSS") was formed to provide security systems and equipment to both the domestic and commercial markets exclusively within the UK.

In 1990, WSS was acquired by the Menvier-Swain Group Plc at which time Peter Fowler joined WSS as Managing Director. WSS gained a number of notable achievements being the first security company to achieve joint NACOSS approval and certification to BS5750 Quality Assurance and the first company to design and install a full colour town centre CCTV surveillance system within the UK, linking the three towns of Banbury, Bicester and Kidlington.

In 1996, Peter Fowler led a management buyout of WSS and for the next few years continued to significantly expand the business. In 1999, WSS acquired a London based security business CSG, which further increased its customer base in London and the Home Counties.

In 2000, the directors of WSS carried out a review of the industry and concluded that the level of regulation and increased competition within the UK security market would inevitably lead to pressure on margins. They also concluded that far greater opportunities existed internationally where the demand for effective and co-ordinated security was expected to show significant growth.

In October 2000, WSS and its holding company Westminster Security Group Plc were sold to Chubb Electronic Security Limited for £3.1 million. At that time, the manufacturing business of WSS, the related assets and the Banbury premises were retained and transferred to the new Westminster Group. The Directors decided to focus the retained business on international security.

The Directors believe the decision to focus the business on international security was subsequently vindicated by the increase in worldwide security awareness following the 9/11 disaster in 2001. Numerous international incidents since then have resulted in a number of governments and businesses focusing much greater attention on improving safety and security measures generally. In particular, certain governments have significantly increased spending to better protect their borders and infrastructure.

The Directors recognised that to be successful in the international arena Westminster needed to build a credible and effective international presence. Over the following years the Company invested in establishing a global network of agents and contacts in key areas.

In 2005, the Company's UK-based contract manufacturing business Westminster Technologies Limited began to suffer losses due to the growth in lower cost overseas manufacturing competition. The Directors believed that this situation was unlikely to reverse itself and therefore sold the manufacturing operations in June 2006.

Also in 2006, Westminster acquired RMS Integrated Solutions Limited ("RMS"), a UK based systems integrator providing fire, safety, security and TV distribution systems principally in high rise, multifunctional buildings. This increased the Company's UK operations and provided additional engineering resources. Since becoming part of the Westminster Group RMS has seen a significant increase in enquiry and order intake.

3. The business of Westminster

The Group's principal activity is the design, supply and ongoing support of advanced technology security solutions. These can range from product only assignments, such as the supply of specialised security scanners, to the design and implementation of an integrated system solution such as a border detection and surveillance system.

Westminster offers a broad range of products and services from manufacturers all over the world. The Directors believe that one of the key strengths of the Company is its ability to bring together a wide range of technologies from different sources to produce comprehensive bespoke solutions suited to clients' needs.

In addition to the supply of products and solutions, Westminster provides service and maintenance support both directly and through its network of agents. The recurring revenue stream generated by maintenance work historically commands the highest margin and, in the opinion of the Directors, is an area of the business that will grow as the Company expands its portfolio of projects.

It is difficult to quantify accurately the value of the markets in which Westminster operates because sound data on spending on security is hard to come by, and estimates are often highly approximate. However, the Directors believe that hundreds of billions USD are spent on security each year. It was estimated in 2004 that the private security industry's turnover was between $100 - $120 billion worldwide and was forecast to grow at a rate of 7-8% annually. (Source: 'The Security Economy, OECD 2004)

In the opinion of the Directors, Westminster's markets have grown significantly in recent years and its order enquiries have risen in number and both in terms of size and complexity. Since January 2006 the Company has seen its open quote bank extend by some £108 million GBP and regularly responds to enquiries valued at over £500,000. The Directors believe that this increased level of activity is unlikely to change in the foreseeable future.

Westminster operates in four main market areas namely: Security, Defence, Fire, and Safety.

Security

The Directors believe that the market drivers for the global electronic security market are the perceived threats of crime, insurrection and terrorism together with a growing mobility of people and goods. It has been widely reported that these perceived threats have increased in recent years and the Directors do not expect the perceived level of these threats to fall in the coming years.

Westminster offers a wide variety of security products and services including: specialist detection and surveillance systems; metal and weapon detection systems; X-ray scanning systems; explosive and narcotics detection equipment; under vehicle surveillance systems; access control systems; covert and overt surveillance systems, perimeter detection solutions, and pipeline protection systems.

Defence

War, conflict and civil unrest are all drivers for defence spending and Westminster's activities in the defence markets are focused on non aggressive systems and equipment. The Company is able to offer numerous solutions including: diver detection sonar; underwater security nets; radar and long range surveillance; covert tracking and interception; armour plated vehicles; body armour; night vision equipment; mine detection and blast protection equipment, and specialist detection solutions designed to detect and prevent infiltration across borders and sensitive installations.

In recent years, governments in countries in which Westminster is represented have started to take a greater level of interest in protecting their borders and Westminster is aware that a number of them are looking to erect border fencing and detection equipment along long stretches of otherwise unprotected borders. Westminster has been involved with a number of such overseas governments in recent years, helping design and implement workable solutions utilising niche products in relation to which for some projects the Company negotiates exclusive arrangements. Whilst the decision-making process for such solutions can be lengthy and arduous, Westminster is well placed to benefit substantially from such projects once approved and implemented. The Directors believe this represents a significant business opportunity.

Additionally, concerns over the vulnerability of ports and harbours around the world have given rise to an increase in the sale of equipment and systems designed to detect and prevent an attack above or below water. It has been reported that the maritime transport industry considers that a well co-ordinated terrorist attack on its system would cause losses running into tens of billions USD. Westminster has identified and is actively promoting newly developed and niche solutions for this specialist sector of the security market which the Directors believe could result in significant revenues.

Fire protection

The Directors believe that the global market for fire detection equipment and systems remains strong and is growing as a result of the international adoption of tighter building controls and regulations.

Westminster's products and solutions include: a range of fire detection systems and test equipment; niche suppression systems; air sensing systems; emergency lighting solutions; fire fighting equipment; wireless fire and evacuation systems and induction loop systems for the hearing impaired.

Safety

The Directors believe that the growth in the market for safety equipment and solutions has been driven largely by increasing regulation and generally better working practices.

Equipment and solutions offered by Westminster include: lone worker protection and tracking; nurse call systems; flood detection systems; solar powered lighting; person on board monitoring (for offshore platforms); safety clothing and equipment; radiation detection, and medical fever and alert systems.

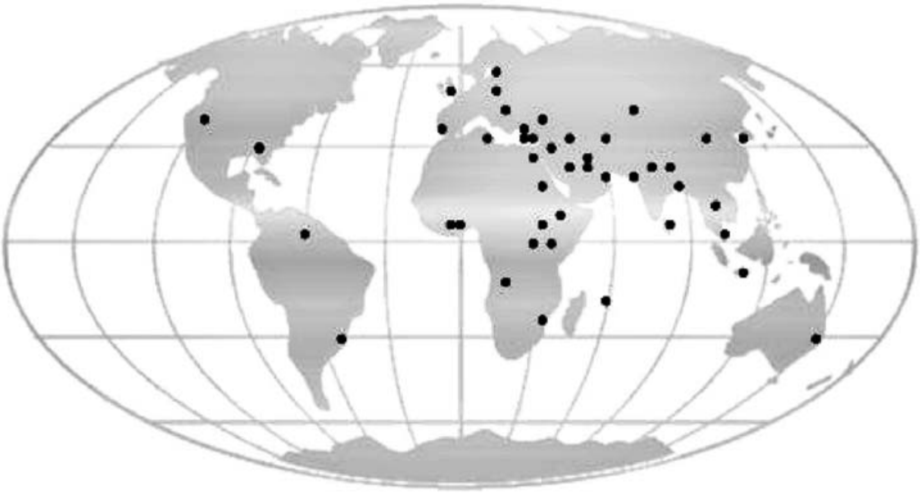
4. International nature of the business

Westminster operates through a network of some 60 agents operating in 40 countries. These agents typically generate sales leads and work with Westminster in preparing the required tender documentation.

The majority of Westminster's international agents are based in the Middle East, the Far East and Africa where indigenous competition is limited and the Directors believe that the reputation of British companies in the areas in which Westminster operates remains strong.

The Directors of Westminster consider that the operation of this network provides Westminster with significant advantages in competing against often much larger companies. It is the intention of the Directors to expand further this international network and to increase direct marketing support in generating new business opportunities.

Agent locations:



5. Competition

Westminster operates in many market segments across the world and sometimes faces competition from large multinational companies with large marketing budgets. However, the security industry is a wide and diverse market and it is Westminster's experience that competition in its markets is fragmented, particularly in the primary focus areas that Westminster targets.

The Company has chosen to focus its efforts both geographically and in terms of system solutions in those areas where competition is less intense and in those niches where the knowledge of Westminster's sales and technical staff provides the Company with a competitive advantage in relation to its often larger competitors.

It is not unusual for Westminster to be engaged as a sub contractor to larger companies, including the multinationals mentioned above, who may lack the technical and sourcing skills to fulfil certain aspects of a larger contract.

Based on their experience in the market, the Directors believe that the key differentiators of the Westminster business from its competitors are:

- its ability to evaluate swiftly the needs of clients and to provide cost effective solutions based on a broad knowledge of the available products and systems;
- the Company's extensive agent network provides access to good local knowledge and intelligence, in country logistic support, local and cost effective labour resource and, crucially for many customers, a facility for after sales engineering service support and back up; and
- the Company's ability to offer a wide range of products within safety and security, enabling it to provide a turnkey solution for each customer's needs. The Directors believe this 'one stop shop' approach of Westminster is very appealing to the target market.

6. Product sourcing

The Directors believe that a key strength of the Westminster Group is the detailed and wide ranging product knowledge acquired by staff at all levels within the organisation as a result of many years experience within the industry.

Westminster has developed relationships with equipment manufacturers across the world, particularly for niche and innovative solutions, and in certain cases has negotiated exclusive arrangements for given applications or projects.

The Company's broad product range means that the Company is not dependent on any one technology or manufacturer and can adapt the most appropriate technology for any given project as required.

As a sign of their confidence in Westminster, a number of manufacturers have donated equipment worth tens of thousands of pounds to Westminster's test grounds at the Company's UK headquarters and several have brought their own clients to the site for demonstrations.

In addition Westminster's reputation and growing market presence is such that manufacturers from time to time contact Westminster to help them promote their products giving Westminster additional insight into new and innovative product developments.

7. Customers

The majority of the Group's customers, in terms of revenues, are governments and government agencies, non governmental organisations and blue chip companies. The process of acquiring these customers is often difficult and time consuming, requiring a record of successful projects and also involving numerous stages of due diligence, investigation and approval before the award of a contract. In the opinion of the Directors, this "approval" process forms a significant barrier to entry for new market participants.

8. Operations

Westminster operates from its UK headquarters and test grounds near Banbury, Oxfordshire and from a satellite sales office in the South-West. The Group has 25 employees in the UK and an additional two permanent staff overseas.

It is the intention of the Directors for the Company to open a number of its own overseas offices in order to establish a permanent and more forceful presence, demonstrating its commitment in key regions. The first such office is planned to open in the UAE, to be followed by offices in India and West Africa.

Website

Over the past few years, the Company has invested substantially in its web site (www.wg-plc.com), which the Directors recognise is an important marketing tool for international buyers. The website runs into several hundred pages and is extensively used as a reference site by clients and industry consultants alike being one of the largest security web sites of its type in the world. The site has tens of thousands of hits per month and generates a high level of enquiry activity.

The Directors intend to further extend the scope of the site to include French pages in order to increase activity from Francophone countries, particularly in Africa, and Spanish pages in respect of South America, which the Directors consider to be growth markets largely untouched by the Company's activities so far.

Enquiries

Westminster receives enquiries from all over the world at the rate of approximately 60 per month for a wide and diverse range of equipment and systems.

Enquiries are generated or received in a number of ways and from a number of sources including: web enquiries, fax, telephone, repeat enquiries from existing customers, agent referrals, word of mouth endorsements, tenders and direct sales generated from the sales team.

The Company is also experiencing an increase in the value of the enquiries being received on a regular basis. Westminster increased its open quote bank by some £108 million between January 2006 and March 2007 and has regularly quoted in response to enquiries valued at in excess of £500,000, some of which have been valued at in excess of £1 million.

Whilst a number of these are long term in nature and not all will materialise into firm orders the Directors believe that the high enquiry and quote activity underpins their confidence in the Company's growth prospects.

Business Development

Westminster has seven staff concentrating on business development and handling enquiries, five based in the UK together with a business development manager based in Dubai covering the Middle East and a business development manager based in West Africa covering the African continent.

The Company operates a bespoke enquiry processing system to track and monitor the progress of enquiries and filter out lost or unlikely prospects. The preparation of quotations, proposals and tenders is undertaken by sales administrators based at the UK headquarters.

Technical Staff

In addition to the business development personnel Westminster has six project management and technical staff, based at its UK headquarters, who assist with technical appraisals of projects and are responsible for evaluating the needs of customers and specifying the most appropriate solutions. These technical staff also travel overseas and are responsible for making arrangements with the installation teams for an effective execution of the assignments. For this purpose the Company uses predominately local labour supervised either by Westminster employees or its local agents.

The Company has a number of staff who undertake technical installation work and commissioning duties.

In the opinion of the Directors the use of agents to generate business and to source local labour to install equipment and systems will allow a significantly greater volume of business to be undertaken without a proportionate increase in Westminster's headcount.

9. Financial information

The financial information is contained in Part 3 of this document.

10. Directors, Officers and Senior management

Directors:

Lieutenant Colonel Sir Malcolm Ross GCVO, OBE, DL *aged 63, Non-executive Chairman*

Lieutenant-Colonel Sir Malcolm Ross GCVO OBE, is a member of the Royal Household of the Sovereign of the United Kingdom, and since 2006, of the Prince of Wales.

Sir Malcolm was educated at Eton and Sandhurst. He served in the Scots Guards from 1964 to 1987, holding the posts of Adjutant at the Royal Military Academy Sandhurst 1977-1979, and reaching 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.

He was made an OBE in 1988, and joined the Royal Victorian Order in 1994 as a CVO. He was knighted as a KCVO in 1999, and advanced to GCVO in 2005. He has been a member of the Royal Company of Archers since 1981, and a Freeman of the City of London since 1994. In 2006, he was made Her Majesty's Lord Lieutenant of the Stewartry of Kirkcudbright.

Peter Fowler, *aged 53, Chief Executive*

Peter has over 36 years experience operating within the security industry, with particular reference to the electronic protection sector. Peter has built and sold two security businesses, successfully carried out an MBO and has held senior positions in listed companies.

He started as an apprentice technician in 1970, progressing into senior management roles. In 1980 he founded a specialist electronic alarm systems company, Sovereign Security Systems Limited, which became one of the leading independent security alarms companies of its type in the UK. In 1987 Sovereign Security Systems Limited, was acquired by Britannia Security Group plc.

In 1990, Peter joined the Menvier-Swain Group Plc as Managing Director of the newly formed systems division, WSS. In 1996 Peter led a management buyout of WSS, and for the next few years continued to significantly expand the business. Following a review in October 2000, Peter led the disposal of WSS' UK alarms business to Chubb Electronic Security Limited for £3.1 million. The new Westminster Group then concentrated the retained business on the international market.

As Chief Executive Peter is responsible for all aspects of the Westminster business, but takes the lead role on sales and business generation with major clients and governmental contacts.

Nicholas Mearing-Smith BSc.Econ. FCA, ATII, MSI *aged 57 Finance Director*

Nicholas qualified as a chartered accountant in 1974 with Finnie Ross Welch & Co. and moved to Thomson McLintock & Co in Bristol. In 1979, Nicholas joined Barclays Merchant Bank. In 1982, he joined Wood Mackenzie, stockbrokers, as a senior executive and in 1984, became a Partner then a Director after incorporation. In 1987, Nicholas joined County NatWest as a Director and Head of Equity Origination and Syndication.

In 1988, Nicholas joined The Cable Corporation Limited as a managing director and was subsequently Chairman and founder of Britannia Cable Systems which was acquired by Nynex CableComms Plc for which Nicholas became Executive Group Director and then Chief Financial Officer. In 1997, Nynex CableComms Plc was merged into Cable & Wireless Communications Plc and Nicholas was appointed as Finance Director of the operation, which had a £2.3 billion turnover.

