WESTMINSTER
GROUP PLC

Annual Report

and Financial Statements

2020

Worldwide world class protection

About Westminster

The Westminster Group is a global security and managed services group

"Westminster believes all citizens of the world have the right to personal safety and security."

MISSION STATEMENT

Annual report

Contents

The years

Highlights

91%

of 2019 revenue despite Covid-19

274%

increase in equity

43%

reduction in loss after tax

225%

increase in containers scanned

32%

increase in average orders per month

239

staff worldwide

Operational

- Successfully navigated Covid-19 largely due to the Company's multiple revenue stream business model and early action by management. Both Technology and Services Divisions, delivered a robust performance.
- Strong and profitable H1 performance delivering 24% increase over H1 2019, although H2 was more challenging due to travel restrictions.
- Travel restrictions and airport closures materially affected our airport managed services, training and guarding business but was offset by growth in product sales and port services.
- Supplied products and solutions to 78 (2019:66) countries across the world.
- Successfully completed a $665,000 contract to supply screening and safety equipment to a global investment management company's 85 offices in 37 countries around the world.
- Secured a £1.5 million, 5-year contract to provide security screening equipment and other services to the Palace of Westminster (informally known as the UK Houses of Parliament).
- Secured £750,000 3-year guarding contract for one of the UK's leading housebuilders.
- Successfully completed a contract at short notice to repatriate 80 NGO staff stranded in Africa.
- Signed strategic alliance with JP International Training.
- Launched new group wide website.
- Launched new on-line training catalogue.
- Launched a UK focussed TV 'Get Back to Work Safely' advertising campaign.
- Westminster's aviation security training operations was graded as 'Outstanding' in all areas audited by UK Civil Aviation Authority (CAA).
- Implemented new working practices to keep all our employees safe during Covid-19 and maintained full employment utilising the furlough scheme where appropriate.
- Recognised by the London Stock Exchange as one of the select 1000 Companies to Inspire Britain.

Financial

- Despite material impact from Covid-19 still achieved revenues of £10.0m (2019: £10.9m).
- Loss after tax improves to £0.7m (2019: loss of £1.3m*).
- Repaid both Convertible Loan Notes and RiverFort Loan out of £5m placing undertaken in December 2020.
- Total Equity / Net Assets grows from £1.9m in 2019 to £7.1m in 2020.

Post Period End

- Commenced year debt free.
- Despite continued disruption from Covid-19 encouraging start to the year.
- Recovery of West African Airport operations ahead of expectations.
- Port operations performing well.
- New training contracts indicating recovery in training business.
- Commenced work on Palace of Westminster project (delayed from 2020).
- All large-scale project opportunities remain live, including African airport projects, despite timing delays due to travel restrictions and other disruption.
- Enquiry levels remain healthy.
- Outstanding achievement in international trade recognised by a Queen's Award for Enterprise for International Trade.

"Our vision is to build a global business with strong brand recognition delivering advanced security solutions and long-term managed services to high growth and emerging markets around the world, with a particular focus on long term recurring revenue business enhancing shareholder value."

VISION STATEMENT

** restated refer Chief Financial Officer's Report and note 31*

Westminster Group PLC

Who we are

Westminster Group Plc is a British security and defence organisation with international offices, agents and partner companies in over 50 countries. We solve security, safety and defence problems for governments, military, non-governmental organisations (NGOs), air and seaports, critical infrastructure and major organisations and corporations worldwide.

The Group's principal activity is the design, supply and on-going support of advanced technology security solutions, encompassing a wide range of surveillance, detection, tracking and interception technologies and the provision of long-term managed services contracts such as the management and running of complete security services and solutions in airports, ports and other such facilities together with the provision of manpower, consultancy and training services.

The Group's various operating companies are structured into two vertically integrated operating divisions, Managed Services and Technology all focussed on deliver products, services and solutions to our three key market sectors - LAND - SEA – AIR.

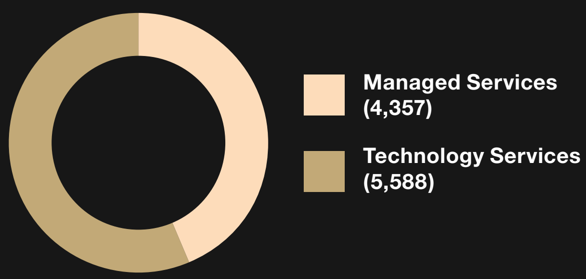
78

countries in 2020

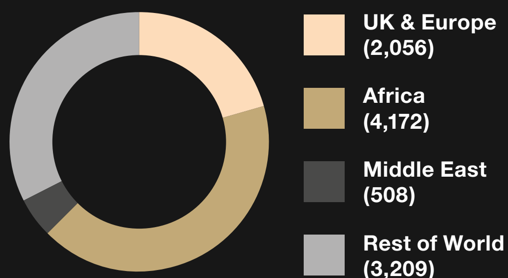
50+

agents and offices

Divisional Revenue Split (£'000)

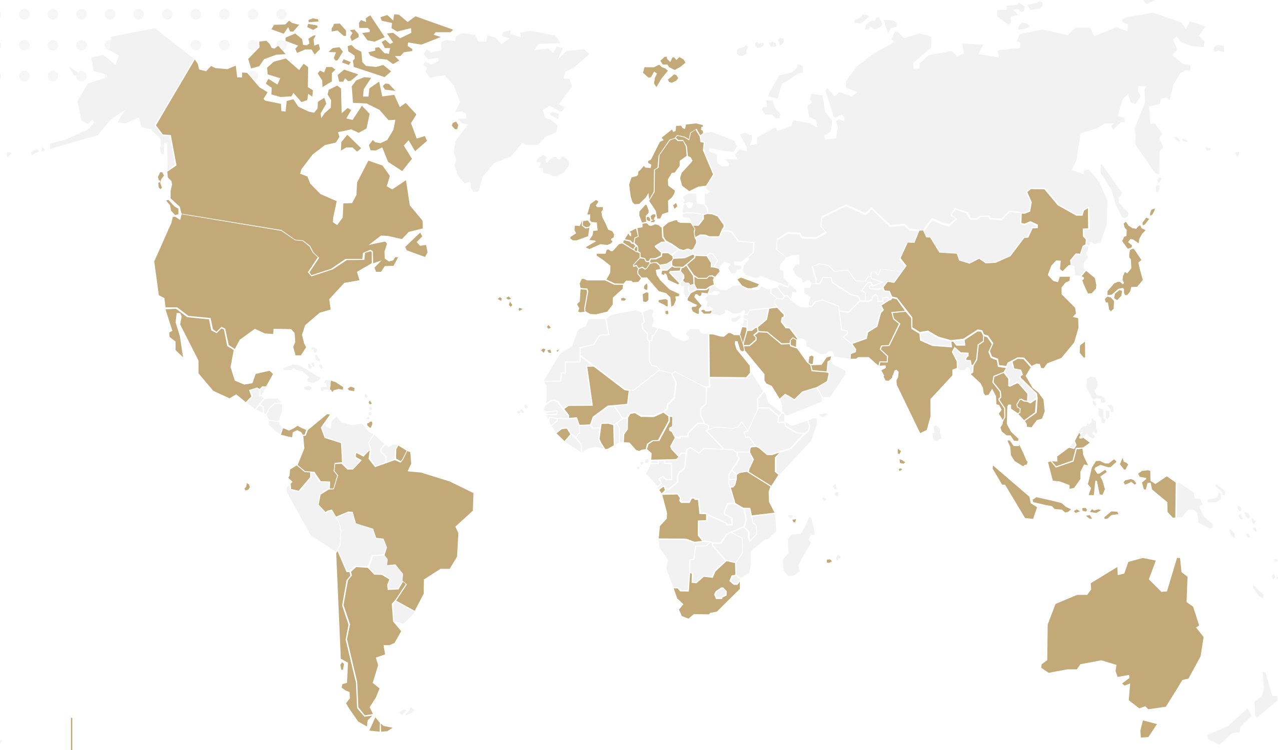


Geographical Revenue Split (£'000)



Westminster

Around the world



Worldwide world class protection

Regional Offices

UK

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

France

Euro Ops International
3 rue de Bischwihr
68280 Andolsheim
France

Germany

GLIS
Gesellschaft für Luftfahrt- und
Infrastruktur-Sicherheit GmbH
Chiemsestr. 25, D – 83233
Bernau am Chiemsee
Germany

KSA

Westminster Arabia
Building No. 482
Al Orouba Road
Olaya Street
Riyadh 11531
Saudi Arabia

Ghana

Administration Office
Tema Port
Accra
Ghana

Sierra Leone

60 Wellington Street
Freetown
Sierra Leone

Strategic report

Chairman's Statement

Rt. Hon Sir Tony Baldry DL
Chairman

Overview

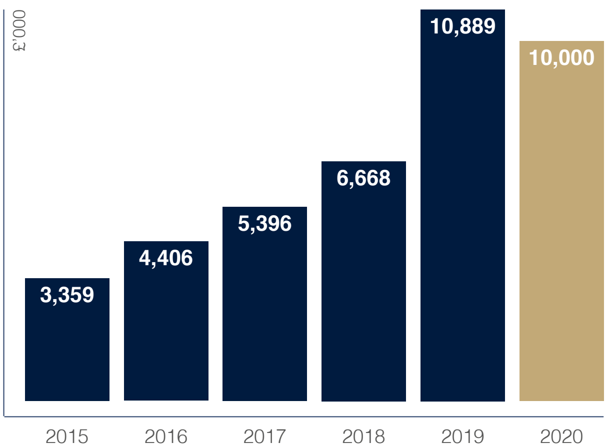
I am pleased to present the Westminster Group PLC. Final Results for the year ended 31 December 2020 in which the Group has delivered a reasonably strong performance despite the challenges of the Covid-19 pandemic.

2020 has been dominated by Covid-19 which was declared a global pandemic in March 2020 creating a worldwide healthcare crisis with tens of millions of citizens infected and a tragic loss of life. Governments around the world reacted in various ways with many closing borders, some putting large parts of their populations on lockdown and imposed travel restrictions. This has had a profound impact on the global economy and businesses across the globe, the like of which has not been seen in a generation.

We are a business which operates internationally with staff around the world, and we are heavily involved in international travel, as such we are not immune to the impact of the global disruption caused by the pandemic.

"We have delivered a good trading result with circa £10m in revenues and a substantially improved loss after tax of £0.7m (2019: £1.3m*)."

Revenue Growth



I am therefore proud of the way in which we have successfully navigated the crisis which is due in no small part to the agility and foresight of our management team in taking early action, together with the strength of our multi-revenue stream business model.

I am pleased to report therefore that despite all of the challenges we have delivered a good trading result with circa £10m in revenues and a substantially improved loss after tax of £0.7m (2019: £1.3m*).

At the time of writing Covid-19 is still impacting the global economy and many travel restrictions remain in place and therefore there is still uncertainty and challenges for businesses as we enter 2021. However, with vaccination programmes being successfully rolled out around the world and new cases of the virus declining there is cause for optimism. In addition, due to the successful £5m fundraise that we completed in December 2020, we enter 2021 debt free, having repaid all our Loan Notes and the RiverFort debt, and so are now in a much stronger financial position to deal with the challenges and to fund our current and anticipated contracts.

** Restated, refer to Chief Financial Officer report and Note 31*
^ This is an Alternative Performance Measure refer to Note 2 for further details

I am proud of our achievements for 2020, particularly against a backdrop of the global pandemic, which is a testament to the hard work and dedication of all our staff and I am therefore delighted that our achievements have been recognised by a Queen's Award for Enterprise for International Trade. This prestigious award is recognised worldwide and is an indication of the growth and momentum we are achieving with our world-wide business.

"We have successfully navigated the crisis which is due in no small part to the agility and foresight of our management team in taking early action, together with the strength of our multi-revenue stream business model."

Corporate Conduct

As a company whose shares are traded on the AIM market of the London Stock Exchange, we recognise the importance of sound corporate governance throughout our organisation giving our shareholders and other stakeholders including employees, customers, suppliers and the wider community confidence in our business. We endeavour to deliver on our corporate Vision and Mission Statements in an ethical and sensitive manner irrespective of race, colour or creed. This is not only a requirement of a well-run public company but makes good commercial and business sense.

In my capacity as Executive Chairman, I have ultimate responsibility for ensuring the Board adopts and implements a recognised corporate governance code in accordance with our stock market status. Accordingly, the Board has adopted, and is working to, the Quoted Companies Alliance (QCA) Corporate Governance Code 2018. The Chief Executive Officer (CEO) has responsibility for the implementation of governance throughout our organisation, commensurate with our size of business and worldwide operations.

The QCA Corporate Governance Code 2018 has ten key principles and we set out on our website how we apply those principles to our business, and more detailed information is provided in these accounts.

We operate worldwide with a focus on emerging markets and in a sector where discretion, professionalism and confidentiality are essential. It is vitally important that we maintain the highest standards of corporate conduct. The Corporate Governance Report sets out the detailed steps that we undertake to ensure that our standards, and those of our agents, can stand any scrutiny by Government or other official bodies.

Social Responsibility

As a Group, we take our corporate social responsibilities very seriously, particularly as we operate in emerging markets and in some cases in areas of poverty and deprivation. I am proud of the support and assistance we as a business provide in many of the regions in which we operate, and I would like to pay tribute to our employees and other individuals and organisations for their generous support and contributions to our registered charity, the Westminster Group Foundation. We work with local partners and other established charities to provide goods or services for the relief of poverty or advancement of education or healthcare making a difference to the lives of the local communities in which we operate. For more information or to donate please visit www.wg-foundation.org.

Employees and Board

Our overriding priority however is and has been the safety and wellbeing of our people around the world and to continue to provide a valuable service to our customers. To those ends we put in place various precautionary measures, including cost reduction and are undertaking regular risk assessments for all areas of our business and have put in place processes and safe working practices, with a number of employees working from home. We also utilised the UK furlough scheme where appropriate.

Meeting with the Group's ever-expanding team of consummate professionals is one of the Board's more pleasurable responsibilities. As a service-based business, our employees are key to delivering success. On behalf of the Board, I want to congratulate Westminster's management and employees around the globe for their achievements and the vital contribution they have made to our success in 2020 and the way in which they have risen to the challenges and opportunities presented by Covid-19.

We have not made any changes to the Board in 2020.

I would finally like to extend my appreciation to our investors for their continued support and to our strategic investors who are bringing their expertise to help deliver value for all.

Rt. Hon Sir Tony Baldry DL
Chairman

29 April 2021

Strategic report

Chief Executive Officer's Report

Peter Fowler
Chief Executive Officer

Business Description

The Westminster Group is a global integrated security services company delivering niche security solutions and long-term managed services to high growth and emerging markets around the world, with a particular focus on long term recurring revenue business.

Our target customer base is primarily governments and governmental agencies, critical infrastructure (such as airports, ports & harbours, borders and power plants), and large-scale commercial organisations worldwide.

We deliver our wide range of Land, Sea and Air solutions and services through a number of operating companies that are currently structured into two operating divisions; Services and Technology; both primarily focused on international business as follows:

Services Division
Focusing on long term (typically 10 – 25 years) recurring revenue managed services contracts such as the management and operation of security solutions in airports, ports and other such facilities, together with the provision of manpower, consultancy and training services.

Technology Division
Focussing on providing advanced technology led security solutions encompassing a wide range of surveillance, detection, tracking, screening and interception technologies to governments and organisations worldwide.

In addition to providing our business with a broad range of opportunities, these two divisions offer cost effective dynamics and vertical integration with the Technology Division providing vital infrastructure and complex technology solutions and expertise to the Services Division. This reduces both supplier exposure and cost and provides us with increasing purchasing power. Our Services Division provides a long-term business platform to deliver other cost-effective incremental services from the Group.

We have a successful track record of delivering a wide range of solutions to governments and blue-chip organisations around the world. Our reputation grows with each new contract delivered - this in turn underpins our strong brand and provides a platform from which we can expand our business.

Overview

A defining aspect of 2020 has been the global impact of Covid-19 and I am pleased to report that, despite parts of our business being adversely impacted by lockdowns and travel restrictions, the strength of our business model, with multiple revenue streams from multiple sources around the world, together with our global footprint has meant that we were better placed than many companies to deal with the numerous challenges created by the Pandemic.

"We commenced 2020 on a positive note, with visibility over circa £8m of annual recurring revenues from our long-term managed services, guarding and maintenance contracts."

** Restated, refer to Chief Financial Officer report and Note 31*
^ This is an Alternative Performance Measure refer to Note 2 for further details

We commenced 2020 on a positive note, with visibility over circa £8m of annual recurring revenues from our long-term managed services, guarding and maintenance contracts. Our managed services contracts were running at record levels, we had a healthy backlog of work in hand, our product sales, guarding and training businesses were all operating successfully, and we had positive momentum with a number of our major business development activities. In short, we were on course to continue our year-on-year revenue growth and to deliver healthy post tax profits.

However, as an international business we regularly monitor global activities for issues that may affect our business and in early January we had identified the potential threats and opportunities from the Covid-19 outbreak, long before it was declared a pandemic. We took early steps accordingly to mitigate any adverse impact and to maximise opportunities including restructuring our operations to maintain services and keep our people safe, increased targeted marketing and significantly increasing our stockholding of products such as fever screening equipment, in order to deal with expected demand. These measures were to prove invaluable as the Covid-19 crisis unfolded and logistics became challenging.

Given the worldwide impact of Covid-19, 2020 has been a challenging year but a year in which we have still achieved a number of successes to move our business forward and I am proud of how our staff have pulled together and how we have managed to navigate the crisis.

We have kept our people safe, employed and maintained our global operations, albeit some on reduced levels. We have continued to deliver on business opportunities and in 2020 we have supplied goods and service to 78 countries around the world, including some notable contract wins despite the challenges from Covid-19. We have continued to invest in our worldwide business development programmes in order to deliver on our growth potential, particularly in our long-term major managed services projects. Despite the challenges and impact of Covid-19 and travel restrictions resulting in a material loss of revenue in our Services business as well as much of our H2 order intake moving to 2021 we have still delivered a result largely in line with expectations with circa £10m in revenues and substantially improved loss after tax of £0.7m (2019: £1.3m*).

I am delighted therefore that all our hard work, efforts and achievements have not only resulted in Westminster being recognised by the London Stock Exchange in November 2020 as one of the select 1000 Companies to Inspire Britain but more importantly, as announced on 29 April 2021, Her Majesty The Queen approved the Prime Minister's recommendation that Westminster should receive a Queen's Award for Enterprise for International Trade, which is a huge accolade for our business.

Business review

Despite the challenges presented by Covid-19 in 2020 both of our divisions, Technology and Services, delivered a robust performance. The Technology Division increased revenues by 4% to £5.6m (2019: £5.4m) mainly due to strong product sales. The Services Division still delivered revenues of £4.4m (2019: £5.5m) despite the fact our training, guarding and airport operations were heavily impacted by Covid-19 travel restrictions and lockdowns. It was however a year of two halves.

H1 2020 was very successful, delivering a 24% increase over H1 2019 revenues, continuing our four years of double-digit % revenue growth, and resulting in a pre-tax profit of circa £230k. This, in part, was due to record revenues from our West African airport operations for the first two months of the year, the delivery of the 2nd Asian port scanner (secured in 2019), a successful campaign around Covid-19 sales resulting in a surge of product sales, a significant contract for a global financial institution worth $665k supplying fever screening to their 85 offices in 37 countries and of course an increasing contribution from Ghana.

"H1 2020 was very successful, delivering a 24% increase over H1 2019 revenues, continuing our four years of double-digit % revenue growth, and resulting in a pre-tax profit of circa £230k."

H2 2020 was a more challenging period due to the prolonged impact of Covid-19 lockdowns and travel restrictions. Our West African airport operations were completely closed for several months, reopening at the end of July 2020 with significantly reduced traffic volumes, even lower than we experienced during the height of the Ebola crisis. I am pleased to report however that we have seen a steady and sustained improvement in passenger numbers towards the end of the year, which is encouraging for 2021. Our training and guarding operations were heavily impacted throughout H2 and the spike in Covid-19 related sales we saw in H1 dwindled as companies retrenched and reduced spending due to uncertainty. Ghana continued to show increasing revenues making a healthy contribution.

2020 was a busy year. In addition to dealing with the many challenges caused by the Covid-19 pandemic we still managed to expand our operations, instigate new strategies to grow and protect our business, and to secure important new business, supplying goods and services to 78 countries around the world, including some notable contract wins.

Strategic report

Chief Executive Officer's Report

An example of just some of the many activities and initiatives we undertook throughout the year are as follows:

In January 2020 we entered into and announced a £3.0m Mezzanine Loan Facility with RiverFort Global Opportunities PCC and YA II PN Ltd. of which we drew down £1.5m for the purposes of commencing repayment of our existing £2.245m Convertible Secured Loan Notes (CSLNs) and to provide additional financing if required. We duly commenced the staged redemption of the CSLNs in February 2020 repaying the first 25%). However, given the growing global impact of Covid-19 we subsequently decided to conserve funds to deal with the uncertainties arising from the pandemic and in March 2020 agreed with noteholders to extend the CSLNs redemption date until May 2021 (these were subsequently repaid in full in December 2020).

In February 2020 just before travel restrictions were imposed, we manged to deliver and subsequently receive payment for the final container screening equipment unit to a second port in Asia as part of the $3.4 million USD contract secured in 2019. Installation of the unit and collection of the installation fee of USD $0.18 million will be finalised once we are able to travel and gain access to the country.

In March 2020 we announced the main contract relating to the container screening project at the $1.5 billion container port expansion project in Tema Port, Ghana, which Westminster has been operating since July 2019, was finally signed between Meridian Port Services and Scanport, confirming Westminster as the Technical Partner for the duration of the 5-year renewable contract term. It is pleasing to report that the operation has largely been unaffected by Covid-19 and continued to generate healthy revenues throughout the year, even during the country's lockdown period, which demonstrates the value of this long-term managed services contract. Under contract, Westminster and our local partners, Scanport, are responsible for the screening of containers passing through the port, with Westminster responsible for technical management and operations and Scanport being responsible for local management, costs and employment. Revenues are generated by a container screening fee which is shared between the port operator, Scanport and Westminster.

In 2020 the project has generated $2.57 million USD revenues for Westminster, and we expect this to continue to rise as the fourth berth comes on stream later in 2021. The project therefore has significant growth potential as the port builds capacity.

In May 2020 we secured a contract to provide a leading global investment management corporation with a range of fever screening and safety equipment for deployment to its worldwide offices as part of its 'Return to Work' programme. The contract, valued at c.US$665,000, includes the provision of a range of fever screening systems covering different applications together with sanitisation stations to 85 offices in 37 countries around the world. Given the logistical issues around deployment and shipping caused by Covid-19 I am pleased to report we successfully completed this project on time and to budget.

In June 2020 our training business, which earlier in the year had been graded as 'Outstanding' in all areas by UK Civil Aviation Authority (CAA),signed a new strategic alliance agreement with JP International Training Limited, a leading aviation, maritime, and commercial training organisation, extending our e-Learning platforms and further enhancing our e-product services. Non-contact distance learning is now a growing sector and has been accelerated by the current pandemic and this alliance will provide clients with access to industry-leading distance training, delivered at our clients' own pace and tailored to enhance their employee's knowledge, skills and ability, so they may carry out their roles effectively.

"Non-contact distance learning is now a growing sector and has been accelerated by the current pandemic."

In June we also announced that we had conducted a successful trial of our fever screening solutions in association with Menzies Aviation and their client, Air France, at Stockholm Arlanda Airport. Both Menzies and their clients were impressed with the versatility of the system, adapting to different challenges and processes within the airport environment and it was expected that this would result in joint business opportunities with Menzies Aviation offering the Westminster solution to their global clients as part of their wider commercial package. The continued travel restrictions and challenges facing airports has meant this potential roll out is yet to happen although airports are now more likely to focus on sanitisation systems, which Westminster offer, rather than fever screening. The joint initiative with Menzies Aviation however has now led to other potential and sizeable business opportunities we are jointly pursuing.

"In March 2020 we announced the main contract relating to the container screening project at the $1.5 billion container port expansion project in Tema Port, Ghana."

Strategic report

Chief Executive Officer's Report

In July 2020, operations at our West African Airport once again opened up for commercial flights having been closed to all but essential traffic since March 2020 due to Covid-19 travel restrictions. Initial traffic volumes on re-opening were heavily impacted, worse than at the height of the Ebola, crisis but I am pleased to report that numbers slowly returned over the latter part of the year and we expect the recovery to continue throughout 2021 but to not fully return to pre-covid levels until 2022. I am proud to report that during the closed period we continued to maintain security of the airport, kept all of our local staff employed and safe, utilising the time to enhance their training. Maintaining the livelihoods of our local staff and their families during these challenging times is important given the lack of any social safety net. In addition to ensuring all our staff remained safe and well during these challenging times we also, through the Westminster Group Foundation, supported the local community with much needed aid including a large quantity of stable commodities such as rice, sugar and water to the poor and disabled community in the Lungi area of Sierra Leone who were suffering financially through the closure of the airport and services.

"In August 2020 we announced the launch of our online training catalogue."

In August 2020 we announced the launch of our online training catalogue as part of our initiative to expand non-contact sales through Computer Based Training platforms, for which demand is growing and we expect this trend to continue in the wake of the current pandemic and associated travel restrictions. Westminster has been providing training solutions to various sectors, including aviation and security, around the world for over 10 years, increasing its capabilities through various acquisitions and joint ventures. The recent strategic alliance agreement with JP International Training Limited further expands our capabilities in this respect. Our training business continues to be an important part of our growth strategy and the quality of our training services is widely respected. An example of this is that in a recent audit of training companies by the UK Civil Aviation Authority, Westminster was graded as 'Outstanding' in all areas audited, quite an accolade.

In September 2020 we were awarded a long-term contract to replace and maintain the security screening equipment at the Palace of Westminster, informally known as the Houses of Parliament, together with the provision of other confidential ancillary services.

The £1.8 million contract is for an initial period of 5 years, although this may be extended. This contract was awarded after a lengthy tender process under which Westminster was rated highest out of all bidders, both technically and commercially. Securing this latest high-profile contract is a testament to our agility, expertise and professionalism.

In October 2020 as part of our One Company, One Vision programme and to improve internal communication with our staff and operations around the world, we launched a new group wide newsletter - the 'Westminster Wire' which will be a quarterly publication to inform all our staff, agents and partners about important or exciting news, both business and social, from around the world.

During October we also successfully delivered and installed a sanitisation tunnel to our West African Airport operation to help keep staff and passengers safe. Sanitisation is one of the key elements in the fight to reduce the transmission of Covid-19. The tunnel has been greatly received and will help increase stakeholder and passenger confidence that FNA is a Covid-19 secure environment thereby encouraging larger passenger numbers through the airport.

The Director General of the Airport's Civil Aviation Authority described the provision of the sanitisation tunnel as 'A promise made, a promise delivered', further strengthening Westminster's relationship with the airport and local government.

In November 2020 we were proud to have been recognised by the London Stock Exchange as one of the select 1000 Companies across all sectors to Inspire Britain 2020, especially in a challenging year so affected by Covid-19. 2020 has been a difficult year for everyone but our team continued to work hard and helped to make Westminster stand out. There are approximately 4 million companies registered in UK, with some 500,000 new incorporations each year, so to be highlighted in the 1,000 most inspirational in UK is a great accolade and a testament to the hard work and dedication of all our staff.

In December 2020 we appointed Strand Hanson Limited as our Financial and Nominated Adviser and Arden Partners plc as our Broker and with them undertook an investor roadshow, culminating in an oversubscribed £5m fundraise, which included a number of new institutional holders. The £5m capital raise has enabled the Company to repay its Convertible Loan Notes and the outstanding RiverFort loan, saving some £300k annual costs, so that we entered 2021 debt free, other than operating leases, and with the capital reserves to deal with the current global uncertainties and to undertake current and anticipated new projects. The placing and a share capital reorganisation were approved by shareholders as announced on 21 December 2020.

All of this is in addition to a diverse range of products and solutions, including Covid-19 related products such as fever detection cameras, sanitising equipment and PPE, which we successfully delivered to a wide range of customers in 78 countries across 6 continents including National Governments, Sports Stadia, Educational Facilities, Conference/Exhibition Centres, Shopping Malls, Financial Institutions, Hospitality Sector and Medical Centres etc.

On a more general note our guarding business was adversely impacted during 2020 due to the closure of businesses and sites where we had guarding operations around the country as a result of Covid-19. Encouragingly however, we also secured new contracts in the year such as the £1 billion Stanton Cross development project in Northamptonshire and in December 2020 we secured a contract with one of the UK's leading home builders, valued at over £750,000 over three years commencing 1 January 2021, for the provision of static and mobile guarding and security services at one of their many sites in the UK. HS2, which was given go ahead in February 2020, is another opportunity for our guarding business which we identified some time ago and have already become a registered security provider to the main contractors. With the UKs vaccination programme advancing well and the end of lockdowns hopefully in sight we anticipate a continued recovery and increase in guarding revenues.

Our French business, Euro Ops which we acquired in May 2019, is proving to be a valuable strategic addition to the Group. The company provides aviation focussed services such as humanitarian flights & logistics, emergency flights, flight operations, charter and storage management. An example of our ability to provide emergency services in challenging locations is that in July 2020 we successfully completed the emergency repatriation of 80 stranded NGO staff, at short notice, from Mali, West Africa. The Company has not only brought new skills, services and revenues to the Group but provides greatly improved access to Francophone countries for the wider Group services, with some interesting project opportunities being pursued. One large scale opportunity in particular was developed to advanced stages during 2020 although travel restrictions have been a frustration and whilst there is never certainty of timing or outcome, we are extremely optimistic on this large-scale prospect.

As previously announced, we have entered into a strategic joint venture with an influential company in Saudi Arabia Hazar International, and had formed Westminster Arabia, registered in Saudi Arabia. The Kingdom is a huge potential market for Westminster particularly given the Crown Prince's 2030 vision which offers opportunities for several of our Group services.

Whilst the final legalisation of documents for the company were delayed by several months due to the closure of governments and embassy offices, I am pleased to report this process has at last been completed and we look forward to Westminster Arabia being an important part of our growth through 2021 and beyond.

"With the UKs vaccination programme advancing well and the end of lockdowns hopefully in sight we anticipate a continued recovery and increase in guarding revenues."

An experienced business development team is in place within the Kingdom and has been pursuing several large-scale project opportunities whilst waiting for the formation to be completed and various licences to be put in place. One of several project opportunities being pursued in the Kingdom is Saudi ports for which we conducted detailed operational and vulnerability assessments and have been appointed as an approved contractor. Progress on such projects has been hampered by Covid-19 travel restrictions in the Kingdom however we anticipate these will ease in the near future.

Our German subsidiary, situated to the south east of Munich, is focussed on supplying security technology and solutions to the European market. Post Brexit the business is particularly well positioned to serve the Group's EU clients. The team also has a specific focus on developing the Group's managed service contracts in frontier markets, including large projects in south west Africa and west Asia. In 2020 our German office supplied and installed advanced scanning solutions to an army garrison in Stuttgart, as well as technology products to organisations in the Baltic Regions.

The Technology opportunity pipeline is substantial and growing as the business develops partnerships with a number of larger businesses across Europe. The Services side of the business is expected to gain momentum in the coming year, particularly as the aviation industry opens up again.

A key strategy for 2020 has been to redefine our diverse businesses in line with our 'One Company, One Vision' approach which involved rebranding parts

Chief Executive Officer's Report

of our business to better reflect the global Westminster brand. To those ends we have implemented several new initiatives.

In June 2020 we launched the first phase of the new Westminster website. The website has been designed to ensure the visitor journey throughout the site is an informative interaction with the Westminster Group and its strong and trusted brand. With this upgrade we operate one of the world's largest security websites which is still a work in progress with more content and applications constantly being added. The other Group websites are in the process of being migrated. The new website brings better focus on the Group's vast range of LAND, SEA & AIR products and solutions, and will in due course encompass a sophisticated e-commerce section and enlarged customer and investor engagement areas.

In addition to the new website, a re-branding exercise was completed with the Westminster Group logo being modernised and aligned with tones and formats of the new website.

During the summer of 2020 we launched a UK focussed TV advertising campaign across a variety of channels, with the theme 'Get Back to Work Safely'. Whilst this is principally targeted at generating sales, it is equally designed to enhance brand awareness and the expansion our UK client base. We have also expanded our product base to not only include all levels of fever and detection and associated equipment but also a range of sanitisation products and systems to assist businesses maintain compliance with social distancing requirements.

In view of the continued and prolonged impact of the Covid-19 pandemic we continued to look for new opportunities and initiatives that would be more resilient to lockdowns and travel restrictions such as expanding our online and non-contact sales opportunities. One such initiative was the extension of our Covid-19 PPE sales through medical vending machines. We secured exclusive rights to specialised medical vending machines for use in the UK to be used for dispensing packs of face coverings, sanitiser and other safety equipment for deployment at key locations around the country. Whilst we initially had success with this initiative, we surprisingly experienced some reluctance from transport companies about implementing PPE vending and this together with the significant roll out of PPE masks etc., both good and bad, being sold everywhere meant this initiative has not yet produced any material revenues, although we continue to receive enquiries for such systems. With face covering likely to be an ongoing requirement for some time this initiative may yet bear fruit.

On a wider front, despite all the challenges we have faced this year, we have continued to progress various existing and new large-scale managed services project opportunities around the world which can and will provide step changes in growth when secured. No two opportunities are the same and each can have their own idiosyncrasies and challenges. As we have previously advised, project opportunities of this size and nature, particularly in emerging markets, are not only time-consuming and involve complex negotiations with numerous commercial and political bodies but discussions can ebb and flow over many months, with periods of intense activity which can be followed by long periods of inactivity. This has been particularly the case in 2020 with the added disruption of the Covid-19 pandemic. It is however precisely because of such challenges that competition is limited and the opportunities offer transformational growth opportunities.

Whilst there is never certainty as to timing or outcome of the many project opportunities we are pursuing, we are making progress on a number of fronts and we will provide market updates on material developments when appropriate and in line with our regulatory responsibilities.

In summary, despite the challenges created by Covid-19, in in some case because of it, 2020 was a busy year and a year in which, due to our early action and multiple revenue stream business model, we managed to not only navigate the crisis, maintain our operations and keep our people safe but we continued to make progress on a number of fronts. The 2020 results, although encouraging given the pandemic would have been an even better If it were not for the travel restrictions and lockdown periods in the year which delayed the signing of some anticipated contracts and the delivery of some already signed, such as the Palace of Westminster. However, these delayed opportunities and revenues whilst lost from 2020 will now likely benefit 2021.

Strategy

Our vision is to build a global business with strong brand recognition delivering advanced security solutions and long-term managed services to high growth and emerging markets around the world, with a particular focus on building multiple revenue streams, many of which involve long term recurring revenue business, from diverse sources in varying parts of the world, providing a degree of resilience to external events and enhancing shareholder value. The value of this strategy has been demonstrated during the Covid-19 pandemic where Westminster is able to maintain and grow certain revenues mitigating reductions in its airport business.

To deliver on this vision the Company has in place a 5-year Strategic Growth Plan which is reviewed annually, and which includes a number of strategies to be pursued to achieve our goals. As part of that strategy for growth we continue to improve and enhance our board and senior management team and have made a number of key appointments broadening our range of experience and expertise. If we are to maximise the substantial growth opportunities we are developing, particularly with our airport security operations, it is essential we have the right strategies, people, processes and systems in place to successfully deliver such growth.

We have a growing number of companies within the Group as we expand our international operations and offices around the world which together with recent acquisitions such as Keyguard and Euro Ops, both of which are now consolidated into our Group operations, means we are operating under a range of business identities and with a number of different websites etc.

A key strategy for 2020 has been to redefine our diverse businesses in line with our 'One Company, One Vision' approach which involved rebranding parts of our business to better reflect the global Westminster brand. Much of this was completed in 2020 including the launch of a major new group wide website and marketing material reflecting the Westminster brand.

Whilst we continue to pursue our many organic growth opportunities the expansion strategy, we continue to identify potential acquisitions and strategic joint ventures (JVs) in key markets and regions continues and we believe this strategy will enable the Company to expand its sphere of operations in a controlled and effective way.

"The UK A key strategy for 2020 has been to redefine our diverse businesses in line with our 'One Company, One Vision' approach."

We entered 2020 with our business in a stronger position than it has been for some time and with renewed optimism for the future. As part of our growth strategy the Board set out its priority goals to be delivered during the year, although we did indicate the unpredictability of the Covid-19 pandemic and the uncertainty of its duration may impact the delivery of some of these goals. In the event this proved to be the case and the global uncertainty and travel restrictions together with distractions governments and companies experienced in dealing with the challenges did impact the delivery of some of those goals, although the business did meet many of its goals and continued to make progress on a number of fronts.