Since 1999 Nicholas has been focussed on developing businesses. He joined Westminster as part-time Finance Director in February 2007 and has responsibility for the Group's financial affairs. It is the intention of the Board that when a suitable long term appointee is found Nicholas will become a non-executive Director of Westminster and will be appointed Chairman of the audit committee.

Roger Worrall, *aged 55, Commercial Director*

Roger has 36 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 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. Menvier Swain Group Plc joined the Unlisted Securities Market (USM) in 1986. Roger remained with the Menvier-Swain Group Plc until 1999, when he joined WSS as a Director.

Roger has responsibility for contracts, resources and tendering.

Stuart Fowler B.Eng(Hons), *aged 31, Operations Director*

Stuart has nine years experience in the security industry and has been particularly involved in the design and implementation of the more complex of Westminster's integrated systems.

Stuart studied computing and business studies at Kingston University obtaining a Bachelor of Engineering Honours degree in 1996. After university Stuart joined an IT support and web site design company producing innovative computer web sites. He joined WSS in 1998 as IT manager and was appointed a director of Westminster Technologies Limited in 2000.

Stuart has overall responsibility for the Company's IT department, website management, technical evaluation of new products and for ensuring that the design and implementation of major projects is carried out efficiently.

Gordon Bott, *aged 54, Non-executive Director*

Gordon has 33 years experience as a company director. He has worked in a number of companies and industries but principally in his family's long established photographical business, A R Bott & Sons Ltd, where he was appointed Sales Director in 1973. He sold his majority shareholding in A R Bott & Sons Ltd to Cewe Color Beteiligungs GmbH in November 2005.

Senior managers:

Andrew Godfrey BA(Hons), ACA, aged 35, Group Finance Controller

Andrew is a qualified chartered accountant with five years post qualification experience, including corporate finance and due diligence. In his most recent role he managed the financial accounting process of Ecosecurities Group Plc following the departure of its Finance Director.

Andrew will join the Group on 4 June 2007.

Russell Gainford, aged 48, RMS Managing Director & Senior Project Manager

Russell started his career with A1 Security Systems Company Limited in 1977 as an apprentice engineer. During his 16 years with A1 Security Systems Company Limited he progressed through the company and by 1985 had been appointed Managing Director. Russell began working for WSS in 1990.

Russell has gained industry knowledge and experience including design and management of numerous major security projects involving CCTV, access control, intruder detection and fire alarms, safety systems, structured cabling and TV distribution, commissioning and technical support.

11. Current trading and prospects

The Directors have been pleased with the increased level of enquiries and tenders since the start of the current financial year although this has yet to result in significantly increased sales or overall profitability.

Enquiry activity remains strong with 450 enquiries having been received within the first 4 months of the year resulting in 322 quotations being issued, with a total potential value in the region of £90 million. Within this period 27 quotations were issued in excess of £500,000 with the highest valued at £12 million.

In recent months new contract wins have been secured including the International Atomic Energy Agency in Romania, the ECO Bank in Ghana, British Council offices in Beirut and the UAE, BP in Algeria, Nexen Petroleum in Yemen and St George's Medical Student accommodation in the UK; further adding to the Company's 'blue chip' customer base.

The company continues to expand its international agent network.

12. Share options and management incentives

The Directors recognise the importance of an appropriate level of incentive for key employees. Accordingly, the Company has introduced a share incentive scheme, which is summarised in paragraph 11 of Part 4 of this document.

13. Use of proceeds

The Directors intend to use the £2.5 million anticipated net proceeds of the Placing for marketing and working capital. In particular the Directors intend to use the funds to open representative offices in the UAE and in due course in India and West Africa; to extend and enhance the website to allow French and Spanish versions; to upgrade the visiting dignitaries' reception centre at the Company's head office location in Banbury, Oxfordshire; to improve IT and communication systems; to launch a catalogue for parts of the Westminster product range; to fund additional business development personnel; to provide the ability to respond more effectively to tenders by funding bid and performance bonds and for working capital generally.

14. Dividend policy

The Directors intend to commence the payment of dividends only when it becomes commercially prudent to do so, having due regard to the availability of the Company's distributable profits and funds required to finance future growth.

15. Corporate Governance

The Directors acknowledge the importance of the principles set out in the Combined Code. Although compliance with the Combined Code is not compulsory for AIM companies, the Directors intend to apply the principles as far as practicable and appropriate for a public company of this nature and size. The Board has established the following committees:

Audit Committee

The audit committee will be chaired by Gordon Bott and will also comprise Sir Malcolm Ross. It is responsible for providing formal and transparent arrangements for considering how to apply suitable financial reporting and internal control principles having regard to good corporate governance and maintaining an appropriate relationship with the Group's auditors.

Remuneration Committee

The remuneration committee will be chaired by Sir Malcolm Ross and will also comprise Gordon Bott and Peter Fowler. 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.

Share dealing code

The Company has adopted and will operate a share dealing code for Directors and applicable employees in compliance with Rule 21 of the AIM Rules and will take proper steps to ensure compliance by the Directors and those employees.

16. Details of the Placing

The Placing comprises the issue by the Company of the 4,537,336 Placing Shares, and will raise approximately £3.1 million at the Placing Price (£2.5 million net of commissions and expenses).

Under the Placing Agreement JM Finn has agreed, conditional upon, *inter alia*, Admission taking place not later than 8.00 a.m. on 21 June 2007 (or such later date as the Company and JM Finn shall agree in writing being not later than 8.00 a.m. on 2 July 2007) as agent for the Company, to use its reasonable endeavours to seek to procure placees for the Placing Shares at the Placing Price per share. The Placing has not been underwritten by JM Finn. The Placing Shares will when issued rank *pari passu* in all respects with the Existing Ordinary Shares.

The Placing Agreement contains certain warranties from the Company and the Directors and indemnities from the Company. In addition the Placing Agreement contains provisions entitling JM Finn to terminate the Placing prior to Admission in certain circumstances. If this right is exercised the Placing will lapse. Further details of the Placing Agreement are set out in paragraph 12.1 of Part 4 of this document.

17. Lock-ins and orderly market arrangements

Each of the Directors, Patricia Fowler and Richard Worrall (together the "Locked-in Persons") have undertaken (and have agreed to procure the same in respect of their associates (as defined in the definition of "related party" within the AIM Rules)) not to sell, transfer or dispose of, directly or indirectly, any Ordinary Shares in which they are interested for a period of 12 months from Admission, or to enter into any agreement or arrangement to do so (save in certain limited circumstances). In addition thereafter the Locked-in Persons have agreed for a further 12 months following the first anniversary of Admission (and to procure the same in respect of any of their associates (as defined in the definition of "related party" within the AIM Rules) that (save in certain limited circumstances) directly or indirectly not to sell, transfer or dispose of, directly or indirectly, any Ordinary Shares in which they are interested except through the Company's broker from time to time.

18. Admission Settlement and Crest

Application will be made for the Enlarged Share Capital to be admitted to trading on AIM and dealings are expected to commence on 21 June 2007.

Application has been made for the Ordinary Shares to be admitted to CREST. The CREST system allows shares and other securities to be held in electronic form rather than paper form, although a shareholder can continue dealing based on share certificates and stock transfer forms. For more information concerning CREST, shareholders should contact their broker or, alternatively, CRESTCo Limited at 33 Cannon Street, London EC4M 5SB.

19. Enterprise Investment Scheme and Venture Capital Trusts

The Company is a qualifying company for the purposes of the Enterprise Investment Scheme ("EIS") and for the purposes of investment by Venture Capital Trusts ("VCTs").

The continuing availability of EIS relief and the status of the Placing Shares as a qualifying holding for VCT purposes will be conditional, *inter alia*, on the Company continuing to satisfy the requirements to be a qualifying company throughout the period of three years from the date of the investor making his investment (for EIS relief) and throughout the period the Ordinary Shares are held as a "qualifying holding" (for VCT purposes). Qualifying company status requires, *inter alia*, the Company to conduct its trading mainly in the UK. There are other conditions the Company has to satisfy, and in such cases the Company's status is usually closely monitored.

Investors considering taking advantage of any of the reliefs available under the EIS and VCT regimes should seek individual advice in order that they may fully understand how the rules apply in their individual circumstances. In addition, an investor must be a qualifying investor in order to be entitled to EIS relief and it is again recommended that investors seek their own professional advice in this regard.

A claim for CGT deferral relief under the EIS Scheme is made by the individual investors and/or trustees claiming the relief.

The Directors and the Company give no undertaking or guarantee whatsoever to investors that the business of the Company will be conducted in a manner which is consistent with the provisions of the EIS or VCT regimes.

Additional information on UK taxation is included in paragraph 15 of Part 4 of this document.

20. Risk Factors

Shareholders should consider carefully the risk factors set out in Part 2 of this document in addition to the other information set out in this document.

21. Further Information

Your attention is drawn to the additional information set out in Parts 2 to 4 of this document.

PART 2

RISK FACTORS

Investing in the Company involves a degree of risk. Investors should carefully consider the risks and the other information contained in this document before they decide to invest. Investors should note that the risks described below are not the only risks faced by the Company. There may be further risks that the Directors do not consider to be significant today, but which may become so in the future, or of which they are currently unaware. If any of the circumstances identified in the risk factors materialise, there could be a material adverse effect on the business, financial condition, results of operation and prospects of the Company. In such cases, the price of the Ordinary Shares could decline, and investors may lose all or part of their investment. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss, which might result from such investment. If investors are in any doubt about the action they should take, they should consult a professional adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities before making a decision to invest.

Equity investment

Investors should be aware that the value of the Ordinary Shares may be volatile and may go down as well as up, and that the market price of the Ordinary Shares may not reflect the value of the underlying assets or results of the Company. Investors may not recover their original investment.

Trading on AIM

No application is being made for the admission of the Ordinary Shares to the Official List. Admission to AIM should not be taken to imply that there is a liquid market in the Ordinary Shares. AIM is a market designed primarily for emerging or smaller companies. Both types of company carry higher than normal financial risk and tend to experience lower levels of liquidity than larger or more established companies.

Future uncertainty

This document contains certain forward looking statements that are subject to certain risks and uncertainties, in particular statements regarding the Group's plans, goals and prospects. These statements and the assumptions that underlie them are based on the current expectations of the Directors and are subject to a number of factors, many of which are beyond their control. As a result, there can be no assurance that actual performance of the Company will not differ materially from matters described in this document.

The need to raise additional capital in the future

The Company's capital requirements depend on numerous factors, including its ability to maintain and expand its business. If the Company makes any material acquisitions, it may require further financing. Any additional equity financing may be dilutive to shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Business risk factors

Equipment failure

No supplier of security products or solutions can provide assurance that any system will result in protection. However if a system does not provide protection, and if there is related equipment failure, there is a risk of liability on the part of the supplier.

Where a product is under warranty and proves defective, there is a risk of the business incurring unrecoverable costs even where it is the supplier that is repairing or replacing the defective part.

Exposure to counterparty credit risk

It is believed that no one client represents a material risk to the Company. However, where there may be a credit concern or where significant up front costs will be incurred in relation to a client's event, the Company will endeavour to obtain a deposit or other security for payment.

Solvency of contractors

In relation to the supply of certain products, the ultimate customer of the business may be a contractor, rather than the party who obtains the benefit of the work. If the contractor becomes insolvent, the business risks not being paid.

Risk of supply of differentiated products

In some cases critical suppliers supply differentiated products. If a critical supplier is unable to supply the product, the business may incur cost in sourcing alternative products; alternatively it may risk liability to the customer if it cannot supply products to specification.

Start date or slippage risk

Where there is a contract to supply equipment for a project, there may be project delays. Even if the Company benefits from a contract which stipulates a specified start date, if that date is not met, in practice it may not be practical to recover compensation for loss relating to that delay.

Currency risk

The Company reports its financial statements in Sterling. However, the Company enters into transactions in different currencies. The Company's financial results could, therefore, be adversely affected by fluctuations in the exchange rates between currencies.

Political risk pre-contract/mid contract

Because the Company deals with state organisations, there are risks to projects and contracts that may result from changes of government or regime.

Reputation

The Company's reputation, in terms of the service it provides, the way in which it conducts its business and the financial results which it achieves, is central to its future success. Failure to meet the expectations of its clients, suppliers, employees, shareholders and other business partners may have a material adverse effect on the Company's reputation. The Company therefore places a strong emphasis on the quality of its service, it invests in staff training, especially in the area of health and safety, and it operates systems of risk management and internal control.

Personal risk of staff in different countries

There are personal risks to staff in different counties, and these include illness risks, and risks which result from internal civil disorder or insecurity in some countries.

Dependence on key personnel

The Company's future success will be dependent on key employees and their on-going relationships with clients and suppliers. It is believed that the Company is of a size that the loss of no one individual represents a significant risk to the Company. The Company also encourages client or supplier contacts to be maintained by more than one individual. Key staff are incentivised through a mixture of sales commission, profit related bonuses and participation in employee share incentive plans.

Current operating results as an indication of future results

The Company's operating results may fluctuate significantly in the future due to a variety of factors, many of which are outside of its control. Accordingly, investors should not rely on comparisons with the Company's results to date as an indication of future performance. Factors that may affect the Company's operating results include increased competition, an increased level of expenses, technological change necessitating additional capital expenditure, slower than expected sales and changes to the statutory and regulatory regime in which it operates. It is possible that, in the future, the Company's operating results will fall below the expectations of securities analysts or investors. If this occurs, the trading price of the Company's shares may decline significantly.

Economic and business cycle

The Company's customers are principally corporate companies whose expenditure on services provided by the Company may be discretionary in nature and may therefore be affected by changes in the economic and business cycle.

Technological changes

Advances in technology may bring about a significant reduction in demand for certain equipment, which will eventually become obsolete. However, the Company is not dependent on any one technology supplier.

Control

Following Admission Peter Fowler will continue to own and control a substantial amount of the Ordinary Shares.

Following Admission, 49.97 per cent. of the Enlarged Share Capital will be owned by Peter Fowler, his wife and his son Stuart Fowler. The ownership of a substantial percentage of the Ordinary Shares by such holders will enable them to exercise significant control over matters requiring shareholder approval and may have the effect of delaying, deferring or preventing a change in control of the Group, may discourage bids for Ordinary Shares or may adversely affect the market price of the Ordinary Shares. However, Peter Fowler has entered into a Relationship Agreement with the Company and JM Finn which regulates the manner in which control can be exercised. A summary of the key terms of the Relationship Agreement is set out at paragraph 12.5 of Part 4.

If any of the above risks were to materialise, the business, financial condition and operating results of the Group could be materially adversely affected.

PART 3

FINANCIAL INFORMATION ON WESTMINSTER GROUP

ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION

The following is the full text of a report on Westminster Group Plc from Baker Tilly Corporate Finance LLP, the Reporting Accountants, to the Directors of Westminster Group Plc.

BAKER TILLY

2 Bloomsbury Street
London WC1B 3ST
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The Directors
Westminster Group plc
Westminster House
Blacklocks Hill
Banbury
Oxon
OX17 2BS

15 June 2007

Dear Sirs

WESTMINSTER GROUP PLC ("the Company")

We report on the financial information set out on pages 22 to 55. This financial information has been prepared for inclusion in the admission document dated 21 June 2007 ("Admission Document") of Westminster Group plc on the basis of the accounting policies set out in note 1.

This report is required by paragraph 20.1 of Annex I of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under paragraph 20.1 of Annex I of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 20.1 of Annex I of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules, consenting to its inclusion in the Admission Document.

Responsibilities

The directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 1 to the Historical Financial Information and in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Company as at the dates stated and of its profits and losses, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in note 1 and in accordance with International Financial Reporting Standards as adopted by the European Union as described in note 1.