Group	2020	2019
Revenue	£10.0m	£10.9m
Gross Margin	40%	41%
Recurring Revenues	£4.5m	£5.6m
Days Sales Outstanding	19	38
Number of Employees	239	261
Average Employee Cost Per Head	£16,264	£16,843

Managed Services	2020	2019
Passengers Served ('000)	51	121
Vehicles/Containers Served ('000)	1,003	309
Training Hours Delivered	1,520	4,040
Guarding Hours Delivered	38,962	70,671

Technology Division	2020	2019
Average Enquiries Per Month	356	185
Average Number of Orders Per Month	54	41
Number of Countries Supplied	78	66
Number of Return Customers	70	96

Strategic report

Chief Executive Officer's Report

Accordingly, the Board have set its key goals for 2021 as:

1. **Improve ratio of enquiries received/quotations issued by number and quotations issued/orders received by value;**
2. **Increase product portfolio and sales achieved;**
3. **Secure at least one more long-term managed services contract;**
4. **Deliver a year of double-digit revenue growth;**
5. **Deliver another year of significant recurring revenue growth;**
6. **Deliver a material improvement in profitability;**
7. **Deliver a sustained and material improvement in our share price; and**
8. **Instigate an Investors in People programme.**

Performance Indicators

Our The Group constantly monitors various key performance indicators for factors affecting the overall performance. At Group level, the revenues and gross margin are monitored to give a constant view of the Group's operational performance. A key focus for the Group is in building its recurring revenue base from contracted income relating to its managed services projects, our maintenance and guarding contracts and this is a key metric being monitored. As employment costs are the single largest cost base for the Group the number of employees and employee costs are also monitored to ensure best use of resources. Days sales outstanding is used to measure as to the cash conversion of revenue and identifies debtor aging issues.

The Services Division measures its performance in the four key areas of its deliverables – passengers served in its airport operations, vehicles and containers served in its port and border operations, the number of days training delivered by our training businesses and the number of guarding hours delivered by our guarding businesses.

The Technology Division measures its sales activity by reference to the number of enquiries received per month and the number of orders received. The number of countries and number of return customers are monitored to give a view on the performance of the division.

Current Trading & Business Outlook

The outlook for 2021 is looking positive. We entered the year debt free, other than minor operating leases. There are encouraging signs the Covid-19 disruptions and travel restrictions, which have continued to create delays and challenges for the first few months of the year, are at last easing and we expect to return to revenue growth levels that we were experiencing pre-covid. Revenues from existing contracts, including long-term managed services, and the revenue slippage from 2020 together with the anticipated recovery in our guarding, training and West African Airport operations provide the basis for our optimism, although we recognise that the global outlook remains uncertain and subject to change with the potential to further delay closure and delivery of projects.

We are encouraged to see an on-going improvement in passenger numbers at our airport operations in West Africa with the first quarter numbers being 13.84% ahead of expectations and currently running at around 57% of pre-covid levels, which is far better than many other parts of the world. We expect to see a continuing improvement throughout the year returning to full pre-covid numbers in 2022.

Our Ghana port security operations continue to remain largely unaffected by Covid and continue to generate healthy revenues, which demonstrates the value of this long-term managed services contract. In 2020 the project generated circa $2.6 million USD of revenues for Westminster, and we expect this to continue to rise as the port expands capacity and the fourth berth comes on stream later in 2021.

"Our Ghana port security operations continue to remain largely unaffected by Covid and continue to generate healthy revenues."

"We continue to have healthy levels of enquiries and in the first few months of the year have supplied a wide range of products and solutions to clients worldwide."

We continue to have healthy levels of enquiries and in the first few months of the year have supplied a wide range of products and solutions to clients worldwide. With lockdown restrictions beginning to ease we can also look forward to progressing with some of the delayed projects and opportunities that slipped from 2020, such as the Palace of Westminster contract which we secured in September 2020 and which commenced operations in April 2021.

As Covid restrictions are easing we can also complete the formation and licencing of Westminster Arabia and we look forward to the business being an important part of our growth through 2021 and beyond. The Kingdom of Saudi Arabia is a potentially significant market for Westminster particularly given the Crown Prince's 2030 vision which offers opportunities for several of our Group services.

We have recently entered into an exclusive service agreement with a company about to launch an innovative and verified Covid testing service with UK government approval, under which Westminster will provide a range of specialist services. Whilst too early to assess the likely scale or success of the project, this initiative could potentially lead to interesting business developments in what could be an important new service in helping to open up the leisure and entertainment sector.

We are closely monitoring geo-political events with regards to the US and Iran regarding the JCPOA agreement. As reported in our 2018 Annual Report and our 2019 interim Report we previously signed a 15 year, €24 million per annum contract for airport security, with the full support on the British Government, which was put on hold when President Trump unilaterally withdrew from JCPOA. Should circumstances change and US and international sanctions, including banking, be lifted, there remains an opportunity for our German office to revisit this prospect.

We continue to invest in our worldwide business development programmes in order to deliver on our growth potential, particularly in our long-term major managed services projects. At the time of our recent fundraising in December 2020 we listed out some of the larger project opportunities we are pursuing, which remain in play, and we also announced that we were in the advanced stages of securing a long-term contract with the Government of an African country for the provision of airport security managed services relating to five airports in the country. Whilst in the current climate we have, frustratingly, experienced delays in travelling and finalising matters we remain excited by this near-term prospect although there can never be absolute certainty of outcome or timing.

I am proud of our achievements in recent years as we continue to build our business, particularly in 2020 against a backdrop of the global pandemic, which is a testament to the hard work and dedication of all our staff. I am therefore delighted that in April 2021 Westminster was selected for a Queen's Award for Enterprise for International Trade in recognition of its outstanding growth in overseas sales and is one of just 205 organisations nationally to be awarded the prestigious Queen's Award for Enterprise. To have been selected for this distinguished award is an honour, not just for the Company but for all our employees around the world who have contributed to this success.

THE QUEEN'S AWARDS
FOR ENTERPRISE:
INTERNATIONAL TRADE
2021

The award will be formally presented by the Lord Lieutenant for Northamptonshire on behalf of Her Majesty the Queen, at a ceremony on Friday, 30 July 2021.

The business model and opportunities we have been developing over the years underpin our confidence for the future growth of our business. Notwithstanding the continued disruption and delays in the first few months of 2021 we remain optimistic that with restrictions beginning to be eased we can once again return to double-digit revenue growth and whilst there is still uncertainty in the world, we currently still expect to meet 2021 financial year market expectations both at the revenue and PBT level.

Peter Fowler
Chief Executive Officer

29 April 2021

Strategic report

Chief Financial Officer's Report

Mark L W Hughes
Chief Financial Officer

Revenue

Revenues of c£10.0m (2019 £10.9m) held up well considering the unprecedented challenges of the Covid-19 pandemic.

Services was resilient at £4.4m (2019: £5.5m). This drop is primarily a combination of two factors. Firstly, the effect of the Covid-19 pandemic (see also below), primarily the closure and slow recovery of passenger numbers at our West African Airport, reduction in guarding due to lockdown in Keyguard and being unable to run training courses in this period; all of these will gradually come back to normal levels as the pandemic recedes. However, secondly, this reduction was offset by strong growth of our Tema Port Ghana operation which screened over 1 million containers in 2020, its first full year, over 3 times the number in 2019.

Technology revenues increased by 4% to £5.6m (2019: £5.4m). This is primarily because strong fever detection sales at the start of the pandemic offsetting a decline in large solution sales and other product sales as a result of the uncertainty the pandemic caused.

Gross Margin

Despite a reduction in in the higher margin Services Division, overall better margin in the Technology Division helped to maintain our Gross Margin at 40% (2019: 41%). Part of the reason for the increase in the technology gross margin is the lack of large solutions sales which are typically at 15%. Thus, we had a better margin mix.

Operating Cost Base

Group administrative costs dropped by 11% to £4.7m (2018: £5.3m) in total. When the pandemic began the group made redundancies and other cost cuts. We have taken advantage of the UK Government furlough scheme, receiving £214,000 in 2020 (2019: Nil), to keep employing key staff such as trainers who, whilst there is no work for them due to lockdowns and other restrictions

Reconciliation to adjusted EBITDA	2020	2019
	£,000	£,000
Loss from operations	**(744)**	(676)
Depreciation, amortisation and impairment charges	**225**	215
Reported EBITDA	**(519)**	(461)
Share based expense	**-**	386
Exceptional items	**-**	106
Adjusted EBITDA (loss) / profit	**(519)**	13

^ *This is an Alternative Performance Measure refer to Note 2 for further details*

imposed. Having these employees will be key to our success in the recovery.

Exceptional Items

There is no exceptional item this year (2019: £0.1m). The 2019 exceptional item is the pre contract costs on a Middle East airport project. This project was fully shelved in the first half of 2019. Those costs relate to the period up to 30 June 2019.

Effect of Covid-19

Whilst Westminster has done better than many in the Covid-19 epidemic due to its multi revenue stream business model and early action taken by management to plan for the crisis, there is no doubt that Covid-19 did have a significant impact on the business and the performance in 2020 would have been substantially better had the pandemic never happened.

For the Services Division, the closure of our West African Airport, training being halted, guarding curtailed because part of it related to hospitality venues and there was a general decline of economic activity all had their effect. We also would have expected to gain at least one large managed services contract, had we been able to travel freely in the period.

The Technology Division performed much better largely due to the surge in product sales, not least around safety and screening equipment, however the pandemic and associated travel restriction not only delayed the closure of a number of sizeable contracts but also prevented the installation and deployment of those contracts already signed – an example of which is the significant £1.8m Palace of Westminster contract which was due to be awarded in May 2020 and largely installed that year but which finally got awarded in September 2020 but could not be started until April 2021.

Operational EBITDA^ from underlying continuing and discontinued operations

The Group loss from operations was £0.7m (2019: £0.7m). When adjusted for the exceptional and non-cash items set out below and depreciation and amortisation, the Group recorded an EBITDA^ loss from underlying continuing and discontinued operations of £0.52m (2019: £0.01m profit).

Finance Costs

Total finance costs of £0m (2019: £0.6m) decreased from the prior year as the coupon on the Convertible Loan Notes (CLN) was offset by the calculated adjustment following the repayment of the CLN. There was an underlying cash charge of £0.3m (2019: £0.3m).

Result for the Year

The Group loss before taxation improved to £0.7m (2019 Restated: Loss before tax of £1.3m) and the loss per share was 0.45p (2019 Restated: Loss per share of 0.91p).

Restatement of 2019 Accounts

A prior year adjustment has been made in respect of investor warrants and certain other matters. The overall effect of this is that the 2019 loss was reduced by £147,000 from £1,398,000 to £1,251,000. See note 31 for further details.

The disclosure of investment in subsidiaries and intercompany loans has been altered see note 14 for further details.

Statement of Financial Position

Total Group assets amounted to £9.5m on 31 December 2020 compared with £6.9m on 31 December 2019. The main movement was an increase in cash at the year-end following the December 2020 placing and after the repayment of debt.

Net Group current assets amounted to £5.4m on 31 December 2020 (2019: £3.1m). Again, this is primarily an increase in cash.

The Group trade and other receivables balance as at 31 December 2020 was £2.4m (2019: £2.5m). Average days sales outstanding at the year-end were 19 (2019: 38). The 2019 balance had a large solutions debt which was paid in 2020 distorting the overall calculation.

Cash and cash equivalents of £2.1m at 31 December 2020 compared with £0.6m at 31 December 2019. In December 2020 we raised equity of £5m which was used to remove all the remaining long-term debts with the exception of the IFRS16 debt element of operating leases.

Assets of disposal groups classified as held for sale were £Nil (2019: £0.17m). This reduction follows the disposal of the Sierra Queen in 2020.

Trade and other payables were £2.3m (2019: £2.5m) and average creditor days were 50 (2019: 66).

A deferred tax asset of £1.0m (2019: £0.9m) was held at the year end.

Total equity on 31 December 2020 stood at a surplus of £7.1m (2019: £1.9m).

Chief Financial Officer's Report

Key Performance Indicators

The Key Performance Indicators by which we measure performance of our business are set out in the Chief Executive Officer's Report on page 8.

Convertible Loan Notes (CLN) and Convertible Unsecured Loan Notes (CULN)

Summary of movements in loan notes at principal value £'000	2020	2020	2020	2019	2019	2019
	CULN	**CLN**	**Total**	CULN	CLN	Total
At 1 January	**171**	**2,245**	**2,416**	171	2,245	2,416
Fair Value adjustment on Conversion/ Repayment	**19**	**-**	**19**	-	-	-
Conversion	**-**	**(213)**	**(213)**	-	-	-
Repaid	**(190)**	**(2,032)**	**(2,222)**	-	-	-
At 31 December	**-**	**-**	**-**	171	2,245	2,416

On 31 December 2019, the secured CLN carried a coupon of 15% payable quarterly in arrears, had a conversion price of 10p from 1 January 2020 to maturity on 1 May 2021. During 2020 the Group first paid down or converted 25% of the CLN in February 2020. There were some conversions in the year and in December 2020 the group paid the remaining capital owed. The secured CLN was fully repaid as at 31 December 2020 and the security has been released.

On 31 December 2019, the unsecured CLN carried a coupon of 5% payable quarterly in arrears, had a conversion price of 10p and matured on 31 July 2021. The unsecured CLN's capital was fully repaid on 22 December 2020.

Equity Issues

Date	Type	Number of Shares	Price per share (p)	Funds Raised £'000
23 January 2020	Equity placing	14,000,000	12.5	1,750
01 April 2020	Conversion of Loan Note	62,500	10	6
02 June 2020	Conversion of Loan Note	937,500	10	94
02 October 2020	Conversion of Loan Note	937,500	10	94
07 October 2020	Conversion of Loan Note	187,500	10	19
22 December 2020	Equity placing	125,000,000	4	5,000
		141,125,000		6,963

^ *This is an Alternative Performance Measure refer to Note 2 for further details*

Summary of Warrants

As at 31 December 2020 the warrants outstanding were:

Number	Holder	Strike Price (p)	Issued	Life (years)	Vesting Criteria
170,455	S P Angel	22.0	31 January 2018	5	At grant
9,625,000	Various Holders	12.5	25 July 2019	2	At grant: - detachable
3,499,222	RiverFort	5.2	21 January 2020	4	6 months after grant: - detachable
25,000,000	Various Holders	7.0	22 December 2020	2	At grant: - detachable

589,330 warrants with a strike price of 20.15p issued on 1 February 2016 lapsed during 2020.

For further details on warrants refer to Note 22 page 103.

Cash Flow Statement

During the year, the Group had an operating cash outflow of £1.6m (2019 Restated: outflow £0.6m) which arose primarily from an unfavourable working capital movement of £0.8m (2019 Restated: £0.5m).

During the year, the Group raised £6.96m gross from the issue of new equity (2019: £1.55m).

Reconciliation from adjusted EBITDA^ to normalised operating cash flow	2020	2019 restated
	£,000	£,000
Adjusted EBITDA	**(519)**	13
(Loss) / profit on asset disposal	**-**	(9)
Net changes in working capital	**(1,033)**	(511)
Movement on tax	**31**	(26)
Net cash used in underlying operating activities	**(1,521)**	(533)

Net cash used in underlying operating activities is presented excluding exceptional items, share options expense, and depreciation and amortisation.

Principle risks and uncertainties

The principal risk and uncertainties facing the Group are outlined on pages 22–27.

Going Concern

The assessment of Going Concern is summarised in the Directors Report on page 61.

Events after the Reporting Period

These are fully set out in note 32 on page 112.

Mark L W Hughes
Chief Financial Officer

29 April 2021

Risk Management

Risk Management

Westminster, as a specialist security and managed services group operating in an international environment, primarily emerging markets, is exposed to a variety of risks and uncertainties which are monitored and controlled by the Group's internal risk management framework.

Overall responsibility for risk management lies with the Board who ensure that risk awareness is set at an appropriate level.

To ensure that risk awareness is set at an appropriate level the Board has delegated responsibility for the risk identification and assessment to a Risk Committee comprising of Executive Directors and Senior Management.

The Risk Committee is responsible for identifying risks, defining the Group's risk management strategy and maintaining the Group's Risk Register.

The Risk Committee liaises with Divisional Management to help identify operational and commercial risks and to ensure Divisional Management undertake agreed mitigation strategies.

The Risk Committee reports to the Audit Committee and the Audit Committee is responsible for reviewing the adequacy and effectiveness of the Group's risk management systems and the Risk Register.

The Chairman of the Audit Committee reports to the Board on risks and risk management.

The Board reviews the Audit Committee reports on a regular basis and considers whether the Risk Management Committee has appropriately identified the principal risks and mitigation strategies to which the Group is exposed.

The Board monitors the Group's risk management systems through this consultation and also through the Group's divisional monthly management meetings, where at least two executive Directors are present. The risks and trends are a focus of each division's monthly management meeting, where their performance is also assessed against budget, forecast and prior year. In addition, key performance indicators are used to benchmark operational performance for all operations.

While it is acknowledged that the Group faces a variety of risks, the Board, through the processes set out above, has identified the principal risks and uncertainties that could potentially impact upon the Group's short to medium term strategic goals and these are shown below, together with how we manage or mitigate them:

Risk Management Responsibilities and Reporting Structure

Risk Management Committee

The Committee's Terms of Reference were last reviewed and approved by the Board on 24 March 2021 and can be viewed on the Corporate Governance section of the Company's website (www.wsg-corporate.com).

The Terms of Reference are reviewed by the Board annually and amended where appropriate.

The Committee will be appointed by the Board and should be a balance of executive directors and senior management.

The purpose of the Risk Management Committee (the "Committee") is to perform centralised oversight and policy setting of risk management activities and to provide communication to the Audit and Risk Committee who communicates with the Board of Directors (the Board) of the Westminster Group (the Company) regarding important risks and related risk management activities. The Committee's key areas of responsibility are:

- Oversight of risk;
- Adherence to internal risk management policies and procedures;
- Compliance with risk-related regulatory requirements;
- External risk assessments in relation to the Company's international business; and
- Maintenance of the Group's Risk Register.

The Committee monitors the Group's risk management and internal control processes through detailed discussions with management and executive directors, the review and approval of the reports and position papers which focus on the areas of greatest risk to the Group.

As part of its standing schedule of business, the committee carried out an annual risk assessment of the business to formally identify the key risks facing the Group. Full details of this risk assessment and the key risks identified are set out in the Risk & Risk Management section of this Annual Report on pages 22 to 27.

Committee Membership

The current Risk Management Committee members are:

- **Peter Fowler (Group CEO) (Chair)**
- Mark Hughes (Group CFO)
- Stuart Fowler (Group COO)
- Roger Worrall (Group Company Secretary)
- Joanna Fowler (Head of Services Division)
- Hamish Russell (General Manager Technology Division)

The Board considers that the committee as a whole has an appropriate and experienced blend of commercial, financial and industry expertise to enable it to fulfil its duties.

The principal risks and uncertainties which could have a material impact on the Group's business, performance or reputation are set out below. The principal risks are identified by the Risk Management Committee based on the likelihood of occurrence and the potential impact on the Group as a whole.

In addition to the risks disclosed below, the Risk Management Committee monitors and manages a wide range of other risks to which the Group may be exposed.

Risk Flags

	Likelihood	Impact
Green	Unlikely	Will have an impact but easily dealt with
Orange	Possible	Impact will be moderate but may cause some difficulties
Red	Expected	Major impact which could result in a material adverse effect on the Group and / or its stakeholders

Risk Management

Macro-economic Risks

Material Government Action

Likelihood Impact

Risk	Mitigation Strategy
The Group operates in emerging and frontier markets and could be exposed to the political, geographic and economic risks of such territories: • Arbitrary action by governments or governmental entities disrupting operations, cancelling contracts, unfair calling of bonds or other direct interference. • Changes in governmental policy around environment, trade, investment or foreign policy could adversely affect the Groups operations.	• Develop strong relationships with trade bodies and industry partners. • Develop and maintain relationship with local embassies. • Use local advisors and partners where possible. • Use insurances where possible to provide cover. • Work to ensure that the Group's activities are not significantly concentrated in any one individual customer or territory. • Develop and maintain links with governments in project territories.

War & Terrorism

Likelihood Impact

Risk	Mitigation Strategy
There is an ever-present risk of war or terrorism around the world which is both an opportunity and risk for the Group: • Terrorist explosives planted in luggage or smuggled through Airport/Port secured by Westminster. • War or Terrorist event anywhere around the world can have adverse effects on global trade and travel and which would therefore affect the Groups operations.	• Ensure staff are adequately trained for and informed of the risks surrounding their role in the Group's operations. • Adopt additional technologies such as AI to enhance our detection capabilities. • Adopt a code of conduct for staff in relation to their actions whilst at work and on deployment overseas. • Use multiple brands in across the business to reduce exposure to reputational damage. • Ensure regular risk assessments are undertaken for major projects and that mitigation actions are in place. • Maintain an incident response plan for all major projects. • Source independent reports of project country status.

Physical / Staff Risks

Staff Incident

Likelihood Impact

Risk	Mitigation Strategy
We operate in often physically challenging locations that present a range of risk for our staff: • Medical Emergencies such as Typhoid and Malaria etc. • Accidents at work or whilst on assignment in a country. • Personal Security from the threats of theft, attack or kidnap etc. • Incidents whilst travelling.	• Adopt a code of conduct for staff in relation to their actions whilst at work and on deployment overseas. • Maintain insurance cover including medical evacuation and other risks. • Carry out staff training and provide country briefings prior to any deployment overseas. • Local retained doctor and first aiders. • Secure compounds / safe assessed hotels. • Maintain emergency response plans.

Financial Risks

Material Government Action

Likelihood Impact

Risk	Mitigation Strategy
As a growing company there are financial risks which must be carefully managed: • Lack of available cash flow to undertake or complete projects. • Changes in Tax regimes could have a negative effect on the Groups results. • A material bad debt could have a significant effect on the Groups results and cash flows. • Forex & exchange control risks on international transactions.	• Regular cash flow management. • Manage & minimise cash need of projects where possible by matching supplier and customer payment terms. • Use direct settlement e.g. IATA or Letters of Credit. • Undertake regular active debtor management. • Use milestone payments on projects. • Closely monitor large debtors, undertake credit checks and use credit insurance where possible. • Where possible match purchases and sales in same currency. • Hedging where appropriate.

Increased Cost of Capital

Likelihood Impact

Risk	Mitigation Strategy
Some of the larger opportunities which the Group are working towards have a significant requirement for financing. Should this financing come with a higher than expected cost this may adversely affect the financial expectations of these projects.	• Maintain regular dialogue with multiple funding sources, put in place project finance facility. • Build reserves to cover potential funding milestones.

Legal & Compliance Risks

Breach of Legislation

Likelihood Impact

Risk	Mitigation Strategy
The Group is exposed to regulations and legislation in the UK and in the countries in which the Group operates or purchases from. Risks could include: • Breach of corruption or anti bribery legislation. • Breach of sanctions or export controls. • Breach of stock market regulations.	• Maintain strict policies for all compliance risks and regularly review policies against best practice. • Ensure regular staff training is undertaken. • Ensure any business partner contractually commit to obligations regarding compliance and undertake background checks ahead of business partner appointment. • Ensure up-to-date export control policy and check new products for export controlled content. • Use software tools where possible to monitor and ensure compliance with regulations.

Change in Sanctions

Likelihood Impact

Risk	Mitigation Strategy
Some of the countries in which the Group operates could be affected by sanctions: • Change in sanctions status of operational country could prevent the continuation of a project. • Change in sanctions status in supplier country may increase project costs and require resourcing.	• Sanctions Policy. • Maintain sanctions list within CRM system to flag potential sanctioned enquiries. • Regularly check sanctions for high risk projects.

Corporate Criminal Offence

Likelihood Impact

Risk	Mitigation Strategy
The Group operates across multiple tax jurisdictions and needs to ensure its various businesses and all employees operate in accordance with relevant tax laws. The UK's 2017 Corporate Criminal Offence covers two areas: • The evasion of UK tax; and • The evasion of foreign tax.	• Operate in compliance with taxation legislation in areas of operation. • Seek professional advice where appropriate. • Monitor and audit the Group's financial operations and HR. • Maintain a Corporate Criminal Offence Policy.

Strategic report

Risk Management

Information Technology Risks

Failure of Major IT Equipment

Likelihood Impact

Risk	Mitigation Strategy
The Group's systems and data are subject to security and availability risks, particularly in some of the territories the Group operates in: • Loss of hardware systems and data. • Loss of phone or email communications. • Loss of cloud-based software and data.	• Implement redundant systems where possible. • Ensure regular backups of company data. • Where possible provide dual internet connectivity options. • Ensure fail over services are provided where possible.

Cyber Attack

Likelihood Impact

Risk	Mitigation Strategy
The Group's profile around the world and sectors within which it operates heightens the risks of cyber-attack. • Cyber-attack to the website reduces selling opportunities and/or damages the Group's reputation. • The loss of customer data through a cyber-attack causing reputational damage. • A ransomware or similar attack restricting the Groups access to Company data hindering the Groups operations. • Cyber-attack on corporate and financial system.	• Implement industry standard protection software for all Company equipment and websites. • Provide staff training and updates on the latest potential threats and vulnerabilities. • Where possible segregate project services and data in unconnected systems. • Move to cloud storage and maintain back up data. • Anti-virus software and email checking software. • Risk committee to review IT policy against evolving threats.

Contractual Risks

Major Project Failure

Likelihood Impact

Risk	Mitigation Strategy
The failure to deliver a project to the required standard could result in a major incident and significantly damage the reputation of the Group.	• Recruitment of appropriate qualified and experienced staff, internal audits against international standards. • Contractual liability limited (such as no airside liability taken) and implement adequate insurances.

Material Contract Failure

Likelihood Impact

Risk	Mitigation Strategy
Failure to deliver a contract in a timely manner, according to an agreed specification could lead to higher costs, penalties and reputational damage. • Material breach of contractual terms. • Unable to fulfil contractual obligations. • A contract becomes onerous.	• Ensure employees are aware of contract terms for project on which they are working. • Carry out regular monitoring of employee's progress on projects. • Regularly rotate employees where complacency or fatigue may develop. • Where possible ensure alternative sources are available for project requirements. • Proper review to ensure the Group does not take on a project where requirements are unachievable. • Make sure contractual terms are adequate within proposals.
Major incident within a contract.	• Use AI Detection on screening systems where possible. • Maintain a press plan and emergency response plan.

Business Disruption

Loss of Key Staff

Likelihood Impact

Risk	Mitigation Strategy
The loss of key personnel or the failure to have an adequate succession plan could have an impact on the Group's overall performance.	• Restrict travel for multiple key staff on a single trip. • Maintain up to date job descriptions and recruitment plans. • Ensure competitive remuneration packages. • Cross training between staff. • Succession planning.

Hostile Action

Likelihood Impact

Risk	Mitigation Strategy
The effects of outside hostile interference in contracts and operations could have a significant effect on the Group.	• Ensure we have good professional advisors and that our contract information is sound.

Global Events

Likelihood Impact

Risk	Mitigation Strategy
Business is affected by War, Civil Unrest or Natural Disaster.	• Monitor global situations. • Have contingency plans including emergency response team.
As a worldwide business global events such as SARS in 2008, the Ebola crisis in 2014 or the Coronavirus COVID-19 pandemic of 2020 can have serious consequences for the Group's operations and results.	• Build the business with multiple revenue streams coming from multiple customers in multiple regions to help limit impact. • Maintain cash reserves as buffer to unforeseen events. • Seek government support where available. • Maintain regularly updated Risk Assessments. • Maintain social distancing within offices. • Use home working as much as possible. • Use online meetings where possible. • Undertake risk assessments of all proposed travel. • Undertake risk / reward analysis of the merits of any travel.

Failure of Infrastructure

Likelihood Impact

Risk	Mitigation Strategy
Westminster's performance is dependent on the availability and quality of its physical infrastructure, its information technology.	• Implement a disaster recovery plan. • Maintain disaster recovery insurance. • Expand use and setup of home working solutions. • Reduce reliance on paper records.

The Group's profile around the world and sectors within which it operates heightens the risks of cyber-attack.

Stakeholder Engagement

Section 172 Statement

The Directors are well aware of their duty under section 172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

The Board recognises that the long-term success of the Westminster Group requires positive interaction with its stakeholders. Positive engagement with stakeholders will enable our stakeholders to better understand the activities, needs and challenges of the business and enable the Board to better understand and address relevant stakeholder views which will assist the Board's in its decision making and to discharge its duties under Section 172 of the Companies Act 2006.

In the following section we identify our key stakeholders, how we engage with them and key activities we have undertaken during the period in question.

Stakeholders

Our People

Our People are our most valuable asset and are critical to the delivery of our strategy and the future growth of our business. We now directly employ an average of 239 (2019: 261) in 2020 and indirectly many more people around the world. We are fortunate to have a great team of talented and motivated people in our Group and it is important to retain and develop them and that we can attract and inspire new people to join us as we grow our operations worldwide.

How we engage

- Whilst we have reporting structures in place with line country and divisional management teams, we operate an open-door policy and employees can speak to senior management or Board Directors about issues or ideas.
- The Board and senior management engage with employees through a range of formal and informal channels, including regular meetings and team briefings, and in certain territories involving trade unions.
- We have formal induction and appraisal systems in place for new and existing employees.
- We operate a companywide intranet system with useful information for our people and we utilise Microsoft Teams for collaboration amongst our diverse teams and businesses.
- We hold social events in different jurisdictions for our people in various locations when local rules allow i.e. outside of lockdown periods.
- The Group CEO provides updates and presentations to our people on important Company developments.
- The Group Chairman regularly meets individual employees when appropriate.
- We encourage our people to have a culture of respect and integrity and operate a whistle blowing policy.

Key Activity During 2020

- We continued with our employee appraisal system throughout our business.
- We expanded our workforce with excellent new people in the UK and overseas.
- We held several employee awards ceremonies virtually in the year recognising individual achievements.
- We continued to engage directly with employees via video conference in the pandemic.
- Instigated a groupwide newsletter for employees ("Westminster Wire").
- Supported our West African Airport staff whilst the airport was closed maintaining full employment and security of the airport; utilising the time for additional training.
- Furloughed underutilised staff on the UK government Job Retention Scheme.
- Regular Covid-19 risk assessments to keep our staff around the world safe. Implemented social distancing and safe working practices throughout the organisation.

Our Strategic Partners

In previous Annual Reports we have stated that, in addition to our organic growth, one of the growth strategies we had instigated was to look at targeted strategic alliances and joint ventures in key markets and regions, which would enable the Company to expand its sphere of operations in a controlled and cost-effective way. Our network of agents around the world also remain an important part of our global footprint and we need to ensure our agents are kept informed and motivated.

How we engage

- We identify regions and markets where the added strength and local knowledge of a strategic partners would enable us to better penetrate that market.
- We analyse the suitability of such markets including legal and financial implications of entering into agreements etc.
- We enter into dialogue and if appropriate confidential commercial and contractual negotiations led by our CEO and CFO.
- We liaise with our agent network around the world on new products, services and opportunities.

Key Activity During 2020

- The strategic alliance agreement with JP International Training Limited enabled the launch of a new Online Training Catalogue.
- Worked with our Saudi Arabian Joint Venture partner, Hazar, to enable Westminster Arabia to be authorised to trade.
- Translated Westminster brochures, presentations and other documents to provide materials in various languages.
- We held regular virtual meetings and dialogues with all our Strategic Partners.
- Continued a review and re-engagement programme with our network of agents.

Our Shareholders

The support of shareholders is vital to the long-term success of the Group. We are fortunate to have many supportive individual and strategic investors, however the Board is committed to expanding its institutional investor base. The Board recognises that maintaining good communication and having constructive dialogue with its shareholders, providing them with access to relevant information, is important although this must be balanced against the confidential and commercially sensitive nature of what we do. A list of significant shareholders holding 3% or more of the Company's shares are set out on page 58 of this report.

How we engage

- Our investor website (www.wsg-corporate.com) provides all required regulatory information as well as additional information shareholders may find helpful including: share services, information on Board members, advisors and significant shareholdings, a historical list of the Company's announcements, its financial calendar, corporate governance information, the Company's publications including historic Annual Reports and Notices of Annual General Meetings, together with share price information and interactive charting facilities to assist shareholders analyse performance.
- We provide Market Announcements on all regulatory matters.
- Our websites provide regular news of non-regulatory activities.
- The Company issues the market with an interim and annual reports with detailed information on the business. These reports are also listed on our website.
- The CEO and CFO are available to meet with institutional and significant shareholders for briefings and presentations when appropriate.
- We engage with private investors whenever possible and investor correspondence is handled by the Company's IR/PR advisors, Walbrook. The CEO often responds to individual correspondence where appropriate.
- In normal times, all Directors are required to attend and make themselves available to take questions from shareholders or address any concerns at the Annual General Meeting, the date of which is published on our website.

Key Activity During 2020

- We engaged with investors on topics of strategy, governance, developments and performance.
- We issued our 2019 Annual Report on 14 May 2020 and our 2020 Interim Report on 14 August 2020.
- We held our AGM as a closed meeting, because of the Coronavirus pandemic on 25 June 2019; but on 23 July 2020 we held an investor webinar to provide an update on the Company's activities and trading.
- CEO undertook investor focussed interviews with various broadcast organisations.
- Undertook a roadshow with potential investors arranged by our new stockbroker, Arden Partners. This resulted in a number of institutions investing in the Company.
- We raised £6.96m in equity from investors against a difficult market which enabled the repayment of all the CLNs, the RiverFort debt and prepared the Group for important business development. Whilst dilutive the funding was done in the best interests of the Company and its shareholders.

Strategic report

Stakeholder Engagement

Capital Providers

Access to capital is of vital importance to the long-term success of our business, to fund growth and finance our large-scale Build-Operate-Transfer (BOT) & Build-Maintain-Transfer (BMT) projects which operate similar to a SaaS model with heavy investment early in the life of a project but generating predictable, quantifiable and growing revenues and returns over many years. The Board's goal is to have access to a range of capital sources weighted towards non-dilutive capital such as pure debt, bank finance and vendor financing, and away from dilutive capital such as equity and convertible loan notes etc.

How we engage

- Regular discussions and updates with our existing Convertible Loan Notes (CLNs) managers.
- Meetings, discussions & presentations to banks and financial institutions.
- Meetings and discussions with UK Export Finance and similar organisations.

Key Activity During 2020

- Raised a £1.5m mezzanine loan (£3m facility) with the intention of paying off the CLN in H1 2020 – 25% redeemed or converted February 2020. Remaining money then used to buy inventory for fever detection and help the Group navigate the Covid-19 crisis (repaid in December 2020).
- We agreed with the holders of the Company's remaining £1.68m CLNs to extend the maturity date to 1 May 2021 In order to allow the Company time to put a cost-effective redemption programme in place. (All the remaining CLN, CULN and RiverFort loan were repaid or redeemed by 31 December 2020).
- We continued to hold a number of exploratory and positive meetings with various banks and lending institutions leading to us moving to Clydesdale plc in 2021.
- We continued to explore working with UK Export Finance on some of our large-scale project opportunities.

Our Customers

Customers are central to the success of all businesses. The majority of our customer base, by value, comprises governments and government agencies, non-governmental organisations (NGO's) and blue-chip commercial organisations worldwide. Our business is focused on providing innovative and turn-key solutions that meet our customer requirements efficiently and on time. Understanding the needs of our customers is crucial to the delivery of reliable and effective products and services, which underpins the performance and success of our business.

How we engage

Through our sales and business development teams we endeavour to provide our customers with:

- A solutions-driven solution;
- Knowledgeable advice;
- A discrete and confidential service;
- A prompt response to enquiries and queries;
- A quality and regulatory support service;
- A technical service offering with training and maintenance support;
- We interact with our customer base as required and for larger customers and/or where required we engage at director level;
- Where possible we travel to engage with our customers; and
- We participate in industry forums and events. We also exhibit at selected trade shows which facilitate a high-level of interaction with a wide range of customers and provide an opportunity for us to brief.

Key Activity During 2020

- Relaunched new expanded ecommerce website.
- Implementing new CRM software.
- We undertook regular internal sales meetings virtually and discuss customer activity, opportunities and threats, which were reviewed at Board meetings.
- We continued to undertake our regular customer satisfaction feedback exercise following delivery of any product or service with a high positive response rate.
- We attended and spoke virtually at the Airports Council International (ACI) Security Council Meetings in Latin America and Europe on the topic of behavioural analysis, employment screening and policy decisions.

Our business is focused on providing innovative and turn-key solutions that meet our customer requirements

Stakeholder Engagement

Our Suppliers

We are a solutions provider not a manufacturer and are product agnostic. We work with around 140 suppliers and look to choose the best products that meet our customer requirements for any given application. Whilst large manufacturers will have their own outlets and routes to market many smaller manufacturers of niche and interesting security equipment do not have established or easy routes to market particularly in emerging markets. Our extensive web site and market presence is therefore a useful route to market for some manufacturers and an opportunity for us. We rely on our suppliers to provide us with products and services which meet our quality, performance and delivery requirements, which in turn allows us to fulfil our commitments to our customers. Effective management of our supply chain is critical to ensuring the continuity of our business and reliable operational performance.