Declaration

For the purposes of part (a) of Schedule Two to the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Yours faithfully

Baker Tilly Corporate Finance LLP
Regulated by the Institute of Chartered Accountants in England and Wales

Baker Tilly Corporate Finance LLP is a limited liability partnership registered in England and Wales, regis~tered no. OC325347. A list of the names of members is open to inspection at the registered office 2 Bloomsbury Street London WC1B 3ST

HISTORICAL FINANCIAL INFORMATION ON WESTMINSTER GROUP PLC
CONSOLIDATED INCOME STATEMENT

Continuing operations

	Note	*Period ended 31 December 2006 £'000*	*Year to 30 September 2005 £'000*	*Year to 30 September 2004 £'000*
Revenue	3 & 4	2,011	1,992	1,447
Cost of sales		(1,404)	(1,371)	(980)
Gross profit		607	621	467
Interest receivable		–	–	2
Administration expenses		(847)	(476)	(322)
Profit/(Loss) from operations	5	(240)	145	147
Finance costs	7	(46)	–	(21)
Profit/(Loss) before tax		(286)	145	126
Income tax benefit/(expense)		107	(1)	(19)
Profit/(Loss) for the period from continuing operations		(179)	144	107
Discontinued operations				
Profit/(Loss) for the period from discontinued operations	9	(343)	(133)	5
Profit/(Loss) for the period		(522)	11	112
Less: Minority interest share of (profit)/loss		–	13	(1)
Profit/(Loss) attributable to equity shareholders of the Group		(522)	24	111
Earnings per share from continuing operations	11			
Basic		(0.0025)	0.0024	0.1488
Diluted		(0.0025)	0.0024	0.1488
Earnings per share from discontinued operations				
Basic		(0.0048)	(0.0019)	0.0073
Diluted		(0.0048)	(0.0019)	0.0073
Earnings per share from continuing and discontinued operations				
Basic		(0.0073)	0.0005	0.1561
Diluted		(0.0073)	0.0005	0.1561

HISTORICAL FINANCIAL INFORMATION ON WESTMINSTER GROUP PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Group					
	Ord share Cap £'000	*Revaluation Reserve £'000*	*Retained Earnings £'000*	*Total £'000*	*Minority Interest £'000*	*Total £'000*
Balance at 30 September 2003	675	145	(2)	817	12	830
Profit/(loss) for period from discontinued operations	–	–	4	4	1	5
Profit/(loss) for period from continuing operations	–	–	107	107	–	107
Revaluation of non-current assets	–	73	–	73	–	73
Deferred tax liability on revaluation of non-current assets	–	(16)	–	(16)	–	(16)
Total recognised income and expense for the year	–	57	112	169	1	170
Balance at 30 September 2004	675	202	109	986	13	1,000
Profit/(loss) for period from discontinued operations	–	–	(120)	(120)	(13)	(133)
Profit/(loss) for period from continuing operations	–	–	144	144	–	144
Revaluation of non-current assets	–	11	–	11	–	11
Deferred tax liability on revaluation of non-current assets	–	3	–	3	–	3
Total recognised income and expense for the year	–	14	24	38	(13)	25
Balance at 30 September 2005	675	216	134	1,025	–	1,025
Profit/(loss) for period from discontinued operations	–	–	(343)	(343)	–	(343)
Profit/(loss) for period from continuing operations	–	–	(179)	(179)	–	(179)
Revaluation of non-current assets	–	49	–	49	–	49
Deferred tax liability on revaluation of non-current assets	–	(12)	–	(12)	–	(12)
Total recognised income and expense for the period	–	37	(522)	(485)	–	(485)
Payment of part paid shares	38	–	–	38	–	38
Balance at 31 December 2006	713	253	(388)	578	–	578

HISTORICAL FINANCIAL INFORMATION ON WESTMINSTER GROUP PLC

CONSOLIDATED BALANCE SHEET

	Note	*As at 31 December 2006 £'000*	*As at 30 September 2005 £'000*	*As at 30 September 2004 £'000*
ASSETS				
Non-current assets				
Property, plant and equipment	12	985	932	942
Deferred tax asset	10	107	–	–
Current assets				
Inventories	14	86	125	168
Trade and other receivables	15	340	833	803
Cash and cash equivalents		1	–	–
Total assets		1,519	1,890	1,913
EQUITY AND LIABILITIES				
LIABILITIES				
Current liabilities				
Trade and other payables	21	255	479	412
Taxation		–	2	20
Bank loans and overdrafts	19	509	289	330
Directors' current account	25	92	9	–
Finance lease liabilities	20	5	–	–
		861	779	762
Non-current liabilities				
Finance lease liabilities	20	16	–	–
Directors' loan accounts	25	–	34	97
Deferred tax liability	10	64	52	55
		80	86	152
Total Liabilities		941	865	914
EQUITY				
Equity attributable to equity holders of the parent				
Ordinary share capital	16	713	675	675
Revaluation reserve	17	253	216	202
Retained earnings	18	(388)	134	109
		578	1,025	986
Minority Interest		–	–	13
Total equity and liabilities		1,519	1,890	1,913

HISTORICAL FINANCIAL INFORMATION ON WESTMINSTER GROUP PLC

CONSOLIDATED CASH FLOW STATEMENT

	Period ended 31 December 2006 £'000	*Year to 30 September 2005 £'000*	*Year to 30 September 2004 £'000*
Cash flows from operating activities			
Profit/(loss) before taxation	(629)	11	127
Adjustments for:			
Investment income	–	–	(2)
Depreciation	66	46	43
Loss on disposal of non-current assets	–	1	(20)
Interest expense	46	–	21
Negative goodwill written off	(12)	–	–
Operating cashflows before movements in working capital	(529)	59	169
Decrease/(increase) in trade and other receivables	733	(30)	(407)
Decrease/(increase) in inventories	65	43	(78)
Increase/(decrease) in trade payables	(455)	64	243
Cash generated from operations	(186)	136	(73)
Interest Paid	(46)	–	(22)
Income taxes paid	(2)	(15)	(21)
Net cash from operating activities	(234)	121	(116)
Cash flows from investing activities			
Purchase of property, plant and equipment	(58)	(68)	(59)
Proceeds from sale of property, plant and equipment	14	42	35
Interest received	–	–	2
Acquisition of subsidiary net of cash acquired	(27)	–	–
Net cash used in investing activities	(71)	(26)	(22)
Cash flows from financing activities			
Proceeds from payment of part paid shares	38	–	–
Finance lease repayments	(2)	–	–
Increase/(repayment) in directors' loan accounts	49	(53)	–
Repayment of long-term loans	–	–	(24)
Net cash used in financing activities	85	(53)	(24)
Net decrease in cash and cash equivalents	(220)	42	(162)
Cash and cash equivalents at beginning of period	(289)	(330)	(168)
Cash and cash equivalents at end of period	(509)	(289)	(330)

Note

Cash and cash equivalents are bank and cash only.

NOTES TO CONSOLIDATED CASH FLOW STATEMENT

Acquisition of subsidiary

During the period ended 31 December 2006 the group acquired subsidiary RMS Integrated Solutions Limited. The fair value of the assets and liabilities acquired were as follows:

	£'000
Property, plant and equipment	25
Inventories	26
Trade and other receivables	240
Bank overdraft	(27)
Trade and other payables	(230)
Finance lease obligations	(22)
	12

Discontinued operations

During the period, Westminster Technologies Limited contributed to/(withdrew from) the Group's net operating cash flows (£5,665); (2005 – £277,587; 2004 – (£127,501)), paid £Nil (2005 – £Nil; 2004 – £864) in respect of investing activities and paid £33,604 (2005 – £53,400; 2004 – £24,934) respect of financing activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The principal accounting policies adopted are set out below.

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

The Company has assessed pronouncements issued by the International Accounting Standards Board that were in issue but not in force at 31 December 2006. It does not consider that the pronouncements will have any significant impact on the Company, other than:

IFRS 8 – *Operating Segments* (Effective for accounting periods beginning on or after 1 January 2009). This will involve the disclosure of segmental information based on the format used for reporting to the chief operating decision maker within the Group. It will not affect the total amounts presented in the financial statements.

IFRIC 11 *IFRS 2 – Group and Treasury Share Transactions* (Effective for accounting periods beginning on or after 1 March 2007) – This concerns share based payment arrangements that involve two or more entities within the same group. Given that the Group has no intercompany share based payments there would be no effect in the Company's accounts.

IFRIC 12 – *Service Concession arrangements* (Effective for accounting periods beginning on or after 1 January 2008) – This gives guidance on the accounting by operators for public-to-private service concessions. As the Group does not have any contracts which this interpretation deals with, there would be no affect on the Company's accounts.

Basis of consolidation

The consolidated financial information incorporates the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) made up to 31 December in the current period and 30 September 2004 and 2005. The excess of cost of acquisition over the fair values of the Group's share of identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair value of identifiable net assets acquired (i.e. discount on acquisition) is recognised directly in the income statement.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The costs of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date irrespective of the extent of any minority interest.

The results of subsidiaries acquired or disposed of during the financial period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances, and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition.

Goodwill on acquisition of subsidiaries is separately disclosed.

Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes. Sales of goods are recognised when goods are delivered and title has passed.

Interest income is accrued on a time basis.

Long term contracts

Contract costs are recognised when incurred.

When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

When the outcome of a contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The Group uses the "percentage of completion method" to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded for contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceeds billings. Progress billings not yet paid by customers and retentions are included within trade and other receivables.

Leasing

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 in accordance with the Group's general policy on borrowing costs (see below).

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

Foreign currencies

Transactions in currencies other than GBP's are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the income statement for the period, except for exchange differences on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

Borrowing costs

All borrowing costs are recognised in the income statement in the period in which they are incurred.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

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 information 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.

Property, plant and equipment

Land and buildings held for use in the production or 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 basis of their existing use at 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 credited to the properties revaluation reserve, 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 properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to income.

Fixtures and equipment 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, other than land and properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:

Freehold property	–	nil, 2% & 15% straight line
Plant and machinery	–	15%, 20% & 25% straight line
Fixtures and fitting	–	15% straight line
Motor vehicles	–	25% straight line
Equipment	–	20% & 25% straight line
Website	–	25% straight line

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.

On transition to IFRS the Group has used fair value as deemed cost.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible 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.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group has become a party to the contractual provisions of the instrument. The Group's financial instruments comprise cash, bank overdrafts and other borrowings and various items such as trade receivables and trade payables that arise directly from its operations. 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 below. These policies have remained unchanged throughout the year.

Interest Rate Risk

The Group's cash balances and deposits and debt through term borrowings will be subject to fluctuations in current and future interest rates. The Group monitors the rates of interest receivable and payable on its cash and debt balances.

Liquidity risk

Currently it is the Group's policy to finance its business through bank overdrafts and other borrowings. Requirements are kept under regular review by the Board and group companies have negotiated overdraft facilities with their bankers in order to minimise any exposure to liquidity risks.

Foreign currency risk

The Company and its subsidiaries enter into transactions denominated in GBP, Euros and US Dollars. The Group's revenue and expenditure can therefore be affected by foreign currency exchange movements.

Credit risk

The Group's principal financial assets are bank balances and cash and trade and other receivables, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and the current economic environment.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Provisions

Provisions are recognised when the Group has a present 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.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The main estimates and assumption that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is in relation to bad debt provisions.

2. ADOPTION OF INTERNATIONAL ACCOUNTING STANDARDS

The Company has previously presented its statutory financial statements in accordance with UK GAAP. In accordance with the AIM Rules, the Historical Financial Information is presented in accordance with IFRS and the Company is required to show two years of comparatives. The current period runs from 1 October 2005 to 31 December 2006. The comparatives cover the two years ended 30 September 2004 and 30 September 2005 and as such may not be entirely comparable.

3. REVENUE

An analysis of the Group's revenue is as follows:

	Period ended 31 December 2006 £'000	*Year ended 30 September 2005 £'000*	*Year ended 30 September 2004 £'000*
Continuing operations:			
Sale of security systems	1,997	1,971	1,420
Property rental income	14	21	27
	2,011	1,992	1,447
Discontinued operations:			
Revenue from electronic manufacturing	148	216	379
	2,159	2,208	1,826

4. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group has been organised into three operating divisions – sale of security systems, electronic manufacturing and property rental income and management charges. These divisions are the basis on which the Group reports its primary segment information. In the period ended 31 December 2006 the Group disposed of its electronic manufacturing division.

Segment information about these businesses is presented below.

Segment information

Period ended 31 December 2006

	Security systems £'000	*Rental income & management recharges £'000*	*Electronic manufacturing (Discontinued) £'000*	*Eliminations £'000*	*Consolidated £'000*
REVENUE					
External sales	1,997	14	–	–	2,011
External sales – Discontinued operations	–	–	148	–	148
Inter-segment sales	–	522	–	(522)	–
Total revenue	1,997	536	148	(522)	2,159
RESULT					
Segment result	(217)	(69)	(343)	–	(629)
Profit from operations	(211)	(29)	–	–	(240)
Finance costs	(6)	(40)	–	–	(46)
Profit/(loss) on discontinued operations	–	–	(343)	–	(343)
	(217)	(69)	(343)	–	(629)
Profit/(loss) before tax	(217)	(69)	(343)	–	(629)
Income tax	107	–	–	–	107
Profit/(loss) after tax	(110)	(69)	(343)	–	(522)
OTHER INFORMATION					
Capital additions	41	42	–	–	83
Depreciation and amortisation	(26)	(14)	(26)	–	(66)
BALANCE SHEET					
ASSETS					
Segment assets	562	957	–	–	1,519
Consolidated total assets	562	957	–	–	1,519
LIABILITIES					
Segment liabilities	(304)	(559)	(77)	–	(941)
Consolidated total liabilities	(304)	(559)	(77)	–	(941)

Inter-segment sales are charged at prevailing market rates.

4. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Segment information

Year ended 30 September 2005

	Security systems £'000	*Rental income & management recharges £'000*	*Electronic manufacturing (Discontinued) £'000*	*Eliminations £'000*	*Consolidated £'000*
External sales	1,971	21	–	–	1,992
External sales – Discontinued operations	–	–	216	–	216
Inter-segment sales	–	515	–	(515)	–
Total revenue	1,971	536	216	(515)	2,208
RESULT					
Segment result	70	74	(133)	–	11
Profit from operations	70	75	–	–	145
Profit/(loss) on discontinued operations	–	–	(133)	–	(133)
	70	75	(133)	–	12
Profit/(loss) before tax	70	75	(133)	–	12
Income tax expense	–	(1)	–	–	(1)
Profit/(loss) after tax	70	74	(133)	–	11
OTHER INFORMATION					
Capital additions	46	18	2	–	66
Depreciation and amortisation	(14)	(7)	(26)	–	(47)
BALANCE SHEET					
ASSETS					
Segment assets	876	877	137	–	1,890
Consolidated total assets	876	877	137	–	1,890
LIABILITIES					
Segment liabilities	(539)	(200)	(120)	–	(865)
Consolidated total liabilities	(539)	(200)	(120)	–	(865)

Inter-segment sales are charged at prevailing market rates.

4. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Segment information

Year ended 30 September 2004

	Security systems £'000	*Rental income & management recharges £'000*	*Electronic manufacturing (Discontinued) £'000*	*Eliminations £'000*	*Consolidated £'000*
External sales	1,420	27	–	–	1,447
External sales – Discontinued operations	–	–	379	–	379
Inter-segment sales	–	278	–	(278)	–
Total revenue	1,420	305	379	(278)	1,826
RESULT					
Segment result	83	24	5	–	112
Profit from operations	123	22	–	–	145
Finance costs	(21)	–	–	–	(21)
Income from investments	–	2	–	–	2
Profit/(loss) on discontinued operations	–	–	1	–	1
	102	24	1	–	127
Profit/(loss) before tax	102	24	1	–	127
Income tax expense	(19)	–	4	–	(15)
Profit/(loss) after tax	83	24	5	–	112
OTHER INFORMATION					
Capital additions	51	5	3	–	59
Depreciation and amortisation	(4)	(15)	(24)	–	(43)
BALANCE SHEET					
ASSETS					
Segment assets	781	850	282	–	1,913
Consolidated total assets	781	850	282	–	1,913
LIABILITIES					
Segment liabilities	(131)	(359)	(424)	–	(914)
Consolidated total liabilities	(131)	(359)	(424)	–	(914)

Inter-segment sales are charged at prevailing market rates.

4. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Geographical segments

The Group's operations are located in the UK.

The following table provides an analysis of the Group's sales by geographic market, irrespective of the origin of the goods/services.

Sales revenue by geographical market

	Period ended 31 December 2006 £'000	*Year ended 30 September 2005 £'000*	*Year ended 30 September 2004 £'000*
United Kingdom	1,146	237	502
Africa	224	852	584
Asia	757	178	595
Continental Europe	18	910	145
Other non reportable segments	14	31	–
	2,159	2,208	1,826

Revenue from the Group's discontinued operations was derived from the UK – 2006 £148 thousand (2005 £216 thousand and 2004 £379 thousand).

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment assets analysed by the geographical area in which the assets are located:

Carrying amount of segment assets

	As at 31 December 2006 £'000	*As at 30 September 2005 £'000*	*As at 30 September 2004 £'000*
UK	1,519	1,890	1,912
	1,519	1,890	1,912

Additions to property, plant and equipment

	As at 31 December 2006 £'000	*As at 30 September 2005 £'000*	*As at 30 September 2004 £'000*
UK	83	66	59
	83	66	59

5. (LOSS)/PROFIT FROM OPERATIONS

Profit from operations has been arrived at after charging/(crediting):

	Period ended 31 December 2006 £'000	*Year ended 30 September 2005 £'000*	*Year ended 30 September 2004 £'000*
Net foreign exchange losses/(gains)	25	13	2
Inventories – amount charged/(credited)			
Depreciation	(39)	(43)	78
– owned assets	59	47	43
– leased assets	7	–	–
Staff costs (see note 6)	595	239	227
Auditors' remuneration for audit services	10	8	5
Auditors' remuneration for non audit services	29	16	9
Negative goodwill on acquisition of subsidiary.	(12)	–	–
Loss/(profit) on disposal of assets	–	1	(20)

6. STAFF COSTS

The average number of staff employed by the Group during the financial period amounted to:

	Period ended 31 December 2006 Number	*Year ended 30 September 2005 Number*	*Year ended 30 September 2004 Number*
Production staff	11	6	8
Administrative staff	9	7	8
Management staff	12	10	6
	32	23	22

The aggregate remuneration comprised:

	Period ended 31 December 2006 £'000	*Year ended 30 September 2005 £'000*	*Year ended 30 September 2004 £'000*
Wages and salaries	552	218	203
Social security costs	43	21	24
	595	239	227

Directors' emoluments comprised:

	£'000	*£'000*	*£'000*
Mr P D Fowler	1	1	3
Mrs P J Fowler	1	2	6
Mr R W Worrall	18	13	10
	20	16	19

7. FINANCE COSTS

	Period ended 31 December 2006 £'000	*Year ended 30 September 2005 £'000*	*Year ended 30 September 2004 £'000*
Interest on bank overdrafts and loans	43	–	21
Interest on obligations under finance leases	3	–	–
Total borrowing costs	46	–	21

8. INVESTMENT INCOME

	Period ended 31 December 2006 £'000	*Year ended 30 September 2005 £'000*	*Year ended 30 September 2004 £'000*
Interest on bank deposits	–	–	2
	–	–	2

9. DISCONTINUED OPERATIONS

The Company's subsidiary, Westminster Technologies Limited, ceased to trade in June 2006 and its stock and some items from property, plant and equipment were sold off. The remaining assets were scrapped or transferred to other group companies. The disposal was effected in order to dispose of a loss-making segment.

The results of this manufacturing operation, which have been included in the consolidated financial information, were as follows:

	Period ended 31 December 2006 £'000	*Year ended 30 September 2005 £'000*	*Year ended 30 September 2004 £'000*
Revenue	148	216	379
Operating costs	(490)	(349)	(378)
Loss on disposal of assets	(1)	–	–
Profit/(loss) before tax	(343)	(133)	1
Corporation tax refund	–	–	4
Profit/(loss) on ordinary activities after tax	(343)	(133)	5

10. CORPORATION TAX EXPENSE AND DEFERRED TAX

	Period ended 31 December 2006 £'000	*Year ended 30 September 2005 £'000*	*Year ended 30 September 2004 £'000*
Current tax (UK only)	–	1	15
Deferred tax	(107)	–	–
Tax attributable to the Company and its subsidiaries	(107)	1	15

Corporation tax is calculated at 19 per cent. (2005 and 2004 19 per cent.) of the estimated assessable profit for the year.

Of the corporation tax charge in 2006 £Nil (2005 a refund of £Nil, 2004 a refund of £4 thousand) related to Westminster Technologies Limited, which was classified as a discontinued activity in this period. No tax charge or credit arose on the disposal of the activities of the Company in the current period.

The charge for the year can be reconciled to the profit/(loss) per the income statement as follows:

	Period ended 31 December 2006 £'000	*Year ended 30 September 2005 £'000*	*Year ended 30 September 2004 £'000*
Profit/(loss) before tax	(629)	12	127
Effective tax rate 30% (2005 – 30% and 2004 – 30%)	(189)	4	38
Disallowable expenses and depreciation	19	15	8
Capital allowances	(10)	(12)	(13)
(Brought forward losses)/losses carried forward	180	(4)	(11)
Adjustment for reduction in effective tax	–	(2)	(7)
Deferred tax asset arising from trade losses carried forward	(107)	–	–
Tax expense/(benefit) and effective tax rate for the year	(107)	1	15

A deferred tax asset of £107 thousand has been recognised at 31 December 2006 for trading losses carried forward for relief against future taxable profits (2005 – £Nil; 2004 – £Nil). this deferred tax asset has been calculated by reference to future profit projections which indicate that future corporation tax will be payable at 30 per cent.

A deferred tax liability arose from the revaluation of freehold property acquired on 18 October 2000 amounting to £64 thousand at 31 December 2006 (2005 – £52,000; 2004 – £55,000). The deferred tax liability has been calculated at 30 per cent of the revaluation gain and offset against the revaluation reserve.

11. EARNINGS PER SHARE

Including discontinued operations

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings	*Period ended 31 December 2006 £'000*	*Year ended 30 September 2005 £'000*	*Year ended 30 September 2004 £'000*
Earnings for the purposes of basic earnings per share (net profit for the year attributable to equity holders of the parent)	(522)	24	111
Effect of dilutive potential ordinary shares	–	–	–
Earnings for the purposes of diluted earnings per share	–	–	–

Number of shares

	Period ended 31 December 2006 Number	*Year ended 30 September 2005 Number*	*Year ended 30 September 2004 Number*
Weighted average number of ordinary shares for the purposes of basic earnings per share	71,250,000	71,250,000	712,500
Effect of dilutive potential ordinary shares:	–	–	–
Weighted average number of ordinary shares for the purposes of diluted earnings per share	71,250,000	71,250,000	712,500
Earnings per share	£	£	£
Basic	(0.0073)	0.0003	0.1561
Diluted	(0.0073)	0.0003	0.1561

From continuing operations

	Period ended 31 December 2006 £'000	*Year ended 30 September 2005 £'000*	*Year ended 30 September 2004 £'000*
Net profit for the year attributable to equity holders of the parent	(522)	24	111
Adjustment to exclude loss/(profit) for the period from discontinued operations	343	133	(5)
Earnings from continuing operations for the purposes of basic earnings per share	(179)	157	106
Effect of dilutive potential ordinary shares	–	–	–
Earnings from continuing operations for the purposes of diluted earnings per share excluding discontinued operations	(179)	157	106

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

11. EARNINGS PER SHARE (Continued)

Earnings per share

From continuing operations

	Period ended 31 December 2006	*Year ended 30 September 2005*	*Year ended 30 September 2004*
	£	*£*	*£*
Basic	(0.0025)	0.0022	0.1488
Diluted	(0.0025)	0.0022	0.1488

From discontinued operations

	Period ended 31 December 2006	*Year ended 30 September 2005*	*Year ended 30 September 2004*
	£	*£*	*£*
Basic	(0.0048)	(0.0019)	0.0073
Diluted	(0.0048)	(0.0019)	0.0073

From continuing operations and discontinued operations

	Period ended 31 December 2006	*Year ended 30 September 2005*	*Year ended 30 September 2004*
	£	*£*	*£*
Basic	(0.0073)	0.0005	0.1561
Diluted	(0.0073)	0.0005	0.1561

Subsequent to the year end, the directors converted loans amounting to £191 thousand into 1.91 million ordinary shares of 10 pence each.

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold Property £'000	*Plant & Machinery £'000*	*Fixtures & Fittings £'000*	*Motor Vehicles £'000*	*Other Assets £'000*	*Total £'000*
COST OR VALUATION						
At 1 October 2003	764	129	1	4	42	940
Additions	–	15	11	16	17	59
Disposals	–	(24)	–	–	–	(24)
Revaluation	56	–	–	–	–	56
At 30 September 2004	820	120	12	20	59	1,031
DEPRECIATION						
At 1 October 2003	6	45	1	3	17	72
Charge for the year	11	19	1	2	10	43
On disposals	–	(9)	–	–	–	(9)
Revaluation	(17)	–	–	–	–	(17)
At 30 September 2004	–	55	2	5	27	89
NET BOOK VALUE						
At 30 Sepember 2004	820	65	10	15	32	942
At 30 September 2003	758	84	–	1	25	868

The freehold property was valued professionally by Berry Morris, Chartered Surveyors, as at 30 September 2003 and 30 September 2004.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2004 £'000
Net book value at end of year	820
Historical cost	587
Depreciation:	
At 1 October 2003	21
Charge for year	9
At 30 September 2004	30
Net historical cost value:	
At 30 September 2004	557
At 1 October 2003	567

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Freehold Property £'000	*Plant & Machinery £'000*	*Fixtures & Fittings £'000*	*Motor Vehicles £'000*	*Other Assets £'000*	*Total £'000*
COST OR VALUATION						
At 1 October 2004	820	120	12	20	59	1,031
Additions	2	12	9	16	27	66
Disposals	–	(8)	(8)	(16)	(11)	(43)
Revaluation	8	–	–	–	–	8
At 30 September 2005	830	124	13	20	75	1,062
DEPRECIATION						
At 1 October 2004	–	55	2	5	27	89
Charge for the year	3	23	3	3	14	46
On disposals	–	(1)	(1)	–	–	(2)
Revaluation	(3)	–	–	–	–	(3)
At 30 September 2005	–	77	4	8	41	130
NET BOOK VALUE						
At 30 September 2005	830	47	9	12	34	932
At 30 September 2004	820	65	10	15	32	942

The freehold property was valued professionally by Berry Morris, Chartered Surveyors, as at 30 September 2004 and as at 30 September 2005.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2005 £'000
Net book value at end of year	830
Historical cost	589
Depreciation:	
At 1 October 2004	30
Charge for year	7
At 30 September 2005	37
Net historical cost value:	
At 30 September 2005	552
At 1 October 2004	557

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Freehold Property £'000	*Plant & Machinery £'000*	*Fixtures & Fittings £'000*	*Motor Vehicles £'000*	*Other Assets £'000*	*Total £'000*
COST OR VALUATION						
At 1 October 2005	830	124	13	20	75	1,062
Additions	29	7	11	24	12	83
Disposals	(4)	(101)	(4)	(4)	–	(113)
Revaluation	45	–	–	–	–	45
At 31 December 2006	900	30	20	40	87	1,077
DEPRECIATION						
At 1 October 2005	–	77	4	8	41	130
Charge for the period	5	27	4	11	19	66
On disposals	–	(92)	(3)	(4)	–	(99)
Revaluation	(5)	–	–	–	–	(5)
At 31 December 2006	–	12	5	15	60	92
NET BOOK VALUE						
At 31 December 2006	900	18	15	25	27	985
At 30 September 2005	830	47	9	12	34	932

The freehold property was valued professionally by Berry Morris, Chartered Surveyors, as at 30 September 2005 and at 31 December 2006.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2006 £'000
Net book value at end of period	900
Historical cost	618
Depreciation:	
At 1 October 2005	37
Charge for period	3
At 31 December 2006	40
Net historical cost value:	
At 31 December 2006	578
At 1 October 2005	552

The net book value of the Group's motor vehicles includes an amount of £17 thousand (2005 – £Nil, 2004 – £Nil) in respect of assets held under finance leases.

The Group has pledged land and buildings having a net book value of £900 thousand (2005 – £830 thousand, 2004 – £820 thousand) to secure banking facilities granted to the Group.

Depreciation expense of £66 thousand (2005 – £47 thousand, 2004 – £43 thousand) has been charged to administration expenses.

13. SUBSIDIARIES

Year ended 30 September 2004

The Company owns 79% of the issued share capital and voting power of the company listed below:

	Country of Incorporation	*Class of shares*	*Capital & Reserves £'000*	*Profit for period £'000*
Westminster Technologies Limited	England	Ordinary	59	5

During the year Westminster Technologies Limited purchased 500 of its own shares.

The trading activity of Westminster Technologies Limited is contract electronic manufacturing.

The Company owns 100% of the issued share capital and voting power of the companies listed below:

	Country of Incorporation	*Class of shares*	*Capital & Reserves £'000*	*Profit for period £'000*
Westminster International Limited	England	Ordinary	136	62

The trading activity of Westminster International Limited is the provision of security, safety and fire solutions including the provision of defence and anti-terrorist protection systems.

The Company owns 100% of the issued share capital and voting power of the companies listed below:

	Country of Incorporation	*Class of shares*	*Capital & Reserves £'000*	*Profit for period £'000*
Westminster Facilities Management Limited	England	Ordinary	21	20

The trading activity of Westminster Facilities Management Limited is to undertake facilities management projects in relation to commercial properties.

Year ended 30 September 2005

The Company owns 100% of the issued share capital and voting power of the companies listed below:

	Country of Incorporation	*Class of shares*	*Capital & Reserves £'000*	*Profit/(Loss) for period £'000*
Westminster Technologies Limited	England	Ordinary	(73)	(133)

On 17 August 2005 Westminster Group Plc purchased 1,998 shares in Westminster Technologies from R J Worrall and S Fowler, who are directors of Westminster Group PLC for a consideration of £2 thousand.

The trading activity of Westminster Technologies Limited is contract electronic manufacturing.

The Company owns 100% of the issued share capital and voting power of the companies listed below:

	Country of Incorporation	*Class of shares*	*Capital & Reserves £'000*	*Profit for period £'000*
Westminster International Limited	England	Ordinary	185	49

The trading activity of Westminster International Limited is the provision of security, safety and fire solutions including the provision of defence and anti-terrorist protection systems.

13. SUBSIDIARIES (Continued)

The Company owns 100% of the issued share capital and voting power of the companies listed below:

	Country of Incorporation	*Class of shares*	*Capital & Reserves £'000*	*Profit for period £'000*
Westminster Facilities Management Limited	England	Ordinary	47	21

The trading activity of Westminster Facilities Management Limited is to undertake facilities management projects in relation to commercial properties.

Period ended 31 December 2006

On 3 October 2005 RMS Integrated Solutions became a wholly owned subsidiary of Westminster Group Plc for a consideration of £3. This has been accounted for as an acquisition and the investment has been included in the Company's balance sheet at its fair value at the date of acquisition.

Analysis of the acquisition of RMS Integrated Solutions Limited:

	£'000
Property, plant and equipment	25
Inventories	26
Trade and other receivables	240
Bank overdraft	(27)
Trade and other payables	(230)
Finance lease obligations	(22)
Net assets	12

This amount is considered to be the fair value of the acquisition. After deducting the consideration of £3 cash, there arises negative goodwill of £12 thousand, which has been credited to the income statement in the period of the acquisition.

The Company owns 100% of the issued share capital and voting power of the companies listed below:

	Country of incorporation	*Class of shares*	*Capital & Reserves £'000*	*Profit/(Loss) for period £'000*
Westminster Technologies Limited	England	Ordinary	(422)	(343)

The trading activity of Westminster Technologies Limited was contract electronic manufacturing and the Company ceased trading in June 2006.

The Company owns 100% of the issued share capital and voting power of the companies listed below:

	Country of incorporation	*Class of shares*	*Capital & Reserves £'000*	*Profit/(Loss) for period £'000*
Westminster International Limited	England	Ordinary	(308)	(493)

The trading activity of Westminster International Limited is the provision of security, safety and fire solutions including the provision of defence and anti-terrorist protection systems.

13. SUBSIDIARIES (Continued)

The Company owns 100% of the issued share capital and voting power of the companies listed below:

	Country of Incorporation	*Class of shares*	*Capital & Reserves £'000*	*Profit/(Loss) for period £'000*
Westminster Facilities Management Limited	England	Ordinary	22	(25)

Westminster Facilities Management Limited is a dormant company.

The Company owns 100% of the issued share capital and voting power of the company listed below:

	Country of Incorporation	*Class of shares*	*Capital & Reserves £'000*	*Profit/(Loss) for period £'000*
RMS Integrated Solutions Limited	England	Ordinary	(59)	(71)

The trading activity of RMS Integrated Solutions Limited is to undertake the installation and maintenance of security and fire systems and projects.