How we engage

- Our businesses engage with a broad range of suppliers on a day-to-day basis, to ensure that our expectations are met from a quality and delivery perspective, and to ensure that our suppliers are conducting their business in line with our own standards.
- Where appropriate we endeavour to enter into exclusive supply arrangements for specific products in order to protect our business development activities without committing to specific annual spend.
- We have advantageous supply arrangements with a number of leading suppliers of security equipment.
- We are regularly contacted by manufacturers of security equipment requesting that we market their products.

Key Activity During 2020

- We regularly interacted with our various suppliers.
- We engaged with new suppliers to expand our portfolio including Covid-19 related products.
- Worked with some manufacturers to establish new routes to market.
- Our engineers attended technical training courses with manufactures virtually.

Our Communities

Our business, particularly our long-term managed services operations, operate predominantly in emerging markets and we recognise that we have an important role to play in the communities in which we operate.

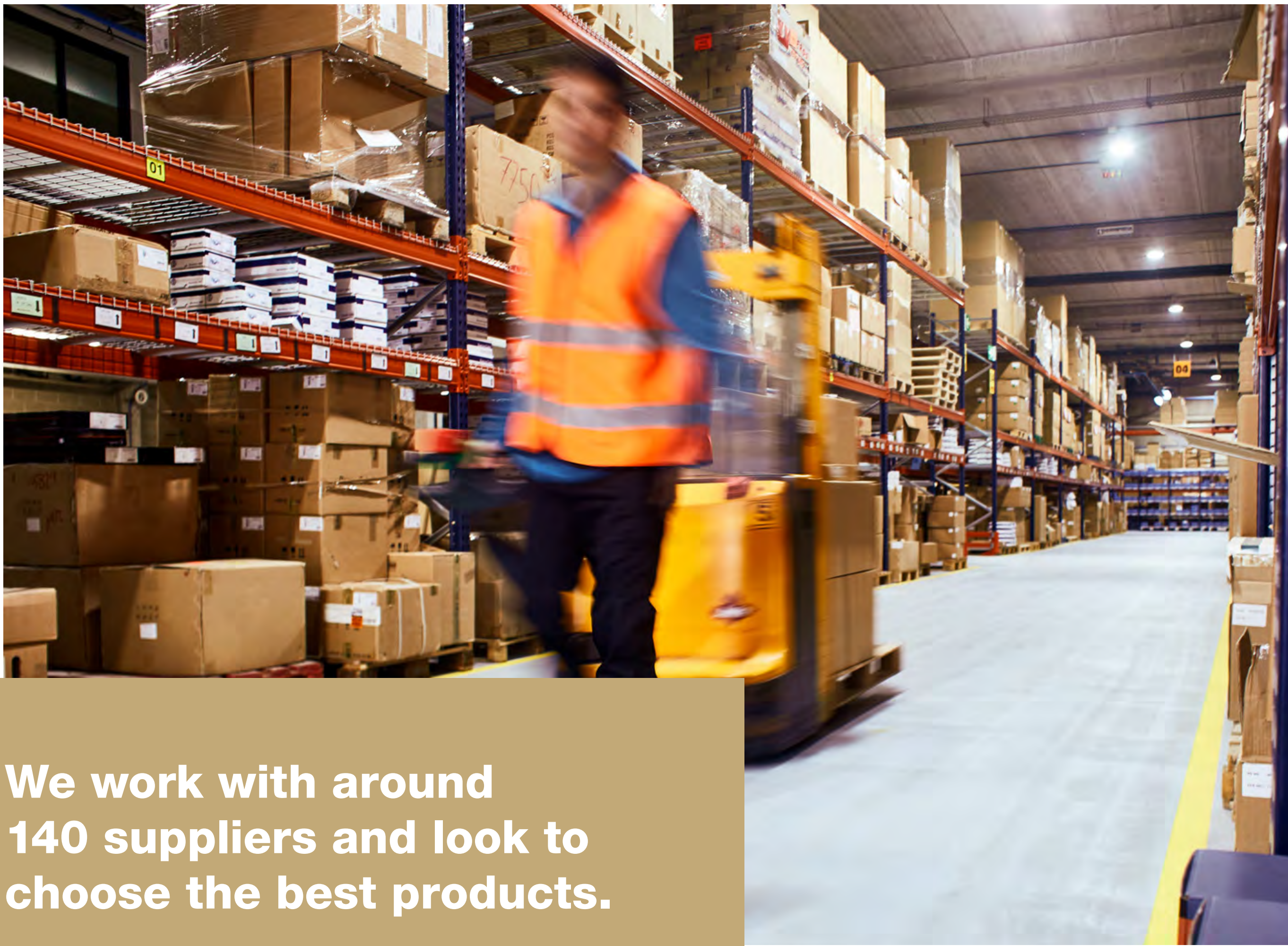
How we engage

- We engage with our communities in a wide variety of ways from charitable giving to general support.
- We operate the Westminster Group Foundation www.wg-foundation.org.
- We work with local partners and other established charities to provide goods or services for the relief of poverty and advancement of education or healthcare making a difference to the lives of the local communities in which we operate.

Key Activity During 2020

- In October 2020, Westminster's charity, the Westminster Group Foundation, donated a Sanitary Gate sanitising tunnel to the Sierra Leone Aviation Authority, who installed it at Freetown International Airport in Lungi. It is effective in reducing the viral load present on surfaces by 99% in just 5 seconds, without causing harm to humans.
- The Westminster Group Foundation also supported AlansAfrica on their project to donate desk and bench sets to Port Loko Primary School in Sierra Leone.
- We have helped enable the re-opening of places of worship, installing walk through fever detectors and hand sanitiser stations.
- Sierra Leone Tacugama Chimpanzee Sanctuary has benefited from a donation from the Westminster Group Foundation to assist with education support programmes in schools.
- The Westminster Group Foundation donated rice and other basic food to people struggling during the Covid-19 crisis in the Lungi area of Sierra Leone.
- To view the many community support projects we are undertaking visit www.wg-foundation.org.

^ *This is an Alternative Performance Measure refer to Note 2 for further details*



We work with around 140 suppliers and look to choose the best products.

Governments and Regulators

We operate in a sector which is sensitive and regulated. Many of our larger projects and opportunities involve governments and governmental bodies as well as regulators such as the International Civil Aviation Organisation (ICAO) or the International Maritime Organization (IMO) and it is important we understand the current rules and regulations for all our operations. Some of the equipment and services we provide may be subject to export restrictions and may require government approved export licencing. As a company whose shares are admitted to trading on AIM, we are subject to various regulations under the AIM Rules of the London Stock Exchange, the Market Abuse Regulations of the FCA as well as other regulatory requirements.

How we engage

- We maintain a regular dialogue with government bodies and regulators in respect to our operations and opportunities in order to assess opportunities and risks.
- We maintain a dialogue with the UK government and our various British Embassies and High Commissions in the countries we are involved in or targeting.
- We monitor international sanctions lists and our customer relationship management systems are used to identify customers, countries or projects that may be subject to sanctions or that require export licences.
- We have a comprehensive anti-bribery policy and procedure in place which all staff have to commit to.
- We liaise regularly with our Nominated Advisor and corporate lawyers in relation to our public share trading requirements.
- The Board reviews compliance activities at each Board meeting.

Key Activity During 2020

- Westminster's aviation security training operations was graded as 'Outstanding' in all areas audited by UK Civil Aviation Authority (CAA).
- Awarded a contract to replace and maintain the security screening equipment at the Palace of Westminster, informally known as the Houses of Parliament.
- We applied for and were granted 5 export control licences during the year.
- Our West African airport operations were subject to an ICAO audit and were highly praised for effectiveness.
- We liaised virtually with a number of Ambassadors and High Commissioners from our overseas missions around the world.
- Appointed a Compliance Officer to ensure we have the highest standard of adherence to regulations.
- We utilised the UK government "Job retention scheme" to furlough underutilised staff.
- All Directors and new staff undertake an antibribery webinar.

Board of Directors

Rt. Hon. Sir Tony Baldry DL
Executive Chairman

Sir Tony has had a long a prestigious Parliamentary career. He was Personal Aide to Margaret Thatcher in the 1974 General Election and subsequently remained in her private office when she became Leader of the Opposition.

Sir Tony served as MP for North Oxfordshire from 1983 to 2015. He held various ministerial posts during the 1990s, serving as Minister of State in the Ministry of Agriculture, Fisheries and Food and as Parliamentary Under Secretary of State in the Foreign and Commonwealth Office, with a range of responsibilities including South Asia, Africa, North America and the West Indies.

Sir Tony, a practicing barrister, was awarded the Robert Schumann Silver Medal for contribution to European politics in 1975. He takes a keen interest in foreign affairs and was a Governor of the Commonwealth Institute and a member of the Overseas Development Institute. Tony was Chairman of the House of Commons Select Committee on International Development in the 2010 Parliament.

Peter Fowler
Chief Executive Officer

Peter has over 40 years' experience operating within the security industry, with particular reference to the electronic protection sector. Peter started his career in the security industry in 1970, quickly progressing into senior management roles and has a long history of running successful companies having built and sold two security businesses, successfully carried out acquisitions and disposals and has held several senior positions in listed companies.

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

Mark Hughes BSc MBA FCA
Chief Financial Officer

Mark is an experienced Group Chief Financial Officer with over 30 years' experience in leading financial organisations, banking and corporate finance teams worldwide including in high growth and emerging markets. Mark is a fellow of the Institute of Chartered Accountants, holds an MBA from the University of Warwick and has an honours degree in Banking and International Finance.

Stuart Fowler BEng (Hons)

Chief Operations Director

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

Stuart studied computing and business studies at university obtaining a Bachelor of Engineering Honours degree in 1996. After university Stuart successfully implemented several software development projects for listed companies before joining Westminster in 1998. Since that time Stuart has been instrumental in the design and implementation of many larger complex systems installed by Westminster and is now responsible for the Group's operations and technical implementation worldwide.

J Mawuli Ababio

Independent Non-Executive Director

Mr John Mawuli Ababio is an accomplished Corporate Financier/Investment Banker with over 30 years' experience in structuring private equity and project financing transactions in Africa.

He is currently Vice-Chairman/Managing Partner of PCM Capital Advisors a regional private equity fund with a diversified investment portfolio in several countries in the West Africa sub-region.

Mawuli has extensive board and corporate governance experience having served on several listed and unlisted boards over the last 20 years, both as an Executive and Non-Executive Director. He is bilingual, speaking fluent English and French.

Charles Cattaneo BCom MBA FCA FCSI CF

Independent Non-Executive Director

Charles is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow of the Securities and Investment Institute and has over 30 years' corporate finance experience gained in investment banking, industry and the accounting profession. He has been a director of a number of public and private companies and is the founder of Cattaneo LLP a firm which specialises in providing corporate finance advice to companies. He is Chairman of the Midlands Regional Advisory Group of the London Stock Exchange.

Lady Patricia Lewis (Patsy Baker)

Independent Non-Executive Director

Patsy Baker is well-known and respected within the City and has considerable public relations and marketing experience, having spent over 20 years as the Group Business Development Director with Bell Pottinger. In November 2017 she joined Huntsworth PLC as Senior Group Advisor.

Corporate Governance Report

The Directors are committed to delivering high standards of corporate governance to the Group's shareholders and other stakeholders including employees, suppliers and the wider community. As an AIM company, full compliance with the UK Corporate Governance Code 2016 ("the Code") or the Quoted Companies Alliance Corporate Governance Code, is not a formal obligation. The Directors recognise the importance of sound corporate governance and the Group has sought to adopt the provisions of the Quoted Companies Alliance Code that are appropriate to its size and organisation and establish frameworks for the achievement of this objective. The Board of Directors operates within the framework described below.

Governance Framework

The Board is responsible for ensuring leadership of the Group through effective oversight and review and aims to deliver the long-term sustainable success of the business. The Board discharges some of its responsibilities directly in accordance with the formal schedule of matters reserved for it to approve, and discharges others through Board committees and the executive management.

The key responsibilities of the Board, its committees and the executive management are set out below.

Executive Chairman

Responsible for: leadership of the Board and the Board's effectiveness; ensuring board composition and skills meet the needs of the business; and for Board and Committee reviews.

The Board

Responsible for: the long-term success of the Group, providing leadership, direction and strategy; promoting the core values of the business & oversight of financial management; ensuring the business has effective internal control and risk management systems; and ensuring effective stakeholder engagement.

Audit Committee

Responsible for oversight of the Group's financial and risk reports and statements and external and internal audit processes.

See page 48 - 53
(Audit Committee Report)

Nomination Committee

Responsible for ensuring the Board and its committees have appropriate leadershipand succession planning in place.

See page 54 - 55
(Nomination Committee Report)

Remuneration Committee

Responsible for the setting of 'Directors' and senior leadership remuneration package policy, to attract and retain key individuals.

See page 56 - 59
(Remuneration Committee Report)

Chief Executive Officer

Responsible for: leadership and day-to-day management of the business; for developing strategy and new business opportunities; and ensuring the Board are kept informed of all relevant information.

Risk Committee

Responsible for the Group's risk management and internal control processes.

See page 22 - 27
(Risk Management Committee)

Operational Board

Responsible for management and governance of Group's divisions and business.

See page 39
(Board Structure)

Disclosure Committee

Responsible for oversight of the Group's disclosure obligations and MAR.

See page 43
(Disclosure Committee)

The Directors are committed to delivering high standards of corporate governance.

Corporate Governance Report

The Board

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

The Chairman is responsible for leadership of the Board and ensuring its effectiveness on all aspects of its role including Corporate Governance. The Chairman sets the Board's agenda and ensures that adequate time is available for discussion of all agenda items, especially strategic issues. The Chairman promotes a culture of openness and debate by facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations between Executive and Non-Executive Directors. The Chairman is also responsible for ensuring that the Directors receive accurate, timely and clear information. The Chairman ensures effective communication with shareholders.

All Directors allocate sufficient time to the Group to discharge their duties. There is a formal, rigorous and transparent procedure for the appointment of new Directors to the Board. The search for Board candidates is conducted, and appointments made, on merit, against objective criteria and with due regard for the benefits of diversity on the Board.

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

Board Meetings and Attendance

The Board of Directors holds at least six scheduled meetings a year to review the performance of the Group. In addition, ad hoc Board meetings are convened to deal with matters arising between scheduled meetings. The Board seeks to foster a strong ethical culture across the Group. There are clearly defined lines of responsibility and delegation of authority from the Board to the operating subsidiaries. The Operational Board meet weekly to review any key or current issues and hold monthly Operational Board meetings with Divisional Heads.

Name	Board Meetings		Disclosure Committee		Audit Committee		Nomination Committee		Remuneration Committee	
	H	A	H	A	H	A	H	A	H	A
Sir Tony Baldry	17	16	-	-	-	-	-	-	-	-
Peter Fowler	17	17	44	44	-	-	1	1	-	-
Mark Hughes	17	17	44	44	-	-	-	-	-	-
Stuart Fowler	17	16	44	44	-	-	-	-	-	-
Charles Cattaneo	17	17	44	44	5	5	1	1	3	3
Lady Patricia Lewis	17	16	44	44	5	5	1	1	3	3
Mawuli Ababio	17	17	44	44	5	5	1	1	3	3

Key
H = Maximum number of scheduled meetings held a director could have attended A = Number of meetings actually attended in person or remotely

Board Structure

The Company operates in complex and challenging technological and geographical areas and as such has put in place a board structure that can best provide the strategic advice and leadership required. The board structure consists of a PLC Board, an Operational Board and an International Advisory Board. The current members of each board may be found on our website here https://www.wsg-corporate.com/investor-relations/board-members.

PLC Board

The PLC Board contains a balance of Executive and Non-Executive Directors, including an Executive Chairman who is responsible for dealing with the strategic direction and long-term success of the Company. The Board will meet every two months or at any other time deemed necessary for the good management of the business and at a location agreed between the Board members. The Non-Executive Directors, Mawuli Ababio, Charles Cattaneo and Lady Patricia Lewis are all considered independent Directors.

Operations Board

The current Operations Board members are:

- **Peter Fowler (Group CEO) (Chair)**
- Mark Hughes (Group CFO)
- Stuart Fowler (Group COO)
- Roger Worrall (Group Company Secretary)
- Joanna Fowler (Head of Managed Services Division)
- Hamish Russell (General Manager)

The Operational Board comprises of certain Executive Directors, Divisional Heads and other senior management as deemed appropriate and is responsible management and governance of Group's divisions and business activities. The Operational Board meets informally weekly or at any other time deemed necessary for the good management of the business and at a location agreed between the Board members. The Operational Board holds a formal minuted meeting once a month. The Operational Board reports to the PLC Board.

International Advisory Board

The International Advisory Board assists and advises the Company and its subsidiaries on various international issues including governmental and client liaison, cultural, ethnic and religious sensitivities, compliance with legal issues, financing and general business development. For further details see the Group's corporate website.

Board Composition, Experience and Dynamics

The Company operates in complex and challenging technological and geographical areas and the Board is mindful that in order to deal effectively with the challenges of the business and to maximise its growth opportunities it has to incorporate a broad range of skills and diversity. The Board maintains a skills, diversity and experience matrix which will be periodically reviewed at Board meetings to evaluate current and future requirements. The Board and its committees will also seek external expertise and advice where required. Board members undertake continuing professional development as an when appropriate. The composition of the board with the members skills and experience is set out on pages 34 to 35.

Name	Position	Age	Gender	Varied Board Experience	Business Development	International Experience	Governance	Financial Management	Capital Markets	Public Market	Public Relations	Legal & Contractual	Security Sector	Technical	M&A
Sir Tony Baldry	Chairman	60+	M	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Peter Fowler	CEO	60+	M	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Mark Hughes	CFO	60+	M	✓		✓	✓	✓	✓	✓	✓	✓			✓
Stuart Fowler	COO	40-50	M	✓		✓	✓	✓					✓	✓	
Charles Cattaneo	NED	50-60	M	✓	✓		✓	✓	✓	✓	✓	✓			✓
Lady Patricia Lewis	NED	60+	F	✓	✓		✓				✓				
Mawuli Ababio	NED	60+	M	✓	✓	✓	✓	✓	✓	✓		✓			✓

Corporate Governance Report

Board Evaluation

The Board considers evaluation of its performance and that of its committees and individual Directors to be an integral part of corporate governance to ensure it has the necessary skills, experience and abilities to fulfil its responsibilities. The goal of the Board evaluation process is to identify and address opportunities for improving the performance of the Board and to solicit honest, genuine and constructive feedback.

The Board considers the evaluation process is best carried out internally at the Company's current size. However, the Board will keep this under review and may consider independent external evaluation reviews in due course as the Company grows.

The Board will, as a whole or in part as appropriate, undertake the evaluation process aided by the Chairman, CEO and independent Non-Executive Directors or external advisors as necessary. The Chairman is responsible in ensuring the evaluation process is 'fit for purpose', as well as dealing with matters raised during the process. The Chairman will keep under review the frequency, scope and mechanisms for the evaluation process and amend the process as required.

Where deficiencies are identified these will be addressed in a constructive manner. Where necessary individual Directors will be offered mentoring and training. If deficiencies are identified within the Board as a whole, then changes or additions to the Board will be considered in conjunction with the Nomination Committee.

The evaluation process will be focused on the improvement of Board performance, through open and constructive dialogue and the development and implementation of action plans. The Board will report on its evaluation and actions in its Annual Report. Any recommendations raised in relation to any Board Committee are acted upon in a formal and structured manner. No issues were identified for the year ending 31 December 2020.

Succession planning is a vital task for boards and the management of succession planning represents a key measure of the effectiveness of the Board and a key responsibility of both the Nomination Committee and wider Board.

Internal control

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

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

The Board considers evaluation of its performance and that of its committees and individual Directors to be an integral part of corporate governance.

Key Board Activity and Focus in 2020

Leadership

- Evaluated Board effectiveness.
- Reviewed senior management performance.
- Board Diversity & Experience reviewed.
- Management and Succession Strategy planning reviewed.
- Appraisals systems in place and functioning.

Financial

- Approved 2019 Financial Accounts & Annual Report.
- Approved the half year results.
- Approved the 2021 Budgets.
- Reviewed Tax Issues across operational jurisdictions.
- New Business Central Accounts system went live in March.

Strategy

- Approved the divisional reorganisation to meet 'One Company, One Vision' ethos, focussed on the LAND, SEA & AIR marketing structure.
- Approved new website production to incorporate all companies and expanded e-commerce facility.
- Reacted to Convid-19 pandemic, expanding fever detection and sanitisation portfolio.
- Expanded marketing team and commenced social media marketing to compliment traditional marketing routes.
- Instigated a focussed marketing campaign including TV advertising.
- Continued to pursue major project opportunities.

People and Culture

- Reviewed and approved existing and new company policies throughout the year.
- Implemented 'One Company Vision'.
- Identified as one of the '1,000 companies to inspire Britain' in 2020 by the London Stock Exchange.
- Approved staff to be furloughed, due to Covid-19.
- Supported communities during Covid-19 via Westminster Group Foundation.
- Maintained full employment of staff and kept facilities safe and secure during West African airport closure.
- Approved the move to using Board Intelligence portal for Board & Committee meetings.
- Launched group wide newsletter – Westminster Wire.

Financing

- Approved capital raises and issue of equity.
- Approved repayment of Convertible Loan Notes and RiverFort debt.
- Approved new auditors PKF Littlejohn LLP.
- Approved new brokers Arden Partners Plc.
- Approved new nomad Strand-Hanson Ltd.
- Approved new bankers Clydesdale / Yorkshire.
- Utilised UK Governments furlough scheme where appropriate.

Operations

- Covid-19 Risk Assessments reviewed monthly basis throughout the year.
- Expanded supplier network and product lines.
- Supplied goods and service to 78 countries around the world, including some notable contract wins such as the Palace of Westminster.
- Continued to secure strategic alliances.
- Managed Covid-19 situation with overseas ex-pats staff unable to rotate as normal.
- Covid-19 - Implemented social distancing and safe working practices throughout the organisation.
- Approved the sale of the Sierra Queen.

Shareholders

- Responded to investor enquiries.
- Agreed with Convertible Secured Loan Note holders to extend maturity date to 1 May 2021 (subsequently repaid in full in December 2020).
- Held closed AGM due to Covid-19 restrictions.
- Held webinar with investors on H1 results, due to Covid-19 pandemic.
- CEO undertook investor focussed interviews with various broadcast organisations.
- Undertook a Shareholder analysis including nominee underlying holders.
- Approved Convertible Loan Note conversions to Ordinary Shares.
- Undertook an investor roadshow with new Broker, raising £5m largely from new institutional investors.

Governance

- Audit, Disclosure, Remuneration, Nominations and Risk Committee Terms of Reference reviewed and approved.
- Reviewed the Group's compliance with adopted QCA governance code.
- Considered effect of Covid-19 on the Group's Activities.
- All Directors undertook and passed the Group's anti-bribery webinar.
- As part of the policy review the following existing or new policies were reviewed and approved: - Pension Policy, - Overtime Policy, Health & Safety Policy, Dealing in Company Securities Policy, AIM Rule (and MAR) Compliance Policy.

Corporate Governance Report

Board Evaluation

Business Description

Our vision is to build a global business with strong brand recognition delivering niche security solutions and long-term managed services to high growth and emerging markets around the world, with a particular focus on long term recurring revenue^ business.

Our target customer base is primarily governments and governmental agencies, critical infrastructure (such as airports, ports & harbours, borders and power plants), and large-scale commercial organisations worldwide.

Our business has evolved from a traditional UK focused security business to what can be described today as a truly international business. Furthermore, our evolution continues as we expand our operations into new areas and new territories creating additional opportunities around the world in the provision of long-term managed security services and security products.

We deliver our wide range of solutions and services through a number of operating companies that are currently structured into two operating divisions; Services and Technology; both primarily focused on international business as follows:

Services Division:
Focusing on long term (typically 10 – 25 years) recurring revenue^ managed services contracts such as the management and operation of security solutions in airports, ports and other such facilities, together with the provision of manpower, consultancy and training services.

Technology Division:
Focussing on providing advanced technology led security solutions encompassing a wide range of surveillance, detection, tracking, screening and interception technologies to governments and organisations worldwide.

These two divisions offer cost effective dynamics and vertical integration with the Technology Division providing vital infrastructure and complex technology solutions and expertise to the Services Division. This reduces both supplier exposure and cost and provides us with increasing purchasing power. Our Services Division provides a long-term business platform to deliver other cost-effective incremental services from the Group. Together these two divisions provide an opportunity to deliver long term, recurring revenue^ growth underpinned by a corporate infrastructure based on core values and risk mitigation through geographical spread and multiple revenue streams.

Strategy

In accordance with our vision, we operate world-wide with a focus on high growth and emerging markets where our expertise and technological reach can make a significant difference. Our client base is predominantly governments and governmental bodies, transportation organisations, non-governmental organisations (NGOs) and commercial & multi-national corporations worldwide.

Operating in emerging markets does present particular challenges with language and logistics, religious and cultural considerations and ethics. Doing business with governments and large corporations, particularly where large scale nationally important contracts are involved, can be a time-consuming process and this can be all the more so in emerging markets where processes can be slow and bureaucratic due to the nature of governments and the inherent complexities of doing business in such markets. However, despite such challenges and in some cases because of them, emerging markets offer huge growth opportunities for our Company.

Over the years we have built up an extensive international network of agents and partners, some of whom have become strategic investors, who provide business development assistance to our sales team, in-country knowledge and logistical support together with arranging meetings, translations where required and assisting with client negotiations. This network provides us with a cost effective, scalable global footprint in our chosen markets. This network together with the support we receive from the British Government and in-country diplomatic missions around the world means Westminster is well placed and structurally organised to benefit from the many opportunities we are developing within these markets.

^ This is an Alternative Performance Measure refer to Note 2 for further details

We are not a manufacturer and are product agnostic which enables us to provide the most appropriate product or solution to address our clients' needs. We do however have strong working relationships with a great many leading and niche product manufacturers around the world, enabling us to offer a broad and extensive range of solutions. We continually monitor market and technology advancements and regularly review our supplier and manufacturer base.

Our corporate strategy is outlined on pages 14-15.

Corporate Culture

The Board recognises that a corporate culture based on sound ethical values and behaviours is an asset and provides competitive advantages. The Group operates in international markets and is mindful that respect of individual cultures is critical to corporate success. In accordance with Westminster Group's stated mission it endeavours to conduct its business in an ethical, professional and responsible manner, treating our employees, customers, suppliers and partners with equal courtesy and respect at all times.

We recognise ISO 26000 as a reference document that provides guidance for integration / implementation of social responsibility / socially responsible behaviour. Westminster Group is also independently certified to and operates an ISO 9001 Quality Assurance programme and is working towards ISO 14001 – Environmental Management.

The Group also supports the local communities in which it operates indirectly through various charities and organisations and directly through its own registered charity the Westminster Group Foundation.

Stakeholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with all of its stakeholders, including shareholders, providing them with access to information to enable them to come to informed decisions about the Company. The Investor Relations section of the Company's website provides all required regulatory information as well as additional information shareholders may find helpful including: Share Services, information on Board Members, Advisors and Significant Shareholdings, a historical list of the Company's Announcements, its Financial Calendar, Corporate Governance information, the Company's publications including historic Annual Reports and Notices of Annual General Meetings, together with Share Price information and interactive Charting facilities to assist shareholders analyse performance.

Results of shareholder meetings and details of votes cast will be publicly announced through the regulatory system and displayed on the Company's website with suitable explanations of any actions undertaken as a result of any significant votes against resolutions.

Further information on the Group's Stakeholder Engagement can be found on pages 28-33.

Market Abuse Regulations

We are required to comply with Article 18(2) of the Market Abuse Regulation (EU) No. 596/2014 ("MAR") with reference to insider dealing and unlawful disclosure of inside information. The London Stock Exchange requires traded companies to maintain insider lists as set out in the Market Abuse Regulation ("MAR") that came into effect on 3 July 2016.

The Board have put in place a MAR compliance process and this and the Company's regulatory announcements are overseen by the Disclosure Committee.

The Company's MAR Policy may be found on its website (www.wsg-corporate.com).

Disclosure Committee

The Committee's Terms of Reference were last approved by the Board on 24 March 2021 and can be viewed on the Corporate Governance section of the Company's website (www.wsg-corporate.com).

The Terms of Reference are reviewed by the Board annually and will be amended where appropriate.

The Committee will be appointed by the Board and should be a balance of executive and non-executive directors.

It oversees and regulates the Company's disclosure obligations and to ensure compliance with Market Abuse Regulations (MAR) and London Stock Exchange rules.

Meetings shall be held as necessary for the purposes of approving regulatory announcements at such other times as shall be necessary or appropriate, as determined by the Chairman.

The Group Company Secretary, Roger Worrall, acts as Secretary to the Committee and minutes of meetings are circulated to all Committee members.

Governance report

Corporate Governance Report

Committee Membership

The current Disclosure Committee members are:

- **Lady Patricia Lewis (Chair)**
- Charles Cattaneo (NED)
- J M Mawuli Ababio (NED)
- Peter Fowler (Group CEO)
- Mark Hughes (Group CFO)
- Stuart Fowler (Group COO)

Risk management

As an entrepreneurial business operating in emerging markets there is clearly an elevated risk which is balanced by potentially greater rewards. The Board is mindful of and monitors both its corporate risks and individual project risks. Risks are categorised by both probability and impact and appropriate measures identified to monitor and mitigate any potential impact.

Project risks are dealt with on a case by case basis and monitored through the life cycle of the project as risks change and new risks appear. Project risks and mitigation will be part of regular project management meetings. The project manager for any given project will have responsibility for maintaining the project risk register.

The Company's corporate risks, risk monitoring, and risk management procedures are regularly reviewed by the Risk Management Committee and the Company's risk register updated as necessary. The Company Secretary will have responsibility for maintaining the corporate risk register. The Risk Committee Chairman will be responsible for ensuring the risk register is regularly reviewed and the Audit Committee Chairman will report on status and updates at Board meetings. The Company provides a risk report in its Annual Report each year.

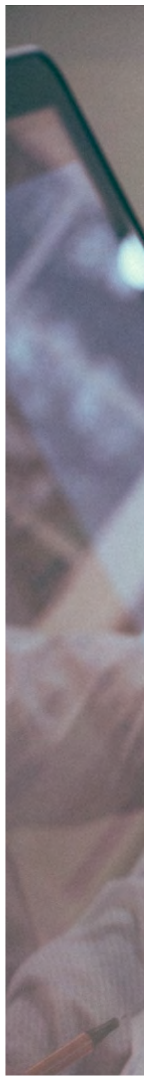
The Board has the primary responsibility for identifying the major risks facing the Group. The Board has adopted a schedule of matters which are required to be brought to it for decision, ensuring that it maintains full and effective control over appropriate strategic, financial, organisational and compliance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

In addition to risk assessment, the Board believes that the management structure within the Group facilitates free and rapid communication across the subsidiaries and between the Group Board and those subsidiaries and consequently allows a consistent approach to managing risks. Certain key functions are centralised, enabling the Group to address risks to the business present in those functions quickly and efficiently. The key risks and mitigation strategies of the business are set out on pages 24 to 27 of this report.

Corporate responsibility

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

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



As an entrepreneurial business operating in emerging markets there is clearly an elevated risk which is balanced by potentially greater rewards.

Governance report

Corporate Governance Report

Anti-bribery and corruption

The Group has a well-established anti-corruption policy in place which covers bribery and corruption, gifts and hospitality, and facilitation payments. This policy is reviewed by the Board annually and updated as necessary. All new employees and Directors are required to undertake and pass the Group's anti-corruption webinar and assessment. All employees are required to retake the anti-corruption webinar test annually. A copy of the Group's anti-corruption policies can be found on the Group's website at https://www.wg-plc.com/policy.

Human rights

The Group is committed to respecting human rights in the countries in which we do business. We ensure, as far as we are able, that there is no slavery or human trafficking in any part of our supply chain. All suppliers, agents and sub-contractors are required to adhere to our ethical standards. A copy of the Group's compliance with the Modern Slavery Act 2015 can be found on the Group's website at https://www.wg-plc.com/policy.

In support of our Corporate Responsibility we have a comprehensive range of policies which the Board review annually and update as necessary. Policies include:

- Quality Policy
- Health & Safety Policy
- Environmental Policy
- Anti-Bribery & Corruption Policy (including Gifts & Hospitality)
- Anti-Slavery and Human Trafficking Policy
- Company IT & Security Policy
- Money Laundering Policy
- CSR (Corporate Social Responsibility) Policy
- Data Protection Policy
- Equal Opportunities Policy
- Whistle-blower Policy
- Code of Ethics
- Sanctions Policy
- Export Control Policy
- Market Abuse Regulations (MAR) Policy

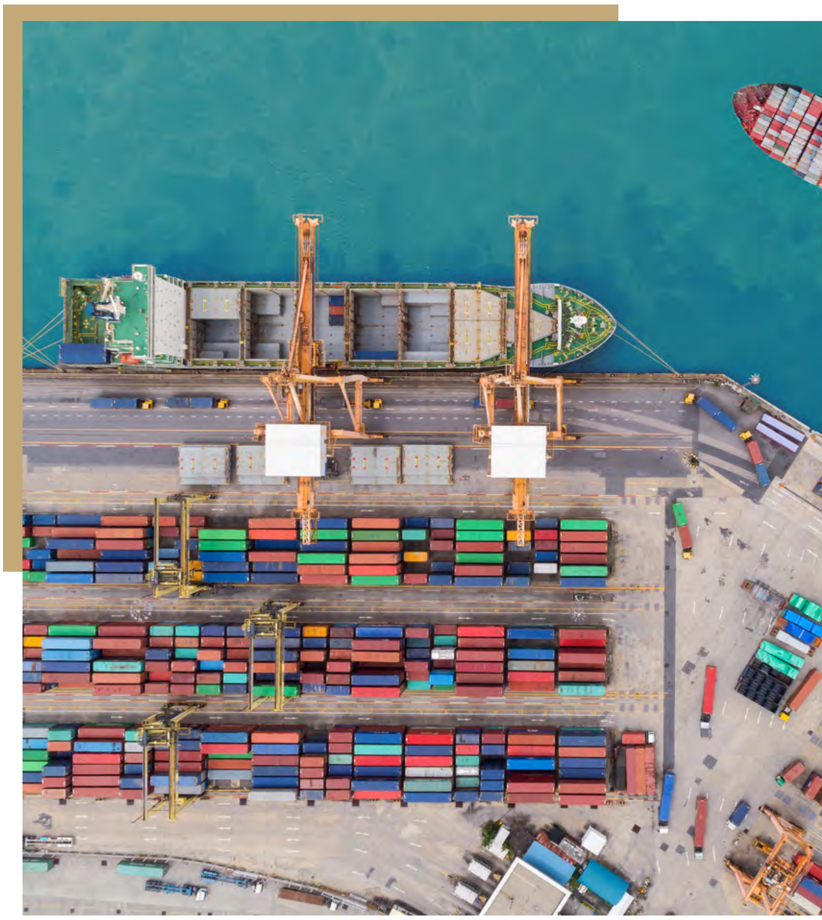
Financial planning, budgeting and monitoring

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

Capital management policies and procedures

The Group's capital management objectives are:

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



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

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and adjusts to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may review any dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

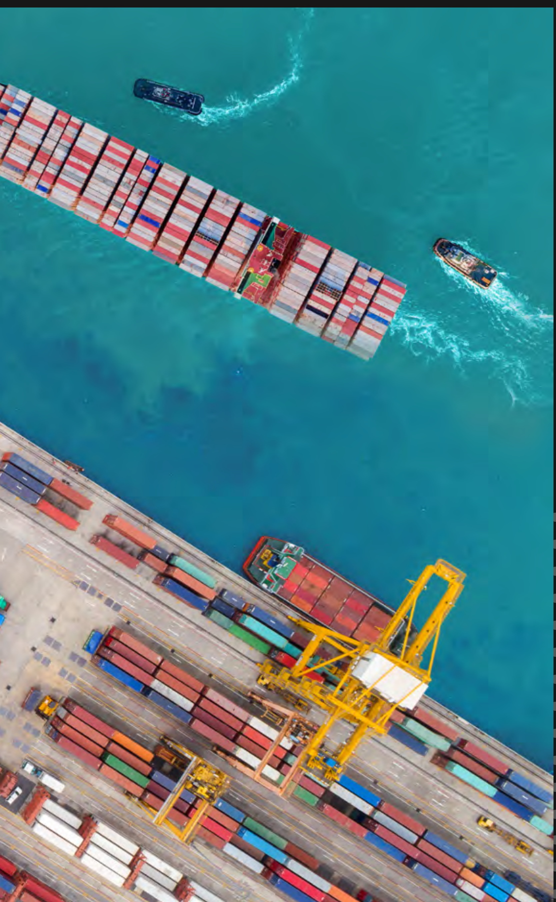
There is no requirement for the Group to maintain a strong capital base for each of its UK subsidiaries and therefore each subsidiary is financed by inter-company debt from the Company. These policies have not changed in the year. The Directors believe that they have been able to meet their objectives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

Non-Executive Directors

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

Annual report

The Directors consider the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.