14. INVENTORIES

	Period ended 31 December 2006 £'000	*Year ended 30 September 2005 £'000*	*Year ended 30 September 2004 £'000*
Raw Materials	21	59	86
Work-in-progress	–	–	15
Finished goods	65	66	67
	86	125	168

Included above are raw materials of £21 thousand (2005 – £59 thousand and 2004 – £86 thousand) and work-in-progress of £Nil (2005 – £Nil and 2004 – £15 thousand) carried at net realisable value.

15. OTHER FINANCIAL ASSETS

	Period ended 31 December 2006 £'000	*Year ended 30 September 2005 £'000*	*Year ended 30 September 2004 £'000*
Trade receivables	333	808	720
VAT recoverable	–	3	68
Work unbilled at year end	–	6	–
Other receivables	5	10	12
Prepayments and accrued income	2	6	3
	340	833	803

The average credit period taken on sale of goods is 114 days. An allowance has been made for estimated irrecoverable amounts from the sale of goods of £126 thousand (2005 – £27 thousand and 2004 – £32, thousand). This allowance has been determined on the basis of specific provisions and by reference to past default experience.

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

Bank balances and cash comprise cash. The carrying amount of these assets approximates their fair value.

16. SHARE CAPITAL

Authorised share capital:

	Period ended 31 December 2006 £'000	*Year ended 30 September 2005 £'000*	*Year ended 30 September 2004 £'000*
75,070,000 Ordinary A shares of £0.01 each (2004 £1)	751	751	751
24,930,000 Ordinary B shares of £0.01 each (2004 £1)	249	249	249
	1,000	1,000	1,000

Allotted, called up and fully paid at 31 December 2006:

	Period ended 31 December 2006		*Year ended 30 September 2005*		*Year ended 30 September 2004*	
	No	*£'000*	*No*	*£'000*	*No*	*£'000*
Ordinary A shares of £0.01 (2004 £1) each	53,487,400	535	53,487,400	507	534,274	507
Ordinary B shares of £0.01 (2004 £1) each	17,762,600	178	17,762,600	168	177,626	168
	71,250,000	713	71,250,000	675	712,500	675

The ordinary £1 shares were all converted in 2005 to 1p shares during the year. Following this conversion 25,000 ordinary A shares were transferred from P J Fowler to S P Fowler and 25,000 ordinary B shares from R W Worrall to R J Worrall.

Apart from specific voting rights regarding the appointment and removal of directors, the Ordinary £1 A and B shares have the same rights to dividends in all other respects rank *pari passu*.

3,753,500 of the A shares and 1,246,500 of the B shares were partly paid (£0.0025 paid) in 2004 and 2005.

The remaining £0.0075 due per share, which was due on the 5,000,000 partly paid shares was paid up in full during the 2006 period.

17. REVALUATION RESERVES

(Land and buildings only)

	Period ended 31 December 2006 £'000	*Year ended 30 September 2005 £'000*	*Year ended 30 September 2004 £'000*
Balance brought forward	268	257	184
Revaluation increase	49	11	73
Decrease/(increase) in deferred tax arising from the revaluation	(12)	3	(16)
Balance carried forward	253	216	202

18. ACCUMULATED PROFITS

	Period ended 31 December 2006 £'000	*Year ended 30 September 2005 £'000*	*Year ended 30 September 2004 £'000*
Balance brought forward	134	110	(2)
Net profit/(loss) for the period/year	(522)	24	112
Balance carried forward	(388)	134	110

19. BANK LOANS AND OVERDRAFTS

(All in GBP and due within one year)

	Period ended 31 December 2006 £'000	*Year ended 30 September 2005 £'000*	*Year ended 30 September 2004 £'000*
Bank overdrafts	509	289	330

The principal features of the Group's borrowings are as follows:

- The bank overdraft is secured by a first mortgage over the freehold property owned by the Company, including Fixed Charge over all present freehold and leasehold property and First Floating Charge over all present and future assets.
- The Company has the legal right to offset in hand bank accounts against its existing bank overdrafts.

20. OBLIGATIONS UNDER FINANCE LEASES

Future commitments under finance lease agreements are as follows:

	31 December 2006 £'000	*30 September 2005 £'000*	*30 September 2004 £'000*
Due within 1 year	5	–	–
Due between 1 and 5 years	16	–	–
	21	–	–

21. OTHER FINANCIAL LIABILITIES

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 36 days.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

In addition, trade and other payables include accruals and deferred income of £67 thousand (2005 £25 thousand and 2004 £59 thousand).

22. NON-CASH TRANSACTIONS

Additions to motor vehicles during the period amounting to £24 thousand were financed by new finance leases.

23. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash and short term deposits and other borrowings and various items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to fund the Group's operations, manage working capital and invest surplus funds.

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

Interest Rate Risk

The Group's cash balances and deposits and debt through term borrowings will be subject to fluctuations in current and future interest rates. The Group monitors the rates of interest receivable and payable on its cash and debt balances.

Liquidity risk

It is the Group's policy to finance its business through internally generated funds, with surplus funds invested in short fixed term money market deposits. Requirements are kept under regular review by the Board and group companies have negotiated overdraft facilities with their bankers in order to minimise any exposure to short term liquidity risks.

Credit risk

It is the Group's policy to make an allowance for estimated irrecoverable amounts from the sale of goods. For the period ended 31 December 2006 this amount was £126 thousand (2005 £27 thousand and 2004 £32 thousand). This allowance has been determined on the basis of specific provisions and by reference to past default experience.

Foreign currency risk

The Company and its subsidiaries enter into transactions denominated in Sterling, Euros and US Dollars. The Group's revenue and expenditure can therefore be affected by foreign currency exchange movements.

The Board monitors all foreign currency exposure but the Company does not currently hedge against movements in the exchange rates of Sterling and foreign currencies in respect of any financial assets and liabilities.

23. FINANCIAL INSTRUMENTS (Continued)

Interest rate profile of financial assets and liabilities

The interest rate profile of the Group's financial assets at 31 December 2006 was:

Currency	*Total*	*Assets on which no interest is paid*	*Floating rate financial assets*	*Fixed rate financial assets*
	£'000	*£'000*	*£'000*	*£'000*
Sterling	1	1	–	–
US Dollar	97	97	–	–
	98	98	–	–

The interest rate profile of the Group's financial assets at 30 September 2005 was:

Currency	*Total*	*Assets on which no interest is paid*	*Floating rate financial assets*	*Fixed rate financial assets*
	£'000	*£'000*	*£'000*	*£'000*
Sterling	30	30	–	–
US Dollar	11	11	–	–
Euro	3	3	–	–
	44	44	–	–

The interest rate profile of the Group's financial assets at 30 September 2004 was:

Currency	*Total*	*Assets on which no interest is paid*	*Floating rate financial assets*	*Fixed rate financial assets*
	£'000	*£'000*	*£'000*	*£'000*
Sterling	172	172	–	–
Euro	18	18	–	–
	190	190	–	–

In the period ended 31 December 2006 and the years ended 30 September 2005 and 2004, the interest rate received for the floating rate financial assets was at prevailing bank rates.

As the Group has the legal right to offset its financial assets against its financial liabilities the Group currently receives no interest on its financial assets.

23. FINANCIAL INSTRUMENTS (Continued)

The interest rate profile on the Group's financial liabilities at 31 December 2006 was:

Currency	*Total*	*Non-interest bearing*	*Floating rate financial liabilities*	*Fixed rate financial assets*
	£'000	*£'000*	*£'000*	*£'000*
Sterling	606	–	606	–
	606	–	606	–

The interest rate profile on the Group's financial liabilities at 30 September 2005 was:

Currency	*Total*	*Non-interest bearing*	*Floating rate financial liabilities*	*Fixed rate financial assets*
	£'000	*£'000*	*£'000*	*£'000*
Sterling	332	–	332	–
	332	–	332	–

The interest rate profile on the Group's financial liabilities at 30 September 2005 was:

Currency	*Total*	*Non-interest bearing*	*Floating rate financial liabilities*	*Fixed rate financial assets*
	£'000	*£'000*	*£'000*	*£'000*
Sterling	519	–	519	–
US Dollar	1	1	–	–
	520	1	519	–

All of the Group's financial liabilities as at 31 December 2006, 30 September 2005 and 30 September 2004 had a maturity date of one year or less, or on demand.

The weighted average interest rates paid were:

	Period ended 31 December 2006	*Year ended 30 September 2005*	*Year ended 30 September 2004*
Bank overdrafts	6.62%	6.71%	6.06%

Bank loans of £Nil (2005 – £Nil and 2004 – £Nil) were arranged at fixed interest rates. Other borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

23. FINANCIAL INSTRUMENTS (Continued)

Foreign currency exposures

The table below shows the Sterling equivalent of the Group's exposure in respect of assets and liabilities denominated in foreign currencies:

Functional currency of Group operations

	Assets/(liabilities)		
	2006	*2005*	*2004*
	£'000	*£'000*	*£'000*
Euro	–	3	18
US Dollar	97	11	(1)
	97	14	17

Borrowing Facilities

At 31 December 2006 Group companies had undrawn overdraft facilities of £91 thousand (2005 – £176 thousand; 2004 – £Nil) and business card facilities of £13 thousand (2005 – £14 thousand; 2004 – £14 thousand). These facilities were renewable in January 2007.

Finance Leases

It is the Group's policy to lease certain of its fixtures and equipment under finance leases. The average lease term is 4 years. For the period ended 31 December 2006, the average effective borrowing rate was 9.5 per cent. (in 2005 and 2004 no assets were held under finance leases by the Group). Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All lease obligations are denominated in GBP.

Fair Value of Assets and Liabilities

There is no material difference between the fair value of the Group's assets and liabilities and their book value as shown in the financial statements.

24. OPERATING LEASE ARRANGEMENTS

At 31 December 2006 the Group had annual commitments under non-cancellable operating leases as set out below.

	31 December 2006		*30 September 2005*		*30 September 2004*	
	Land and buildings £'000	*Other items £'000*	*Land and Buildings £'000*	*Other items £'000*	*Land and Buildings £'000*	*Other items £'000*
Operating leases which expire:						
Within 1 year	5	6	14	3	–	3
Between 1 and 5 years	–	59	–	54	27	16
	5	65	14	57	27	19

Operating lease payments in respect of land and buildings represent rentals payable by the Group for certain of its office properties. Leases are negotiated for an average term of three years and rentals are fixed for this period.

Operating lease payments in relation to other items represent rentals payable by the Group for certain of its motor vehicles. Leases are negotiated for an average term of two years and rentals are fixed for this period.

25. RELATED PARTY TRANSACTIONS

The Company was under the control of Mr P D Fowler throughout the current period. Mr Fowler is the managing director and majority shareholder.

At the year end, the following amounts were owed to the Directors:

	2006	*2005*	*2004*
	£'000	*£'000*	*£'000*
Mr P D Fowler	30	13	67
Mrs P J Fowler	59	18	18
Mr R W Worrall	3	12	12
	92	43	97

At the period end there was a balance owed by Westminster Group Plc to Lawnscote Associates of £5 thousand (2005 – £11 thousand debtor and 2004 – £7 thousand creditor). Mr P D Fowler and Mrs P J Fowler are partners of Lawnscote Associates. Lawnscote Associates charged the Company £15 thousand during the period for office and premises expenses and £1 thousand for other expenses (2005 – £Nil and 2004 – £Nil).

At the period end, £441 thousand was owed by Westminster International Limited to the Company and is included within debtors (2005 – £272 thousand; 2004 – £373 thousand).

At the period end, £Nil was owed to Westminster Facilities Management Limited by the Company (2005 – £Nil and 2004 – £32 thousand). During the period £3 thousand was written off in respect to amounts due from Westminster Facilities Management Limited.

At the period end, £52 thousand was owed by RMS Integrated Solutions Limited to the Company.

Also at the period end, £Nil was owed to Westminster Technologies Ltd (2005 – £75 thousand and 2004 – £114 thousand). In the period £119 thousand was written off in respect of amounts due from Westminster Technologies Ltd.

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

	2006	*2005*	*2004*
	£'000	*£'000*	*£'000*
Westminster Technologies Ltd	188	15	12
Westminster International Ltd	279	264	234
Westminster Facilities Management Ltd	34	–	31
RMS Integrated Solutions Ltd	37	–	–

In addition bank interest of £5 thousand and £12 thousand was recharged from Westminster Group Plc to Westminster Technologies Limited and Westminster International Limited respectively in the current period only.

During the period Westminster International Limited paid expenses of £60 thousand (2005 – £19 thousand; 2004 – £Nil) on behalf of Westminster Group Plc and this amount is included in the loan account balance at the period end. Similarly, Westminster Technologies Limited paid expenses during the period of £3 thousand (2005 – £11 thousand; 2004 – £Nil) on behalf of Westminster Group Plc, and transferred fixed assets at a net book value of £9 thousand to Westminster Group Plc, which are included in the loan balance at the period end.

25. RELATED PARTY TRANSACTIONS (Continued)

In addition Westminster Group Plc charged RMS Integrated Solutions Limited £18 thousand in rent.

During the period a trade receivable of £18 thousand was transferred from Westminster International Limited to Westminster Group Plc and this is included in the loan balance at the period end.

Remuneration of key management personnel

The directors, who are the key management personnel of the Group, currently receive the following benefits in kind as their only remuneration:

	2006	*2005*	*2004*
	£'000	*£'000*	*£'000*
Mr P D Fowler	1	1	3
Mrs P J Fowler	1	2	6
Mr R W Worrall	18	13	10

25. POST BALANCE SHEET EVENTS

On 3 April 2007 ordinary resolutions of the Company were passed to:

- Redesignate all issued and unissued shares as Ordinary Shares of 1 pence;
- Consolidate such Ordinary Shares of 1 pence each into Ordinary Shares of 10 pence each;
- Increase the authorised share capital of the company from £1,000,000 to £2,000,000 by creating 10,000,000 Ordinary Shares of 10 pence each.

Certain loans provided by the Directors amounting to £191,000 were converted into equity resulting in the issue of 1,910,000 Ordinary Shares of 10 pence each. The resulting issued share capital of the Company was £903,500 divided into 9,035,000 Ordinary Shares of 10 pence each.

The Company adopted a Share Option Scheme on 3 April 2007 and on 5 April 2007 granted 175,000 EMI options to certain employees of the Group and 121,000 unapproved options to non-qualifying employees of the Group. All options granted have an exercise price of 10 pence. The Company also granted 58,000 unapproved options under separate option agreements on 5 April 2007 to non-executive directors and overseas employees of the Group. All options granted have an exercise price of 10 pence.

The Pre Placing Options granted except those granted to non-executive directors, were granted such that half vested immediately and the other half will vest on the second anniversary of the date of grant. The Pre Placing Options granted to non-executive directors will vest and become exercisable on the second anniversary of the date of the grant. The Pre Placing Options will lapse on 31 December 2007 if the Admission has not occurred before that date, although the Board has the power to preserve such options.

In June 2007 the Company granted an unapproved option over 67,862 Ordinary Shares to Sir Malcolm Ross (representing 0.5 per cent. of the Company's Enlarged Share Capital) at the Placing Price under a separate option agreement.

PART 4

ADDITIONAL INFORMATION

1 RESPONSIBILITY STATEMENT

The Company and the Directors accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and makes no omission likely to affect the import of such information.

Baker Tilly accepts responsibility for the information contained in Part 3 of this document. To the best of the knowledge of Baker Tilly (who have taken all reasonable care to ensure that such is the case) the information contained in Part 3 of this document is in accordance with the facts and makes no omission likely to affect the import of such information.

2 INCORPORATION AND STATUS OF THE COMPANY

2.1 The Company was incorporated in England and Wales on 7 April 2000 under the name of Ronawell plc with registered number 03967650 as a public limited company under the Act.

2.2 The liability of the members of the Company is limited.

2.3 The principal legislation under which the Company operates is the Act and the regulations made thereunder.

2.4 The registered office of the Company is at Westminster House, Blacklocks Hill, Banbury, Oxfordshire, OX17 2BS, telephone number: 01295 756300.