The Group has a well-established anti-corruption policy in place which covers bribery and corruption, gifts and hospitality, and facilitation payments.

Audit Committee Report

I am pleased, as Chairman of the Audit Committee, to present its report for the year ended 31 December 2020.

The Committee's Terms of Reference were last reviewed and approved by the Board on 24 March 2021 and can be viewed on the Corporate Governance section of the Company's website (www.wsg-corporate.com).

The Terms of Reference are reviewed by the Board annually and amended where appropriate.

This report details how the Audit Committee has met its responsibilities over the last twelve months under its Terms of Reference and under the Quoted Companies Alliance Corporate Governance Code.

The Audit Committee focused particularly on the appropriateness of the Group's financial statements. The committee has satisfied itself, and has advised the Board accordingly, that the 2020 Annual Report and financial statements are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

It oversees and reviews the Group's financial reporting and internal control processes, its relationship with external auditors and the conduct of the audit process together with its process for ensuring compliance with laws, regulations and corporate governance. The Audit Committee also oversee and report to the Board on the Group's Risk Management requirements.

There is currently no internal audit function as this would not be cost effective given the size of the Group, although this is kept under annual review.

Committee Membership

The Audit Committee is composed entirely of independent Non-Executive Directors but other individuals such as the Company's CFO and CEO and representatives of the finance team may be invited to attend all or any part of any meeting when deemed appropriate. The Company's external auditors are invited to attend meetings of the Committee on a regular basis.

Audit Committee

Charles Cattaneo (Chair)

J M Mawuli Ababio

Lady Patricia Lewis

The Group Company Secretary, Roger Worrall, acts as Secretary to the Committee and minutes of meetings are circulated to all Committee members.

The biographies of current members can be found on page 35. The Board considers that the committee as a whole has an appropriate and experienced blend of commercial, financial and industry expertise to enable it to fulfil its duties, and that the committee chairman, Charles Cattaneo, has appropriate recent and relevant financial experience.

Role and Responsibilities

The Board established an Audit Committee to monitor the integrity of the Company's financial statements and the effectiveness of the Group's internal financial controls. One of the Audit Committee's key responsibilities is to review the Group's financial risk management and internal controls systems, including in particular internal financial controls. During the year, the committee carried out a robust assessment of the principal financial risks facing the company and monitored the internal control system on an on-going basis. The committee also reviewed the effectiveness of the external audit process as part of the continuous improvement of financial reporting and risk management across the Group.

The committee's role and responsibilities are set out in the committee's terms of reference which are available from the Company. The Terms of Reference are reviewed annually and amended where appropriate. During the year the committee worked with executives, the external auditors and other members of the senior management team in fulfilling these responsibilities.

Financial Reporting

The committee is responsible for monitoring the integrity of the Group's financial statements and reviewing the financial reporting judgements contained therein. The financial statements are prepared by a finance team with the appropriate qualifications and expertise. The committee confirmed to the Board that the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

In respect of the year to 31 December 2020, the committee reviewed:

- the Group's Half-year Report for the six months to 30 June 2020; and
- the Annual Report for the year ended 31 December 2020.

In carrying out these reviews, the committee:

- reviewed the appropriateness of Group accounting policies including monitoring changes to and compliance with accounting standards on an on-going basis;
- discussed with management and the external auditor the critical accounting policies and judgements that had been applied;
- discussed a report from the external auditor identifying the significant accounting and judgemental issues that arose in the course of the audit;
- considered the management representation letter requested by the auditor for any non-standard issues;
- monitored action taken by management as a result of any recommendations made by the external auditor;
- discussed with management future accounting developments which are likely to affect the financial statements;
- reviewed the budgets and strategic plans of the Group in order to ensure that all forward-looking statements made within the Annual Report reflect the actual position of the Group; and
- considered key areas in which estimates and judgement had been applied in preparation of the financial statements including, but not limited to, a review of fair values on acquisition, the carrying amount of goodwill, intangible assets and property, plant and equipment, litigation and warranty provisions, recoverability of trade receivables, valuation of inventory, hedge accounting treatments, treasury matters and tax matters.

The Audit Committee focused particularly on the appropriateness of the Group's financial statements.

The primary areas of judgement considered by the committee in relation to the Group's 2020 financial statements, and how they were addressed by the committee are set out on page 51.

Each of these areas received particular focus from the external auditor, who provided detailed analysis and assessment of the matter in their report to the committee.

Committee Evaluation

As outlined on pages 38 to 40 within the Corporate Governance Statement, the performance of the Board also includes a review of the committees. Any recommendations raised in relation to the Audit Committee are acted upon in a formal and structured manner. No issues were identified for the year ending 31 December 2020.

Meetings

The Audit Committee met five times during the year ended 31 December 2020 to review the 2019 Financial Statements, the 2020 half-year results, to consider and accept the External Auditors plan for the 2020 audit. There were also meetings with potential auditors to replace BDO, which led to the decision to appoint PKF Littlejohn LLP.

Audit Committee Report

Audit Committee activities 2020	Mar	May	Aug	Sep	Dec
Financial reporting					
Review any related party matters and intended disclosures	✓	✓			✓
Agree & Approve Audit Committee Papers		✓			
Covid-19 effect on Company		✓			
2019 Annual Report & Financial Statements including auditors report		✓			
Review and approve preliminary & half-year results			✓		
Consider accounting policies and the impact of new accounting standards. Review management letter from auditors		✓			✓
Review any related party matters and intended disclosures	✓	✓			✓
Review Annual Report and confirm if fair, balanced and understandable		✓			
Review IFRS 17 Insurance Contracts paper			✓		
2021 Budget Approve					✓
External auditors					
Review Potential Auditors to replace BDO and appointment of PKF		✓			
Approval of year-end audit plan					✓
Approval of audit engagement letter and audit fees - UK					✓
Approval of audit engagement letter and audit fees - External, Ghana, Sierra Leone					✓
Confirm auditor independence, materiality of fees, and non-audit services					✓
Internal audit and risk management controls					
Review of internal audit within Westminster					✓
Review of financial, IT and general controls					✓
Monitor Group whistleblowing procedures					✓
Assessment of the principal risks and effectiveness of internal control systems					✓
Governance					
Assurances as to corporate governance and Corporate Governance Code Compliance Accounting standards update					✓
Corporate governance update					✓
Evaluation of external audit functions					✓
Policy on the engagement of external auditors					✓
Review of General Risks					
Review of the General Risk Matrix				✓	
Review of Coronavirus Risk Assessment	✓	✓	✓	✓	
Sierra Leone Risk & Artificial Intelligence (AI)				✓	
Currency and Foreign Exchange				✓	
Business Central - Dynamics Status Review				✓	

Primary areas of Judgement	Committee activity
Going concern	The financial statements are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Committee have considered all relevant available information about the future. As part of its assessment, the Committee reviewed and considered appropriate management's profit and cash forecasts, the likely continued support of the shareholders and the ability to affect costs and revenues. The Committee reviewed Directors' stress tests of revenue and utilisation assumptions included in the Group's cash projections for a period of at least 12 months from the date of approval of these financial statements. The Committee considered the Board's view that it believed the Group will generate sufficient working capital and cash flows to continue in operational existence and it will have the support of lenders and shareholders, if required. The Committee reviewed the Group's resources at the date of approving the financial statements, management's contingency planning and their projections for future trading, which together give a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, which for the avoidance of doubt is at least 12 months from the date of signing the financial statements. Thus, considering all of the above factors, the Committee agrees with the Director's decision to continue to adopt the going concern basis of accounting in the preparing the financial statements.
Goodwill	The committee considered the annual impairment assessment of goodwill prepared by management for each Cash Generating Unit using a discounted cash flow analysis based on the strategic plans approved by the Board, including a sensitivity analysis on key assumptions. The primary judgement areas were the achievability of the long-term business plans and the key macroeconomic and business specific assumptions. In considering the matter, the committee discussed with management the judgements made and the sensitivities performed. Further detail of the methodology is set out in Notes 2 and 10 to the financial statements.
Management override of controls	As with any SME we have reviewed the processes and systems in place during the audits including carrying out a review of board minutes of the Group and other management minutes in order to document the consideration and approval of all major decisions. We also reviewed journals processed, management estimates and judgements applied.
Revenue recognition	The committee reviewed the judgements applied by management in determining the recognition of revenue for the period to 31 December 2020. The Committee was satisfied that such judgements were appropriate, and any risk had been adequately addressed.
Deferred tax assets	The committee reviewed the judgements applied by management in determining the recognition of revenue for the period to 31 December 2020, The Committee was satisfied that considering the expected level of future profits such judgements were appropriate, and any risk had been adequately addressed.
RiverFort EPSA	The committee considered a paper on the accounting treatment of the RiverFort EPSA, and the Committee agreed with the Directors decision.

External Auditor

The Audit Committee has responsibility for overseeing the Group's relationship with the external auditor including reviewing the quality and effectiveness of their performance, their external audit plan and process, their independence from the Group, their appointment and their audit fee proposals.

Following the completion of the 2019 year-end audit, the committee carried out a review of the effectiveness of the external auditor and the audit process. This review involved discussions with both Group management and feedback provided by accounts. It also noted that the Group had been audited by effectively the same firm, albeit with two name changes, for the last 8 years. Based on this review and the need for effective rotation to maintain independence, it decided therefore that the Group should change auditors. Having talked to a number of audit firms and undergone a formal tender process the committee decided to appoint PKF Littlejohn LLP to undertake the Group and UK audits. The committee also decided to appoint PKF Ghana as the auditor of Westminster International (Ghana) Limited.

Audit Committee Report

The committee continues to monitor the performance and objectivity of the external auditors and takes this into consideration when making its recommendations to the Board on the remuneration, the terms of engagement and the re-appointment, or otherwise, of the external auditors.

Prior to commencement of the 2020 year-end audit, the committee approved the external auditor's work plan and resources and agreed with the auditor's various key areas of focus, including accounting for acquisitions, impairments, as well as a particular focus on certain higher risk jurisdictions.

During the year, the committee met with the external auditor without management being present. This meeting provided the opportunity for direct dialogue and feedback between the committee and the auditor, where they discussed inter alia some of the key audit management letter points.

The committee received confirmation from the auditor that they are independent of the Group under the requirements of the Financial Reporting Council's Ethical Standards for Auditors. The auditor also confirmed that they were not aware of any relationships between the Group and the firm or between the firm and any persons in financial reporting oversight roles in the Group that may affect its independence.

Non-audit services

In order to further ensure independence, the committee has a policy on the provision of non-audit services by the external auditor that seeks to ensure that the services provided by the external auditor are not, or are not perceived to be, in conflict with auditor independence. The committee decided in 2020 to strengthen this independence by asking the Group to appoint a separate firm in the UK (Ellacotts) as UK tax advisors. It also continued to monitor independence by obtaining an account of all relationships between the external auditor and the Group, and by reviewing the economic importance of the Group to the external auditor by monitoring the audit fees as a percentage of total income generated from the relationship with the Group, the committee ensured that the independence of the external audit was not compromised. During 2019 the committee had reviewed and updated its policy on the engagement of external auditors and the provision of non-audit services in order to bring it into full compliance with the EU audit reform legislation. An analysis of fees paid to the external auditor, including the non-audit fees, is set out in Note 6 and detailed below.

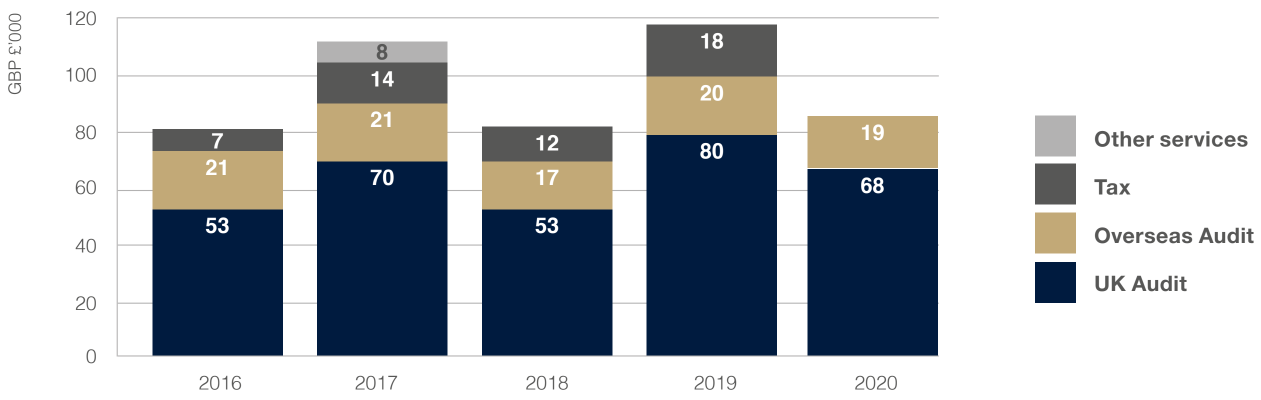
Internal Audit

The committee reviewed the need for an internal function and concluded that the given size and profitability of the Group an internal audit function was not cost effective. However, the committee is keeping this under review and at an appropriate moment will look to establish an internal audit function.

Internal Control

The Audit Committee has been delegated, from the Board, the responsibility for monitoring the effectiveness of the Group's system of internal control.

Audit v Non-Audit Services



The committee continues to monitor the performance and objectivity of the external auditors.

The Audit Committee monitors the Group's risk management and internal control processes through detailed discussions with, the Risk Committee, management and Executive Directors, the review of the and the external audit reports, as part of the year-end audit, all of which highlight the key areas of control weakness in the Group. All weaknesses identified by either internal or external audit are discussed by the committee with Group management and an implementation plan for the targeted improvements to these systems is put in place.

The Group's system of risk management and internal control were in place throughout the accounting period and remain in place up to the date of approval of this Annual Report.

The main features of the Group's internal control and risk management systems that specifically relate to the Group's financial reporting and accounts consolidation process are set out in the Corporate Governance Report on page 40.

On behalf of the Board

Charles Cattaneo
Chairman of the Audit Committee

29 April 2021

Governance report

Nomination Committee Report

As Chairman of the Nomination Committee, I am pleased to present the report of the committee for the year ended 31 December 2020.

The Committee's Terms of Reference were last reviewed and approved by the Board on 24 March 2021 and can be viewed on the Corporate Governance section of the Company's website (www.wsg-corporate.com).

The Terms of Reference are reviewed by the Board annually and amended where appropriate.

Committee Membership

The Nominations Committee is composed of independent Non-Executive Directors with the exception of the Group CEO but other individuals such as other Board Directors or the HR manager may be invited to attend all or any part of any meeting when deemed appropriate.

The Group Company Secretary, Roger Worrall, acts as Secretary to the Committee and minutes of meetings are circulated to all Committee members.

The key responsibilities of the Nomination Committee are:

- To under review the structure, size and composition (including skills, knowledge, experience and diversity) of the Board as well as the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;
- To review the balance of the Board and its committees, and consider Non-Executive Directors' independence, whether the balance between non-executive and executive directors remains appropriate, and whether the Board has the requisite skills and experience to oversee delivery of the agreed strategy for the Group;
- Identify any training needs of Executive Directors and Non-Executive Directors;
- Identify and nominate for the approval of the Board, candidates to fill board vacancies as and when they arise;
- Review annually the time required from a Non-Executive Director. Performance evaluation should be used to assess whether the non-executive director is spending enough time to fulfil their duties; and
- Review the Company's succession plans and make recommendations as appropriate.

Members of the Committee do not participate in any discussions relating to their own reappointment or replacement.

Nomination Committee

Lady Patricia Lewis (Chair)

Charles Cattaneo

J M Mawuli Ababio

Peter Fowler

2020 Activity

During the year the Committee undertook the following activities:

We reviewed the skills, knowledge, experience and diversity of the Board and its committees and considered it appropriate for our size and current activities. The diversity of our Board, our senior management and the Group as a whole are shown in the charts opposite. The skills matrix for the Board can be found on page 39.

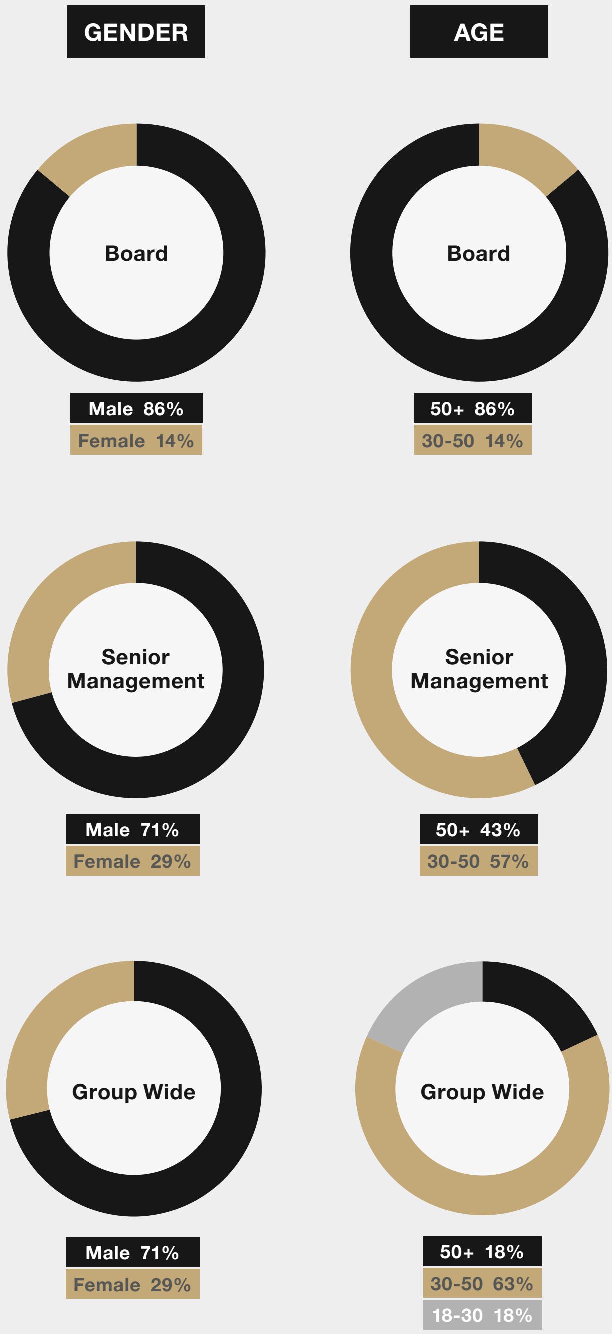
We considered succession planning and discussed this during our meetings. At our stage of development, we feel our succession planning is adequate, but it is an area we are monitoring carefully and will continue to advise the Board accordingly.