3 THE SUBSIDIARIES

3.1 The Company acts as the holding company of the Group.

3.2 The Company has the following subsidiaries which are private limited companies incorporated in England and Wales:

Name	*Percentage of issued share capital owned*
Westminster International Limited	100%
RMS Integrated Solutions Limited	100%
Westminster Technologies Limited	100%
Westminster Facilities Management Limited	100%

4 SHARE CAPITAL OF THE COMPANY

4.1 The authorised and issued share capital of the Company, at the date of this document and immediately following Admission, is and will be as follows:

	Authorised		*Issued and credited as fully paid*	
	£	*Number of Ordinary Shares of 10p each*	*£*	*Number of Ordinary Shares of 10p each*
At the date of this document	2,000,000	20,000,000	903,500.00	9,035,000
On Admission	2,000,000	20,000,000	1,357,233.60	13,572,336

4.2 On incorporation, the share capital of the Company was £50,000 divided into 50,000 ordinary shares of £1.00 each, of which 2 were issued credited as fully paid to the subscribers to the Memorandum of Association.

4.3 On 10 October 2000 the authorised share capital of the Company was increased, by virtue of an ordinary resolution, from £50,000 to £1,000,000 by the creation of 950,000 ordinary shares of £1.00 each. On 10 October 2000 49,998 ordinary shares of £1.00 each were allotted at par making the total issued share capital 50,000 ordinary shares of £1.00 each.

4.4 On 18 October 2000 a special resolution of the Company was passed to convert the 1,000,000 ordinary shares of £1.00 each into 800,000 'A' ordinary shares of £1.00 each and 200,000 'B' ordinary shares of £1.00 each. On 18 October 2000 281,512 'A' ordinary shares of £1.00 each and 93,488 'B' ordinary shares of £1.00 each were allotted at par making the total issued share capital 319,047 'A' ordinary shares of £1.00 each and 105,953 'B' ordinary shares of £1.00 each.

4.5 On 20 October 2000 215,827 'A' ordinary shares of £1.00 each and 71,673 'B' ordinary shares of £1.00 each were allotted at par making the total issued share capital 534,834 'A' ordinary shares of £1.00 each and 177,626 'B' ordinary shares of £1.00 each.

4.6 On 12 August 2005, a special resolution of the Company was passed to subdivide the existing 800,000 'A' ordinary shares of £1 each into 80,000,000 'A' ordinary shares of 1 pence each and to subdivide the existing 200,000 'B' ordinary shares of £1 each into 20,000,000 'B' ordinary shares of 1 pence each. The total issued share capital remained at 53,487,400 'A' ordinary shares of 1 pence each and 17,762,600 'B' ordinary shares of 1 pence each from 12 August 2005 until 3 April 2007.

4.7 On 3 April 2007:

4.7.1 ordinary resolutions of the Company were passed to:

- redesignate all issued and unissued shares as ordinary shares of 1 pence each;
- consolidate such ordinary shares of 1 pence each into ordinary shares of 10 pence each;
- increase the authorised share capital of the company from £1,000,000 to £2,000,000 by creating 10,000,000 ordinary shares of 10 pence each.

4.7.2 Certain loans to the Company were capitalised resulting in the issue of 1,910,000 ordinary shares of 10 pence each as set out in the table below.

Name	*Loan Amount*	*Ordinary Shares issued on 3 April 2007*
Peter Fowler	£34,694	346,940
Patricia Fowler	£58,528	585,280
Roger Worrall	£47,616.20	476,162
Stuart Fowler	£50,161.80	501,618

The resulting issued share capital of the Company was £903,500 divided into 9,035,000 ordinary shares of 10 pence each.

4.8 On 15 June 2007 a special resolution of the Company was passed amending the Articles by deleting the reference to "£267,500" in article 5.5.3 and in its place substituting "£961,903.30" and by deleting the reference to "£53,570" in article 5.5.4 and in its place substituting "£554,733.22".

Accordingly and as more particularly set out in the Articles (but without prejudice to any allotments of securities or any offers or agreements to allot securities made or entered into after the date of adoption of the Articles (being 3 April 2007) and prior to 15 June 2007), pursuant to the authority and power contained in the Articles, the Directors were generally and unconditionally authorised pursuant to section 80 of the Act to exercise for the first prescribed period (as defined in Article 5 and being the period from 3 April 2007 until the earlier of the Company's annual general meeting in 2008 and 3 July 2008) all the powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) up to an aggregate nominal amount equal to £961,903.30.

During the first prescribed period, the Directors were also empowered to allot equity securities (as defined in section 94(2) of the Act) wholly for cash (i) in connection with a rights issue (as defined in Article 5 of the Articles and being an offer of equity securities open for acceptance for a period fixed by the Directors to holders of equity securities on the register on a record date fixed by the Directors in proportion to their respective holdings of such securities (for which purpose holdings in certificated and uncertificated form may be treated as separate holdings) or in accordance with the rights attached thereto (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory; and (ii) otherwise than in connection with a rights issue, up to an aggregate nominal amount equal to £554,733.22, as if section 89(1) of the Act did not apply to any such allotment.

The Directors may, during the period of such authority and power, make offers or agreements which would or might require the allotment of securities after the expiry of such period.

In relation to the grant of any rights to subscribe for or convert any securities into shares in the Company, the nominal amount of any such securities shall be taken to be the nominal amount of the shares in the Company which may be allotted pursuant to such rights.

4.9 The provisions of Section 89(1) of the Act (which, to the extent not disapplied pursuant to Section 95 of the Act, confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash), apply to the authorised but unissued share capital of the Company except to the extent disapplied as described in paragraph 4.8.2. Subject to certain limited exceptions, unless the approval of shareholders in a general meeting is obtained, the Company must normally offer Ordinary Shares to be issued for cash to holders of existing Ordinary Shares on a *pro rata* basis.

4.10 The new Ordinary Shares in issue following Admission will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after Admission on the Ordinary Share capital.

4.11 557,585 Ordinary Shares are subject to options pursuant to the Share Option Scheme, the Option Agreements, a separate option agreement and the JMF Option Agreement as further detailed in paragraphs 11.1, 11.4 and 12.6 of Part 4 of this document.

4.12 Save as disclosed in paragraph 4.11 above:

(a) no share or loan capital of the Company has been issued or is proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash;

(b) no share or loan capital of the Company is under option or is the subject of an agreement, conditional or unconditional, to be put under option; and

(c) no commission, discounts, brokerage or other special term has been granted by the Company or is now proposed in connection with the issue or sale of any part of the share or loan capital of the Company.

5 MEMORANDUM AND ARTICLES OF ASSOCIATION

5.1 The Company's principal objects are set out in clause 4 of the Memorandum of Association of the Company and include the carrying on of the business of a holding company.

5.2 The following is a description of the rights attaching to the Ordinary Shares based on the Articles and English law. This description does not purport to be complete and is qualified in its entirety by the full terms of the Articles.

5.2.1 ***Voting***

Subject to disenfranchisement in the event of:

(a) non-payment of calls or other monies due and payable in respect of Ordinary Share; or

(b) non-compliance with a statutory notice requiring disclosure as to beneficial ownership of Ordinary Shares,

and, without prejudice to any special rights previously conferred and subject to any special terms as to voting upon which any shares may be issued or may for the time being be held and to any other provisions of the Articles, on a show of hands every shareholder who is present in person at a general meeting of the Company shall have one vote, and on a poll every shareholder who is present in person or by proxy shall have one vote for every Ordinary Share held.

5.2.2 ***Dividends***

Subject to the Statutes (as defined in the Articles), the Company at a general meeting may declare dividends to be paid to shareholders according to their rights and interests in the profits available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board. Except insofar as the rights attaching to, or the terms of issue of, any Ordinary Share otherwise provide, all dividends shall be declared according to the amounts paid-up or credited as paid-up on the shares and apportioned and paid *pro rata* according to the amounts paid-up or credited as paid-up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Board may from time to time pay to the shareholders such interim dividends as appear to the Board to be justified by the position of the Company. Any dividend unclaimed after a period of 12 years from the date it became due for payment shall be forfeited and shall revert to the Company.

5.2.3 ***Distribution of assets on liquidation***

On a winding-up, the liquidator may, with the sanction of an extraordinary resolution of the Company and subject to and in accordance with the Statutes, divide among the shareholders *in specie* or kind the whole or any part of the assets of the Company, subject to the rights of any shares which may be issued with special rights or privileges.

5.2.4 ***Transferability of Ordinary Shares***

All transfers of Ordinary Shares which are in certificated form may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Board. The instrument of transfer shall be executed by or on behalf of the transferor and (except in the case of fully-paid shares) by or on behalf of the transferee. All transfers of Ordinary Shares which are in uncertificated form may be effected by means of a relevant system (as defined in the Articles).

The Directors may, in the case of shares in certificated form, in their absolute discretion and without assigning any reason therefor refuse to register any transfer of shares (not being fully-paid shares), provided that any such refusal does not prevent dealings in partly-paid shares from taking place on an open and proper basis. In addition, the Directors may, subject to the Uncertificated Securities Regulations 2001, refuse to register a transfer of shares (whether fully-paid or not) in favour of more than four persons jointly or made to or by an infant or patient within the meaning of the Mental Health Act 1983.

The Directors may decline to recognise any instrument of transfer relating to shares in certificated form unless the instrument of transfer is duly stamped, is in respect of only one class of share and is lodged at the Transfer Office accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

5.2.5 ***Variation of rights***

Subject to the Statutes, the special rights attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound-up) be altered or abrogated with the written consent of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class at which a quorum of two or more persons holding or representing by proxy not less than one-third of the issued shares of that class (or in the case of an adjourned meeting such quorum as is specified by the Articles) is present. The special rights conferred upon the holders of any shares or class of share having preferential rights shall not, unless otherwise expressly provided by the terms of issue thereof such shares, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the company in some or all respects *pari passu* therewith but in no respects in priority thereto or by the purchase by the Company of its own shares.

5.2.6 ***Changes in capital***

Subject to the provisions of the Statutes and to any special rights conferred on the holders of any shares or class of shares, the Company may issue redeemable shares.

Subject to the provisions of the Statutes and to any special rights previously conferred on the holders of any existing shares, any share may be issued with such special rights or such restrictions as the Company may determine by ordinary resolution. The Company may by ordinary resolution increase its share capital, consolidate and divide its share capital into shares of a larger amount, sub-divide its share capital into shares of a smaller amount (subject to the provisions of the Statutes) and cancel any shares which have not been taken or agreed to be taken by any person and diminish the amount of its authorised share capital by the amount of the shares so cancelled.

Subject to the provisions of the Statutes, the Company may reduce share capital, any capital redemption reserve and any share premium account in any manner. The Company may also, subject to the requirements of the Statutes, purchase its own shares.

5.2.7 ***Notice of General Meetings***

An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a director shall be called by at least 21 clear days' notice. All other extraordinary general meetings shall be called by at least 14 clear days' notice.

5.2.8 ***Untraced Shareholders***

Subject to the Statutes, the Company may sell any shares of a member or person entitled thereto who is untraceable, if during a period of 12 years, at least three dividends in respect of the shares in question have become payable and the cheques or warrants for all amounts payable to such member or person in respect of his shares have remained uncashed or mandated dividend payments have failed and the Company has received no indication of the existence of such member or person. The net proceeds of sale shall belong to the Company but the member or person who had been entitled to the shares shall become a creditor of the Company in respect of those proceeds.

If on two consecutive occasions notices or other communications (including dividend payments) have been sent through the post to any holder of shares to his registered or other specified address but returned undelivered or mandated dividend payments have failed, or following one such occasion and enquiries by the Company fail to establish a new address or account, the Company may cease to send such notices or other such communications or mandated payments until the person entitled thereto otherwise requires.

5.2.9 ***Non-UK Shareholders***

There are no limitations in the Memorandum or Articles on the rights of non-UK shareholders to hold, or exercise voting rights attaching to, Ordinary Shares. However, no shareholder is entitled to receive notices from the Company (whether electronically or otherwise), including notices of general meetings, unless he has given an address in the UK to the Company to which such notices may be sent.

5.2.10 ***Sanctions on Shareholders***

A holder of Ordinary Shares loses his rights to vote in respect of Ordinary Shares if and for so long as he or any other person appearing to be interested in those shares fails to comply with a request by the Company under the Act requiring him to give particulars of any interest in those Ordinary Shares within 14 days. In the case of shareholdings representing 0.25 per cent. or more, in nominal amount, of the share capital of the company then in issue, or any class thereof, the sanctions which may be applied by the Company include not only disenfranchisement but also the withholding of the right to receive payment of dividends and other monies payable on, and restrictions on transfers of, the Ordinary Shares concerned.

5.2.11 ***Directors Fees***

The Directors (other than those holding executive office with the Company or any subsidiary of the Company) shall be paid by way of fees for their services at such rate and in such proportion as the Board may resolve, a sum not exceeding an aggregate of £150,000 per annum or such larger amount as the Company may by ordinary resolution determine or, in the case of such Directors who are resident outside the UK, such extra remuneration as the Board may determine. Any Director who holds executive office or who performs duties outside the ordinary duties of a Director, may be paid such remuneration or extra remuneration by way of salary, commission or otherwise as the Board may determine.

The Directors shall also be paid all expenses properly incurred by them in attending meetings of the Company or of the Board or otherwise in connection with the business of the Company.

5.2.12 ***Directors' Interests***

A Director who is in any way, whether directly or indirectly, interested in any contract or proposed contract with the Company shall declare the nature of his interest in accordance with the Statutes.

A Director shall not vote, and shall not be counted in a quorum, in respect of any contract, arrangement or proposal in which he has an interest which (together with any interest of any person connected with him) is to his knowledge a material interest (otherwise than by virtue of shares or debentures or other securities of or otherwise through the Company), except that this prohibition shall not apply to:

(i) The giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;

(ii) The giving of any security, guarantee or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(iii) Any contract or arrangement by a Director to participate in the underwriting or sub-underwriting of any offer of shares, debentures or other securities of the Company or any of its subsidiaries for subscription, purchase or exchange;

(iv) Any contract or arrangement concerning any other company in which the Director and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in sections 820 to 825 of the Act) representing one per cent. or more of either any class of the equity share capital, or the voting rights, in such company. For the purpose of this paragraph, there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder;

(v) Any arrangement for the benefit of employees of the Company or any of its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;

(vi) Any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of *inter alia* any Directors of the Company;

and the Company may in general meeting at any time suspend or relax any such prohibitions or ratify any transaction not duly authorised by reason of a contravention of a prohibition.

5.2.13 ***Directors' Interests in Transactions***

Subject to the provisions of the Statutes, and provided that he had disclosed to the Board the nature and extent of any material interest of his, a Director notwithstanding his office may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested, may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested and shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit. Any Director may act by himself or by his firm in any professional capacity (other than auditor) and he or his firm shall be entitled to remuneration as if he were not a Director; provided that nothing authorises the director or his firm to act as auditor to the Company.

5.2.14 ***Qualification Shares***

The Directors are not required to hold qualification shares.

5.2.15 ***Retirement***

At each annual general meeting of the Company one-third (or the nearest number to one-third) of the Directors shall retire from office by rotation. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. In addition, any Director who would not otherwise be required to retire shall retire by rotation at every third Annual General Meeting after his last appointment or re-appointment. A retiring Director shall be eligible for re-election. The Company may from time to time by ordinary resolution appoint any person to be a Director. The Directors may also from time to time appoint one or more Directors but any Director so appointed shall retire at or at the end of the next annual general meeting of the Company but shall then be eligible for re-election and any Director who so retires shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

5.2.16 ***Executive Office***

The Board may from time to time appoint one or more Directors to be the holder of any executive office for such period and on such terms as it decides.

5.2.17 ***Borrowing Powers***

Subject to the provisions of the Statutes the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

6 INTERESTS OF THE DIRECTORS

6.1 The interests in the Ordinary Shares of the Company, which are beneficial unless otherwise stated, of the Directors and their immediate families (and, so far as is known by the Directors or could with reasonable diligence be ascertained by them, persons connected with them within the meaning of section 346 of the Act) which if the connected person were a director would otherwise be disclosed pursuant to this paragraph) as at the date of this document and as expected to be immediately following Admission, conditional upon Admission, are as follows:

	At the date of this document		*Immediately following Admission*	
Name	*No. of Ordinary Shares*	*% of Issued Share Capital*	*No. of Ordinary Shares*	*% of Enlarged Share Capital*
Peter Fowler	4,625,930	51.2	4,625,930	34.08
Patricia Fowler (*Connected person*)	1,652,530	18.29	1,652,530	12.18
Roger Worrall	2,249,922	24.9	2,249,922	16.58
Richard Worrall *(Connected person)*	2,500	0.03	2,500	0.02
Stuart Fowler	504,118	5.58	504,118	3.71
Nicholas Mearing-Smith	0	0	444,444	0.33
Gordon Bott	0	0	148,148	1.10
Sir Malcolm Ross	0	0	0	0

6.2 Number of Ordinary Shares over which options are granted:

	At the date of this document	*Immediately following Admission*
Name	*No. of Ordinary Shares over which Options are granted*	*No. of Ordinary Shares over which Options are granted*
Peter Fowler	0	0
Roger Worrall	24,000	24,000
Stuart Fowler	48,000	48,000
Nicholas Mearing-Smith	15,000	15,000
Gordon Bott	15,000	15,000
Heidi Fowler *(Connected person)*	73,000	73,000
Sir Malcolm Ross	67,862	67,862

6.3 Save as disclosed above, none of the Directors (or persons connected with the Directors within the meaning of section 346 of the Act) has any interest, whether beneficial or non-beneficial, in any share or loan capital of the Company.

6.4 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.

6.5 Save as disclosed above, and save as otherwise disclosed in this document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or under-performed.

6.6 None of the Directors or any person connected with them (within the meaning of section 346 of the Act) is interested in any related financial product referenced to the Ordinary Shares (being a financial product whose value is, in whole or in part, determined directly or indirectly by reference to the price of the Ordinary Shares including a contract for difference or a fixed odds bet).

7 DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

7.1 Peter Fowler has entered into an agreement with the Company to act as Chief Executive Officer with effect from 1 May 2007, His term of employment is for an initial fixed term of twelve months and shall continue until terminated by either party at any time by six months' notice. He will receive an annual salary of £116,000 payable by equal monthly instalments in arrears. His salary will be reviewed annually. The Company may, in its absolute discretion, pay to him an annual bonus of such amount up to 25 per cent. of his basic annual salary payable at such times as may from time to time be determined by the Remuneration Committee. He will be entitled to receive medical expenses insurance for himself and his close family, critical illness insurance and membership of a stakeholder pension scheme to which the company will make a contribution of up to 5 per cent. of salary. He will be entitled to 30 days holiday per annum. He will be entitled to a mileage allowance and the Company will provide him with a mobile telephone and will pay related expenses and will reimburse 75 per cent. of his home telephone line rental and call costs. He will be entitled to pay for up to 26 weeks in 12 months sickness absence and subsequent pay at the Company's discretion. The Agreement contains detailed provisions regarding confidentiality, intellectual property and other matters and post termination restrictive covenants applicable for twelve months after the termination. In the event of termination of his appointment, howsoever caused, he has agreed he will not be entitled to any compensation for the loss of office. Also in the event of termination a payment in lieu of notice may be made by the Company.

7.2 Roger Worrall has entered into an agreement with the Company to act as Commercial Director with effect from 1 May 2007. The appointment is for an indefinite period subject to six months' notice by either party at any time. He will receive an annual salary of £65,000 payable in monthly instalments in arrears. His salary will be reviewed annually. The Company may, in its absolute discretion, pay to him an annual bonus of such amount up to 25 per cent. of his basic annual salary payable at such times as may from time to time be determined by the Remuneration Committee. He will be entitled to medical expenses insurance for himself and his close family, critical illness insurance and membership of a stakeholder pension scheme to which the Company will make a contribution of up to 5 per cent. of salary. He will be entitled to 25 days holiday per annum. He will be entitled to a mileage allowance and the Company will provide him a mobile telephone and will pay related expenses and will reimburse 75 per cent. of his home telephone line rental and call costs. He will be entitled to pay for 20 weeks in 12 months sickness absence and subsequent pay at the Company's discretion. The Agreement contains detailed provisions regarding confidentiality, intellectual property and other matters and post termination restrictive covenants applicable for twelve months after the termination. In the event of termination of his employment, howsoever caused, he has agreed he will not be entitled to any compensation for the loss of office. Also in the event of termination a payment in lieu of notice may be made by the Company.

7.3 Stuart Fowler has entered into an agreement with the Company to act as Group Operations Director with effect from 1 May 2007. The appointment is for an indefinite period subject to six months' notice by either party at any time. He will receive an annual salary of £65,000 payable in monthly instalments in arrears. His salary will be reviewed annually. The Company may, in its absolutely discretion, pay to him an annual bonus of such amount up to 25 per cent. of his basic annual salary payable at such times as may from time to time be determined by the Remuneration Committee. He will be entitled to medical expenses insurance for himself and his close family, critical illness insurance and membership of a stakeholder pension scheme to which the Company will make a contribution of up to 5 per cent. of salary. He will be entitled to 25 days holiday per annum. He will be entitled to a mileage allowance and the Company will provide him with a mobile telephone and will pay related expenses and will reimburse 75 per cent. of his home telephone line rental and call costs. He will be entitled to pay for 20 weeks in 12 months sickness absence and subsequent pay at the Company's discretion. The Agreement contains detailed provisions regarding confidentiality, intellectual property and other matters and post termination restrictive covenants applicable for twelve months after the termination. In the event of termination of his appointment, howsoever caused, he has agreed he will not be entitled to any compensation for loss of office. Also in the event of termination a payment in lieu of notice may be made by the Company.

7.4 Nicholas Mearing-Smith has entered into an agreement with the Company to act as Finance Director with effect from 1 February 2007. The appointment will be terminable by either party giving to the other four weeks' notice. Nicholas Mearing-Smith will receive a monthly salary of £3,000 payable monthly in arrears. He will be entitled to membership of a stakeholder pension scheme to which the Company is under no obligation to make any contributions. He will be entitled to 20 days holiday per annum. The Agreement contains detailed provisions regarding confidentiality and other matters and post termination restrictive covenants.

7.5 Sir Malcolm Ross entered into an agreement with the Company to act as its Non-Executive Director and Chairman on 18 May 2007 with effect from that date. The appointment is for an indefinite period subject to three months' notice by either party at any time and also subject to the Articles. Sir Malcolm will receive an annual fee of £35,000 payable in quarterly instalments in arrears. This fee will be reviewed annually if Sir Malcolm's appointment is extended by the Board and any increase will be entirely at the discretion of the Company. He will not be entitled to any bonus, pension or other benefits. He is subject to confidentiality obligations and provisions relating to conflicts of interest. In the event of termination of his appointment, howsoever caused, he has agreed he will not be entitled to any compensation for loss of office.

7.6 Gordon Bott entered into an agreement with the Company to act as its Non-Executive Director on 18 May 2007 with effect from that date. The appointment is for an indefinite period subject to three months' notice by either party at any time and also subject to the Articles. Gordon will receive an annual fee of £24,000 payable in quarterly instalments in arrears. This fee will be reviewed annually and any increase will be entirely at the discretion of the Company. He will not be entitled to any bonus, pension or other benefits. He is subject to confidentiality obligations and provisions relating to conflicts of interest. In the event of termination of his appointment, howsoever caused, he has agreed he will not be entitled to any compensation for loss of office.

7.7 Save as disclosed above, there are no service contracts in existence or proposed between any Director and the Company or any company in the Group.

8 ADDITIONAL INFORMATION ON THE DIRECTORS

8.1 The names of all companies and partnerships of which the Directors have been a director or partner at any time in the five years preceding the date of this document and indicating whether they are current or past are set out below:

Current directorships:

Name	*Company*	*Date Appointed*
Sir Malcolm Ross	Westminster Group plc	18 May 2007
Peter Fowler	Westminster Group plc	29 September 2000
	Westminster International Limited	23 October 2000
	Westminster Technologies Limited	7 June 2004
	Westminster Facilities Management Limited	24 May 2004
	Lawnscote Estates Limited	7 March 2001
	RMS Integrated Solutions Limited	18 May 2007

Current directorships (continued):

Name	*Company*	*Date Appointed*
Roger Worrall	Westminster Group plc	29 September 2000
	Westminster International Limited	23 October 2000
	Westminster Technologies Limited	5 October 2000
	Westminster Facilities Management Limited	7 June 2004
	Banbury Masonic Buildings Company Limited	28 February 2007
	RMS Integrated Solutions Limited	18 May 2007
Stuart Fowler	Westminster Group plc	18 May 2007
	Westminster International Limited	29 March 2005
	Westminster Technologies Limited	5 October 2000
	RMS Integrated Solutions Limited	19 May 2007
Nicholas Mearing-Smith	SMS Pricecheck Limited	7 February 2005
	Price Revolution Limited	7 February 2005
	Content Channel Corp Limited	14 August 2006
	Nynex Cablecomms Group Inc.	11 July 1995
	Mercury Carphone Limited	2 June 1997
	Radicall Limited	1 November 2001
	IVT Corporation	March 2004
	Glacier Holdings	November 2003
	FN Cable Holdings BV	July 2005
	Romnic Investments srl	May 2005
	Servista Limited	1 June 2007
	Westminster Group plc	18 May 2007
Gordon Bott	Greenhill Residents' Company Limited	27 August 1992
	G J Bott Limited	10 July 2006
	Tichsa Limited	3 July 2006
	ISH2 Limited	3 July 2006
	Westminster Group plc	18 May 2007

Past directorships:

Name	*Company*	*Date Appointed*	*Date Resigned*
Peter Fowler	Westminster Security Group plc	27 August 1996	19 October 2000
	Westminster Security Systems Limited	July 1990	19 October 2000
	Westminster Security Limited	2 September 1996	19 October 2000
	Westminster Fire Limited	3 August 1998	19 October 2000
Roger Worrall	Westminster Security Group plc	21 July 1999	19 October 2000
	Westminster Security Systems Limited	21 April 1999	19 October 2000
	Westminster Fire Limited	4 January 2000	19 October 2000
	Menvier Limited	1 January 1987	30 April 1999
Nicholas Mearing-Smith	Message Hub Limited	12 September 2000	30 July 2004
	Metrocomm Limited	15 December 2000	29 June 2004
	Radicall Projects Limited	8 July 2002	24 March 2005

Past directorships (continued):

Name	*Company*	*Date Appointed*	*Date Resigned*
Gordon Bott	Dotphoto Limited	11 June 2001	11 January 2005
	Dipinto Limited	5 September 2005	1 November 2005
	Inet Distribution Limited	5 September 2005	1 November 2005
	Cewe Color Limited	5 September 2005	1 November 2005
	G J Bott Limited	5 May 2006	10 July 2006
	Pixology Software Limited	30 October 2001	29 August 2002
	Cewe Color Limited	Pre 14 November 1991	29 September 2004
	Dipinto Limited	26 March 2001	16 November 2004
	Tudor Photographic Group Limited	29 May 2003	8 February 2005
	SPS Logistics Limited	29 July 2005	25 April 2007

8.2 None of the Directors has:

8.2.1 any unspent convictions in relation to indictable offences;

8.2.2 had any bankruptcy order made against him or entered into any voluntary arrangements;

8.2.3 been a director of a company which has been placed in receivership, compulsory liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director save that Mr Nicholas Mearing-Smith was the chairman of a company called Radicall Limited which entered into compulsory liquidation in July 2004;

8.2.4 been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

8.2.5 been the owner of any asset or been a partner in any partnership which owned, any asset which while he owned that asset, or while he was a partner or within the 12 months after he ceased to be a partner in the partnership which owned the asset entered into receivership;

8.2.6 been the subject of any public criticism by any statutory or regulatory authority (including recognised professional bodies); or

8.2.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of any company.

8.3 Save as disclosed in this document, none of the Directors has or has had any interest in transactions effected by the Company since its incorporation which are or were unusual in their nature or conditions or which are or were significant to the business of the Company.

8.4 Each of the Directors has given an undertaking not to dispose of any of their Ordinary Shares, save in certain specified circumstances, for the period of 12 months from the date of Admission.

8.5 No loans made or guarantees granted or provided by the Company or any Company in the Group to or for the benefit of any Director are outstanding.

9 SUBSTANTIAL SHAREHOLDERS

9.1 Save as disclosed in sub-paragraphs 6.1 above the Company is only aware of the following persons who, at the date of this document and immediately following Admission, have an interest (within the meaning of Part 6 of FSMA and DTR5) directly or indirectly in 3 per cent. or more of the Company's issued share capital or could exercise control over the Company (disregarding any Ordinary Shares to be subscribed pursuant to the Placing):

	At the date of this document		*Following Admission*	
Name	*No. of Ordinary Shares*	*% of Issued Share Capital*	*No. of Ordinary Shares*	*% of Enlarged Share Capital*
Patricia Fowler	1,652,530	18.29	1,652,530	12.18
Northcote (IOM) Limited	0	0	2,222,222	16.37

9.2 None of the Directors nor any persons named in sub-paragraph 9.1 above has voting rights which are different to any other holder of Ordinary Shares.

10 EMPLOYEES

10.1 The average number of employees employed in the Group for each of the last 2 financial periods was as follows:

Period ending 30 September 2005	*Period ending 31 December 2006*
23	32

11 SHARE OPTION SCHEME

11.1 The Company adopted the Share Option Scheme on 3 April 2007 (the key terms of which are summarised at 11.4) and granted on 5 April 2007 EMI options over 175,000 Ordinary Shares to certain employees of the Group and unapproved options over 121,000 Ordinary Shares to non-qualifying employees of the Group. All options granted have an exercise price of 10 pence. The Company also granted 58,000 unapproved options under separate option agreements ("**Option Agreements**") on 5 April 2007 to non-executive directors and overseas employees of the Group. All options granted have an exercise price of 10 pence.

11.2 The options referred to above (the "**Pre IPO Options**") were granted to reward staff for their contribution to the success of the business to date. The Pre IPO Options were granted such that they are not subject to performance conditions and the cost of any employers' National Insurance Contributions ("**NIC**") should it arise, will be retained by the Company.

11.3 The Pre IPO Options granted except those granted to non-executive directors, were granted such that half vested immediately and the other half will vest on the second anniversary of the date of grant. Vested options can, for example, be exercised should an employee leave and is regarded as a good leaver, for example, because he leaves by reason of injury, disability, redundancy, etc. The Pre IPO Options granted to non-executive directors will vest and become exercisable on the second anniversary of the date of grant. The Pre IPO Options will lapse on 31 December 2007 if the Admission has not occurred before that date, although the Board has the power to preserve such options.

11.4 In June 2007 the Company granted an unapproved option over 67,862 Ordinary Shares to Sir Malcolm Ross (representing 0.5 per cent. of the Company's Enlarged Share Capital) at the Placing Price under a separate option agreement.

11.5 ***The Westminster Share Option Scheme Key Terms***

11.5.1 *Background and Structure*

The Share Option Scheme provides for the grant of both EMI and unapproved options.

The Share Option Scheme consists of three parts:

- The first part sets out the rules. The principal purpose of this is to set out the parameters within which the Share Option Scheme will be operated. It also ensures that the Share Option Scheme is an employees' share scheme for the purposes of the Companies Act;

- The second part is a model form of option agreement whereby the options are in fact granted; and
- The third part contains detailed terms of the options ("**the Conditions**").

11.5.2 *Model Form Agreement*

As mentioned above, the model form agreement provides for the grant of the options.

The model form agreement also allows the Company to adopt special conditions to tailor an option for any particular employee.

11.5.3 *Participation*

All full-time employees and directors of the Company are eligible to participate in the Share Option Scheme. The full-time working requirement means 25 hours a week or if less, 75 per cent. of the employees' working time. Employees who have a material interest in the Company cannot participate. 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.

11.5.4 *Grant of EMI Options*

EMI options may be granted over unissued or issued Ordinary Shares of the Company. No consideration will be payable for the grant of an option.

Each EMI option is personal to the option holder and any transfer, assignment, charge, pledge or other disposal of or dealing with the option will cause it to lapse.

Options may normally only be granted within 42 days of the announcement of the Company's full or interim financial results. If there are exceptional circumstances, options may be granted outside that 42 day period provided the Company is not within a close period.

Options may be granted such that their exercise is subject to performance conditions being satisfied. Any performance conditions should be objective and they should relate to the overall financial performance of the Company over a period of at least three years following the date of grant.

11.5.5 *Exercise Price*

The Board determines the exercise price of EMI options before they are granted. It is provided in the 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.

11.5.6 *EMI Scheme Limits*

The Share Option Scheme rules incorporate the limits relevant to EMI schemes, namely:

- the individual limit of £100,000 worth of shares over which options can be granted to an employee (taking the value at the date of grant) and taking into account any other EMI options or that options obtained under other approved schemes held by the employee; and
- the overall limit of £3 million of options that can be granted by the Company under the Share Option Scheme.

11.5.7 *Overall Scheme Limits*

There is limit that options over unissued shares granted under the Share Option Scheme and any discretionary share option scheme or other option agreement adopted or entered into by the Company prior to the IPO date must not exceed 4% of the issued share capital for the time being.

There is a further overall limit that options over unissued shares that may be granted under the Share Option Scheme and any other employees' share scheme or other option agreement adopted or entered into by the Company after an IPO must not exceed 10% of the issued share capital of the Company for the time being.

11.5.8 *Exercise of Options*

Options can be exercised on the second anniversary of the date of grant or on a takeover or liquidation if earlier. In any event, an EMI option will not be exercisable after the tenth anniversary of its grant. In the case of death, a participant's personal representatives may exercise his options within 12 months after the date of death. Options will remain exercisable for a period of 40 days if the participant is a "good leaver", for example they leave by reason of retirement, injury or redundancy etc, or the Board uses its discretion to permit participants who leave for any other reason to exercise their options.

11.5.9 *Takeovers and Liquidations*

In the event of a takeover, scheme of arrangement, change of control or voluntary winding up of the Company, vested options or options treated as vested become immediately exercisable. There is a provision allowing the roll-over of options provided that such roll-over satisfies the conditions set out in Part 6 of Schedule 5.

11.5.10 *Variation of Share Capital*

In the event of any variation of share capital such as a rights issue or capitalisation of the Company or of any reduction, sub-division or consolidation of capital, the number of shares which may be issued or transferred to a participant pursuant to a scheme shall be adjusted in such manner as the Company's auditors shall in their opinion consider and confirm in writing to the Board to be fair and reasonable.

11.5.11 *Tax*

Where a tax liability arises on the exercise of an option, the Company may make deductions from payments due to the option holder to meet such liability. If such payments are insufficient, the option holder must pay the Company the balance of the liability before Ordinary Shares are allotted or transferred to him. Alternatively, the Board may sell as many of the option holder's Ordinary Shares as are necessary to cover the liability. The option holder will bear the cost of any secondary National Insurance Contributions unless the Board determines otherwise at the date of grant.

11.5.12 *Amendment, Assignability and Termination*

The Board of Directors of the Company may make amendments to the rules of the Share Option Scheme and also may amend specific grants of options forming part of the Share Option Scheme (but any amendments to the advantage of participants must first be approved by the Company in general meeting). Variation of an agreement must be by agreement of all parties and must comply with the EMI Code. An EMI agreement cannot be by assigned the option holder and any rights under it are personal only to him. The Company, in a general meeting, or the Board can terminate the Share Option Scheme so that no further options are granted but any subsisting options granted before such termination shall not be affected.

11.6 ***Westminster Group Individual Share Option Agreements***

The Company has also granted unapproved options to selected consultants and non-executives of the Company. The Option Agreements incorporate the terms of the Share Option Scheme but the unapproved options are granted outside the Share Option Scheme.

The Option Agreements provide that the terms of those agreements are identical to the terms of the Share Option Scheme except that:

- all rules and conditions of the Share Option Scheme included for the purpose of ensuring the Share Option Scheme complies for the purposes of granting EMI options are dis-applied; and
- all references in the Share Option Scheme rules to eligible employee are removed and replaced with references to consultant as defined in the agreement which includes a non-executive director.

12 MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or its subsidiaries within the period of two years immediately preceding the date of this document or were entered into prior to this but contain provisions which are, or may be, material:

12.1 The Placing Agreement dated 15 June 2007 between the Company, the Directors and JM Finn whereby JM Finn has agreed, conditional upon, *inter alia,* Admission taking place on or before 8.00 a.m. on 21 June 2007 (or such later time as the Company and JM Finn shall agree being not later than 8.00 a.m. on 2 July 2007) and the Company and its Directors complying with certain obligations under the Placing Agreement to use its reasonable endeavours as agent for the Company, to procure subscribers for the Placing Shares at the Placing Price. Pursuant to the Placing Agreement, the Company and its Directors have given certain warranties to JM Finn regarding, *inter alia*, the accuracy of information in this Document. In addition, the Company has agreed to give certain indemnities to JM Finn. The Placing is not underwritten. Under the Placing Agreement, the Company has agreed to pay to JM Finn a commission of 5 per cent. of the aggregate value of the Placing Shares at the Placing Price and a corporate finance fee of £115,000 (upon completion of the Admission and the Placing), together with all costs and expenses and VAT thereon, where appropriate. JM Finn is entitled, in certain limited circumstances, to terminate the Placing Agreement prior to Admission and to the payment of its corporate finance fee and outstanding costs on such termination.

12.2 Each of the Directors has undertaken and has agreed to procure the same in respect of their associates (as defined in the definition of "related party" within the AIM Rules), not to directly or indirectly, sell, transfer or dispose of any Ordinary Shares in which they are interested for a period of 12 months following Admission or to enter into any agreement or arrangement to do so, save in certain limited circumstances, including, *inter alia*, in the event of an intervening court order or the death of the relevant Director. Each Director has also undertaken (and has agreed to procure the same in respect of their associates (as defined in the definition of "related party" within the AIM Rules)) that, save in certain limited circumstances, for a period of 12 months following the first anniversary of Admission they will not directly or indirectly sell, transfer or dispose of any Ordinary Shares except through the Company's broker from time to time in order to maintain an orderly market in the reasonable opinion of the Company's broker.

12.3 A Nominated Adviser and Broker Agreement dated 15 June 2007 between the Company, the Directors and JM Finn pursuant to which the Company has appointed JM Finn to act as nominated adviser and broker to the Company for the purposes of the AIM Rules. The Company has agreed to pay to JM Finn an annual advisory fee of £45,000 plus VAT and reasonable expenses (quarterly in advance). The Agreement contains certain undertakings by the Company and the Directors and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable regulations. The Agreement continues for a minimum period of 12 months and is subject to termination, *inter alia*, by either the Company or JM Finn on the giving of not less than three months' prior written notice.

12.4 The Lock-in and Orderly Market Agreements dated 15 June 2007 pursuant to which Richard Worrall and Patricia Fowler have undertaken and have agreed to procure the same in respect of their associates (as defined in the definition of "related party" within the AIM Rules) not to directly or indirectly sell, transfer or dispose of any Ordinary Shares in which they are interested during the period of 12 months following Admission, save in certain limited circumstances, including, *inter alia*, in the event of an intervening court order or the death of the relevant convenantor. Richard Worrall and Patricia Fowler have also undertaken and have agreed to procure the same in respect of their associates (as defined in the definition of "related party" within the AIM Rules) that, save in certain limited circumstances, for a period of 12 months following the first anniversary of Admission they will not directly or indirectly sell, transfer or dispose of any Ordinary Shares in which they are interested except through the Company's broker from time to time in order to maintain an orderly market in the reasonable opinion of the Company's broker.

12.5 A Relationship Agreement dated 15 June 2007 between the Company, Peter Fowler and JM Finn pursuant to which, conditional on Admission, Peter Fowler has agreed with the Company and JM Finn that whilst he, any related party (being "an associate" as defined in paragraph (c) of the definition of "related party" in the AIM Rules) and/or his son Stuart Fowler (being together the "Related Parties") controls the right to exercise more than 45 per cent. of the rights to vote at general meetings of the Company, he and any of his Related Parties will vote, *inter alia*, so as to ensure that the Group can carry on its business and conduct its affairs independelty of him and/or his Related Parties.

12.6 An option agreement dated 15 June 2007 (the "JMF Option Agreement") between the Company and JM Finn pursuant to which the Company has granted options over 135,723 Ordinary Shares (representing 1 per cent. of the Company's Enlarged Share Capital) at the Placing Price to JM Finn.

13 LITIGATION

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) of which the Company is aware, which may have or have had during the 12 months immediately preceding the date of this document a significant effect on the financial position or profitability of the Company or the Group.

14 WORKING CAPITAL

In the opinion of the Directors, having made due and careful enquiry, and taking into account the net proceeds of the Placing, the working capital available to the Company and the Group is sufficient for its present requirements, that is, for at least the next 12 months from the date of Admission.

15 TAXATION

The following paragraphs are intended as a general guide only for shareholders who are resident or ordinarily resident in the United Kingdom for tax purposes, holding Ordinary Shares as investments and not as securities to be realised in the course of a trade, and are based on current legislation and UK HM Revenue and Customs practice. Any prospective purchaser of Ordinary Shares who is in any doubt about his tax position, or who is subject to taxation in a jurisdiction other than the UK, should consult his own professional adviser immediately.

15.1 ***Taxation of Chargeable Gains***

For the purpose of tax on chargeable gains, the issue of Ordinary Shares pursuant to the Placing will be regarded as an acquisition of a new holding in the share capital of the Company.

To the extent that a Shareholder acquires Ordinary Shares allotted to him, the Ordinary Shares so allotted will, for the purpose of tax on chargeable gains, be treated as acquired on the date of allotment. The amount paid for the Ordinary Shares will constitute the base cost of the Shareholder's holding. The amount paid for the Ordinary Shares subscribed for will be eligible for taper relief allowance.

If a Shareholder disposes of all or some of his Ordinary Shares, a liability to tax on chargeable gains may, depending on his circumstances, arise.

15.2 ***Stamp Duty and Stamp Duty Reserve Tax***

No stamp duty or stamp duty reserve tax ("SDRT") will generally be payable on the issue of the Ordinary Shares.

(i) **Sale of Ordinary Shares in Certificated Form**

An agreement to transfer Ordinary Shares held in certificated form will generally give rise to a liability to SDRT, generally at the rate of 0.5 per cent. of the amount or value of the consideration given, although if the agreement to transfer such shares is completed by a duly stamped transfer to the buyer within six years of the agreement to transfer (or, where such agreement is conditional, within six years of such agreement becoming unconditional), the stamp duty payable in respect of such transfer (generally at the rate of 0.5 per cent. of the consideration given rounded up to the nearest £5) will extinguish the liability to SDRT and enable a refund of any SDRT already paid to be received. Stamp duty and SDRT are generally paid by the buyer of shares, although where such a purchase is effected through a stockbroker or other financial intermediary, that person should normally account for the liability to SDRT and should indicate this has been done in any contract note issued to a buyer.

(ii) **Transfer of Shares into CREST**

Where shares are transferred to a member of CREST who will hold those shares in uncertificated form as nominee for the transferor no stamp duty or SDRT will generally be payable.

(iii) **Rematerialisation**

Where shares are transferred by a member of CREST to the beneficial owner (on whose behalf it has held them as nominee) no stamp duty or SDRT will generally be payable.

(iv) **Transfer of Shares within CREST or Rematerialisation to New Owner**

Where a change in the beneficial ownership of shares held in uncertificated form occurs and such change is for a consideration in money or money's worth (whether the transferee will hold those shares in certificated or uncertificated form) a liability to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration will arise. This will generally be met by the new beneficial owner.

The above statements are intended as a general guide to the current position. Certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate (this arises in connection with depositary receipt arrangements or clearance services) or may, although not primarily liable for the tax, be required to notify and account for it.

15.3 ***Dividends and other Distributions***

Dividends paid by the Company will carry an associated tax credit of one-ninth of the cash dividend or ten per cent. of the aggregate of the cash dividend and associated tax credit. Individual shareholders resident in the UK receiving such dividends will be liable to income tax on the aggregate of the dividend and associated tax credit at the dividend ordinary rate (10 per cent.) or the dividend upper rate (32.5 per cent.).

The effect will be that taxpayers who are otherwise liable to pay tax at only the lower rate or basic rate of income tax will have no further liability to income tax in respect of such a dividend. Higher rate taxpayers will have an additional tax liability (after taking into account the tax credit) of 22.5 per cent. of the aggregate of the cash dividend and associated tax credit. Individual shareholders whose income tax liability is less than the tax credit will not be entitled to claim a repayment of all or part of the tax credit associated with such dividends.

A UK resident corporate shareholder should not be liable to corporation tax or income tax in respect of dividends received from the Company unless that company is carrying on a trade of dealing in shares.

Trustees of discretionary trusts are liable to account for income tax at the rate applicable to trusts on the trust's income and are required to account for tax at the dividend trust rate, currently 35 per cent. with a credit for tax at the dividend ordinary rate.

Shareholders who are resident for tax purposes outside the United Kingdom are not generally entitled to claim any part of the tax credit, subject to any exceptions which may be provided in any double taxation convention that exists between the United Kingdom and such countries. Shareholders who are resident for tax purposes in countries other than the United Kingdom may also be subject to tax on dividend income under any law to which they may be subject outside the United Kingdom. Such shareholders should consult their own tax advisers concerning their tax liabilities.

If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the UK, you should consult your professional adviser.

16 GENERAL

16.1 The gross proceeds of the Placing are expected to be £3.1 million. The total costs and expenses relating to the Placing payable by the Company are estimated to be £0.6 million (excluding VAT).

16.2 In the opinion of the Directors, the minimum amount which must be raised from the Placing is £2,500,000 to be applied as follows:

Funding of sales and marketing programme	–	£400,000
Commissions and expenses of the issue	–	£500,000
Working capital	–	£1,600,000

16.3 The Placing Shares are not being offered generally and no applications have or will be accepted other than under the terms of the Placing Agreements and the Placing Letters. All the Placing Shares have been placed firm with placees. The Placing is not being guaranteed or underwritten by any person.

16.4 Monies received from applicants pursuant to the Placing will be held in accordance with the terms and conditions of the Placing until such time as the Placing Agreement becomes unconditional in all respects. If the Placing Agreement does not become unconditional in all respects by 2 July 2007, application monies will be returned to the placees at their risk without interest.

16.5 The Placing Price represents a premium over nominal value of 57.5p per Ordinary Share.

16.6 Baker Tilly Corporate Finance LLP has given and not withdrawn its written consent to the inclusion of references to them herein in the form and context in which they appear and to the inclusion of their reports in this document.

16.7 JM Finn has given and not withdrawn its written consent to the inclusion in this document of reference to its name in the form and context in which it appears.

16.8 The accounting reference date of the Company is 31 December.

16.9 Ellacotts LLP of Beechfield House, 38 West Bar, Banbury, Oxfordshire, OX16 9RX were appointed as the Company's auditors in 2000 and resigned on 18 May 2007.

16.10 It is expected that definitive share certificates will be despatched by hand or first class post by 28 June 2007. In respect of uncertificated shares, it is expected that Shareholders' CREST stock accounts will be credited on 21 June 2007.

16.11 The Directors are unaware of any exceptional factors which have influenced the Company's activities.

16.12 There are no patents or other intellectual property rights, licences or particular contracts which are or may be of fundamental importance to the Company's business.

16.13 The Group has not made any investments since 30 September 2004 up to the date of this document, nor are there any investments by the Group in progress or anticipated which are significant.

16.14 There have been no significant changes in the trading or financial position of the Group since 31 December 2006, being the date to which the last audited accounts were made up.

16.15 CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding and transfer of shares under CREST. The Company has applied for the issued and to be issued Ordinary Shares to be admitted to CREST and it is expected that the issued and to be issued Ordinary Shares will be so admitted, and accordingly enabled for settlement in CREST.

16.16 No person directly or indirectly (other than the Company's professional advisers and trade suppliers or save as disclosed in this document) in the last twelve months received or is contractually entitled to receive, directly or indirectly, from the Company on or after Admission (excluding in either case persons who are professional advisers otherwise than as disclosed in this document and persons who are trade suppliers) any payment or benefit from the Company to the value of £10,000 or more or securities in the Company to such value at the Placing Price or entered into any contractual arrangements to receive the same from the Company at the date of Admission.

17 AVAILABILITY OF THIS DOCUMENT

Copies of this document are available free of charge from the Company's registered office and at the offices of JM Finn, 4 Coleman Street, London EC2R 5TA, during normal business hours on any weekday (Saturdays and public holidays excepted) and shall remain available for at least one month after Admission.

15 June 2007

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