Nomination Committee Activities	Dec 2020
Review Management & Succession Strategy	✓
Board Diversity & Experience Matrix	✓
Key Personnel Replacement	✓

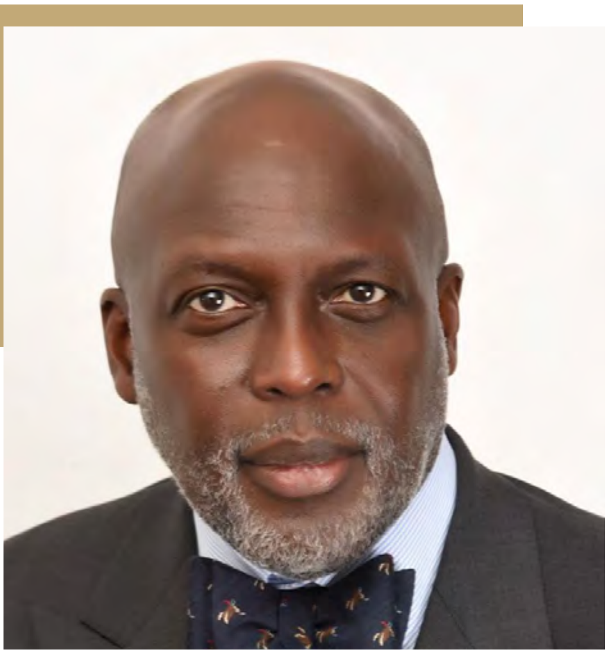
On behalf of the Board

Lady Patricia Lewis
Chairman of the Nomination Committee

29 April 2021



Remuneration Committee Report



As Chairman of the Remuneration Committee, I am pleased to present the report of the committee for the year ended 31 December 2020.

The Terms of Reference are reviewed by the Board annually and amended where appropriate.

The Committee's Terms of Reference were last reviewed and approved by the Board on 24 March 2021 and can be viewed on the Corporate Governance section of the Company's website (www.wsg-corporate.com).

As a Company whose shares are admitted to trading on AIM, the preparation of a Remuneration Committee report is not an obligation. The Group has, however, sought to provide information that is appropriate to its size and organisation.

Committee Membership

The Remuneration Committee is composed entirely of independent Non-Executive Directors but other individuals such as the Group's Chairman and CEO and may be invited to attend all or any part of any meeting when deemed appropriate.

The Group Company Secretary, Roger Worrall, acts as Secretary to the Committee and minutes of meetings are circulated to all Committee members.

Executive Directors' Remuneration Policy

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 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.

Remuneration Committee

J M Mawuli Ababio (Chair)

Lady Patricia Lewis

Charles Cattaneo

The Committee's policy is to provide a remuneration package which will attract and retain Directors and management with the ability and experience required to manage the Group and to provide superior long-term performance. It is the aim of the Committee to reward Directors competitively and on the broad principle that their remuneration should be in line with the remuneration paid to senior management of comparable companies. There are four main elements of the remuneration package for Executive Directors: base salary, share options, benefits and annual bonus. Notice periods for Executive Directors are 12 months.

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

Share options are granted having regard to an individual's seniority within the business and are designed to give Directors and staff an interest in the increase in the value of the Group. None have been granted in 2020.

Benefits primarily comprise the provision of company cars, pension payments, health insurance and participation in the Group life assurance scheme.

All Executive Directors and executive management participate in the Group's annual bonus scheme, which is based upon the assessment of individual performance, subject to the Group achieving profitability commensurate with its revenues and capital employed.

Exclusions

The terms of reference of the Committee do not encompass:

- decisions to employ or dismiss Executives which is a matter for the Board; or
- deliberate on the remuneration of any Non-Executive Director, which is a matter for the Board; or
- responsibility for nominations to the Board which is a matter for the Nominations Committee.

This report details how the Remuneration Committee has fulfilled its responsibilities under its Terms of Reference and under the QCA Corporate Governance Code 2018. The report sets out the Company's remuneration policy, how the policy will be applied in 2021, gives details of the remuneration outcomes for 2020, and describes the workings of the Remuneration Committee during the year.

Remuneration Outcomes for 2020 and Remuneration Policy for 2021

Executive Directors' remuneration

Executive Directors remuneration is determined by the Remuneration Committee. The Executive Directors took voluntary salaries reductions in October 2014 as part of the cost reductions during the Ebola crisis which have not been adjusted since. During the 2020 review the Committee decided that, whilst there were substantial improvements in Group's performance, no adjustment would be made in the year other than to recognise changes in time committed.

Non-Executive Directors' remuneration

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

It is anticipated that Non-Executive Directors will spend an average of 2 days a month undertaking their Role and Duties. This will include attendance at board meetings, the AGM, one annual board away day a year and at least one site visit a year. Due to Covid-19 restrictions the away day and site visits were not possible in 2020. They also attend periodic Remuneration and Audit Committee meetings. They are required to spend time considering all relevant papers prior to each meeting.

In addition to the above they may be required to devote additional time to the Company when it is undergoing a period of particularly increased activity and may be required to support the Company by attending meetings with clients and advisors etc. both within the UK and overseas.

The service contracts of the Non-Executive Directors specify the following:

Non-Executive Directors	Severance	Notice	Contractual fees (pa) £'000
Lady Patricia Lewis	None	3 months	24
Charles Cattaneo	None	3 Months	24
J Mawuli Ababio	None	3 months	24

Remuneration Committee Report

Board Balance, Time Commitment and Meetings

The Board contains a balance of Executive and Non-Executive Directors, including an Executive Chairman who is responsible for dealing with the strategic direction and long-term success of the Company. The Board will meet every two months or at any other time deemed necessary for the good management of the business and at a location agreed between the Board members.

The Non-Executive Directors are all considered independent Directors.

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

Details of the Executive and Non-Executive Directors' remuneration and interest in share capital for the year ended 31 December 2020 are as follows:

	Basic £'000	Benefit in kind £'000	Group NI £'000	Total cost of employment 2020 £'000	Total cost of employment 2019 £'000
Executive Directors					
Sir Anthony Baldry	73	-	9	82	48
Peter Fowler	157	19	20	196	201
Mark Hughes	120	4	14	138	140
Stuart Fowler	110	-	14	124	117
	460	23	57	540	506
Non-Executive Directors					
Sir Malcolm Ross	-	-	-	-	22
Lady Patricia Lewis	24	-	2	26	27
Charles Cattaneo	24	-	-	24	24
J M Mawuli Ababio	24	-	-	24	3
	72	-	2	74	76
Total Board Remuneration	**532**	**23**	**59**	**614**	**582**

No options were exercised during the year and no cash benefit was therefore received by the Directors.

The Executive and Non-Executive Directors who held office during the year had no interests in the shares or loan stock of the Company or any of its subsidiaries except that Mawuli Ababio has 10% of our dormant Ghana company (Westminster International (Ghana) Limited) and for the following holdings of ordinary shares in the Company:

	1 January 2019	Purchased in Year	31 December 2019
Peter Fowler and Mrs P J Fowler	6,461,794	40,000	6,501,794
Mark Hughes	116,000	-	116,000
Stuart Fowler	541,618	-	541,618
Lady Patricia Lewis	100,000	150,000	250,000
Sir Anthony Baldry	-	-	-
Charles Cattaneo	130,000	120,000	250,000
J M Mawuli Ababio	-	-	-
	7,349,412	310,000	7,659,412

In addition to the interests disclosed above, the following Executive and Non-Executive Directors have options to acquire ordinary shares of 10p each in the Company granted under the 2007 Share Option Plan. Details are as follows:

	Grant Price	Market Price at Date of Grant	01 January 2020	Change in Year	31 December 2020	Date from which exercisable
Sir Anthony Baldry	13p	13p	750,000	-	750,000	1 June 2019#
Peter Fowler	28.5p	25.5p	781,250	-	781,250	10 June 2016*
Peter Fowler	13p	13p	1,750,000	-	1,750,000	1 June 2019#
Mark Hughes	13p	10.25p	750,000	-	750,000	8 November 2019#
Stuart Fowler	28.5p	25.5p	625,000	-	625,000	10 June 2016*
Stuart Fowler	13p	13p	750,000	-	750,000	1 June 2019#

The market price of the shares at 31 December 2020 was 4.15p and the range during the year was 3.80p to 13.79p.

(*) These options were granted to the Directors at a price of 28.5p under the 2007 EMI Scheme. Executive Directors are issued share options under the EMI Scheme and Non-Executive Directors under an unapproved scheme, which has the same rules as the EMI Scheme but without the relevant tax concessions. Save for a change of control in the Company, Share Options granted to Directors will only vest if the Company's share price has reached 60p at any time and became exercisable from 10 June 2016.

(#) These options were granted to the Directors at a price of 13p under the Company's 2017 Share Option Scheme. They can be exercised at any time from the first anniversary of the date of grant up to the tenth anniversary of that date. Save for a change of control in the Company, the Share Options will only vest if the Company's share price has reached 26p per Ordinary Share at any time, being twice the middle market price on the original date of grant.

Remuneration Committee Activities	Jan 2020	July 2020	Dec 2020
Review of overall remuneration policy	✔		
Review of restitution of voluntary salary reduction / salary sacrifice from Nov 2014	✔		
Consideration of proposals for overall packages including Long Term Incentive plans	✔	✔	✔
Review executive & higher paid staff salary for 2020	✔		
Decision to implement Keyman Insurance	✔		
Consideration of directors shareholding in company			✔
Review of remuneration of Non-Executive Directors		✔	
Review of the Sector & Comparative Trends		✔	
Board remuneration for 2021		✔	

On behalf of the Board.

J M Mawuli Ababio
Chairman of the Remuneration Committee

29 April 2021

Directors' Report

The Directors of Westminster Group PLC (Company Number: 03967650) present their annual report and the audited financial statements for the year ended 31 December 2020.

Principal activities

Westminster Group PLC is a specialist security and services group operating worldwide through an extensive international network of agents and contacts in over 50 countries.

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

Review of business, future developments and key performance indicators

A full review of the business and future development, incorporating key performance indicators, is set out in the Chief Executive Officer's Strategic Report and the Chief Financial Officer's statements on pages 8 to 21.

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

Executive Directors
Rt Hon Sir Tony Baldry
Peter Fowler
Stuart Fowler
Mark Hughes

Non-Executive Directors
Lady Patricia Lewis
Charles Cattaneo
J M Mawuli Ababio

Risk management objectives and strategy

The Group's corporate governance objective is to build a risk management framework across the Group. Local operations prepare relevant local risk registers which are then reviewed by a committee of executive Group management who then in turn report to the Audit Committee who in turn report to the main Board. Clear channels of communication exist to ensure that risk management objectives are communicated across the company and that risks are reported up to the Board and relevant management. External auditors are used where necessary, and the Group will consider the need to establish an internal audit process as the Group expands. This may include operational reviews (such as compliance with aviation security standards) as well as the traditional financial and compliance aspects.

Results and dividends

The Group's results for the financial year are set out in the Consolidated Statement of Comprehensive Income.

The Directors do not recommend the payment of a dividend (2019: £nil).

Directors' interests in share capital and share options

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

Other significant interests in the Company

At 29 April 2021, those shareholders, other than Directors, who had disclosed to the Company an interest of more than 3 % of the issued share capital, are set out as follows.

Name of shareholder	Interest in shares	Percentage
Spreadex Ltd	19,787,083	6.91%
Janus Henderson	12,500,000	4.36%
Premier Miton Group	10,000,000	3.49%

Policy on payments to suppliers

It is a policy of the Group in respect of all suppliers, where reasonably practical, to agree the terms of payment with those suppliers when agreeing the terms of each transaction and to abide by them. The ratio of amounts owed by the Group to trade creditors at the year-end represented 50 days (2019: 66 days).

Share price

During 2020 the Company's share price ranged from 3.80p to 13.79p and the share price at 31 December 2020 was 4.15p (2019: 11.75p).

Directors' and officers' liability insurance

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

Post balance sheet events

These are detailed in note 32 to the financial statements.

Going concern

As detailed in note 2 to the accounts, the financial statements are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, management have considered all relevant available information about the future. As part of its assessment, management have considered the profit and cash forecasts, the continued support of the shareholders and Directors and management ability to affect costs and revenues. Management regularly forecast results, financial position and cash flows for the Group.

In 2020, the Directors took timely action implementing logistical and organisational changes to consolidate the Group's resilience to Covid-19, including a reduction in costs, risk assessments, safe working practices and various other measures, including utilisation of governmental support schemes. The Directors also took action to expand the Group's range of fever screening and safety equipment, expanding its supply base and instigating targeted marketing campaigns which has seen a significant rise in product sales revenues mitigating reductions elsewhere in the business. The Directors continue to monitor the situation with respect to Covid-19 and to update its risk assessments and contingency planning as necessary.

The Directors have therefore reviewed the Group's resources taking into account the continuing, if diminishing, issues caused by the pandemic at the date of approving the financial statements, and their projections for future trading, which give a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, which for the avoidance of doubt is at least 12 months from the date of signing the financial statements. Thus, they continue to adopt the going concern basis of accounting in the preparing the financial statements.

Auditor

In so far as each of the Directors is aware

- There is no relevant audit information of which the Company's auditor is unaware, and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

On behalf of the Board.

Peter Fowler
Director

Mark L W Hughes
Director

29 April 2021

Statement of Directors' Responsibilities

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Website publication

The Directors are responsible for ensuring that the Annual Report and financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

On behalf of the Board.

Peter Fowler
Director

Mark L W Hughes
Director

29 April 2021

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Independent Auditor's Report

to the Members of Westminster Group PLC

Opinion

We have audited the financial statements of Westminster Group PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and the Company Statements of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Cash Flow Statement, the Company Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's and parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included a review of the group's forecast financial information up to the end of 2023, as well as obtaining the post year-end management accounts for review. See the Key Audit Matters section of this report for further description of our evaluation of the directors' assessment of going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We determined materiality for the financial statements as a whole to be £140,000 for the group financial statements using 1.5% of group turnover.

We consider the turnover to be the most relevant determinant of the group's financial position and performance used by shareholders. 2020 has been a special year to the group as the COVID-19 pandemic has adversely impacted a few of the revenue streams and therefore the group's going concern is dependent on recovery from the pandemic and ability to secure new contracts to fund operations.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £7,000 in addition to other identified misstatements that warranted reporting on qualitative grounds.

Materiality for the parent company financial statements was set at £139,999.

Whilst materiality for the financial statements as a whole was set at £140,000, each significant component of the group was audited to an overall materiality ranging between £6,900 to £139,999 with performance materiality set at 70%. We applied the concept of materiality both in planning and performing the audit, and in evaluating the effect of misstatement.

Our approach to the audit

In designing our audit we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. We addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represents a risk of material misstatement due to fraud. We also considered revenue recognition and going concern.

A full scope audit was performed on the complete financial information of the group's significant operating component located in Sierra Leone and United Kingdom.

The group's Sierra Leone operations are audited by a non PKF network firm. The audit team discussed significant events occurring during the year and post year-end period with the component auditor and performed a review of the component auditor's working papers, including review of planning and completion stage group reporting. The group audit team are responsible for the scope and direction of the audit process. All other work was performed remotely by PKF Littlejohn LLP.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
Revenue recognition (See Note 2) Under ISA 240 there is a presumption that revenue recognition is a fraud risk. The group has several different revenue streams under the main trading entities Westminster International Limited, Westminster Aviation Security Services and Keyguard UK Limited. There is a risk regarding the completeness and accuracy of the revenue given that the point of recognition for each material revenue stream could be different and should conform to IFRS 15.	Our work in this area included: • Documenting our understanding of the internal control environment in operation for the material income streams and undertaking a walk-through to ensure that the key controls within these systems have been operating in the period under audit; • Understanding the revenue recognition policy for each income stream in accordance with the IFRS 15 5 step approach • Substantive transactional testing of income recognised in the financial statements, including deferred and accrued income balances recognised at year end; and a review of post year end receipts to ensure completeness of income recorded in the accounting period.
Going concern (See Note 2) The COVID-19 pandemic creates uncertainty for the business, particularly in the aviation and security industries where the operations have been impacted in the year. As a result of COVID-19, revenues in both these areas have reduced in the year. There is a risk that the group is not a going concern, given the reliance on funding provided by 3rd party loans and the necessity for future fund raising. In addition, the group was loss making in both 2018 and 2019 and experienced cash outflows.	Our work in this area included: • A review of budgets/forecasts and compare with available post year-end results. • Reviewing performance to past budgets. • Challenge of management assumptions used in formulating the cash flow forecasts. • Ensuring appropriate disclosures have been made in the financial statements surrounding the going concern position and COVID-19.

Independent Auditor's Report

to the Members of Westminster Group PLC

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from:
    - AIM Rules
    - Local industry regulations in Sierra Leone and Ghana
    - Local tax and employment law in Sierra Leone and Ghana
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
    - Enquires of management
    - Review of Board minutes
    - Review of legal expenses
    - Review of RNS announcements
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, we did not identify any significant fraud risks.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to, the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Joseph Archer (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

29 April 2021

15 Westferry Circus
Canary Wharf
London E14 4HD

Financial statements

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2020

	Note	2020 Continuing Operations	2020 Discontinued Operations	2020 Total	2019 Continuing Operations (Restated)	2019 Discontinued Operations	2019 Total (Restated)
		£'000	£'000	£'000	£'000	£'000	£'000
REVENUE	3	9,945	-	9,945	10,889	-	10,889
Cost of sales		(5,974)	-	(5,974)	(6,444)	-	(6,444)
GROSS PROFIT		3,971	-	3,971	4,445	-	4,445
Administrative expenses		(4,715)	-	(4,715)	(5,149)	28	(5,121)
(LOSS) / PROFIT FROM OPERATIONS	6	(744)	-	(744)	(704)	28	(676)
Analysis of operating loss							
Profit from operations		(744)	-	(744)	(704)	28	(676)
Add back amortisation	11	63	-	63	43	-	43
Add back depreciation	12	162	-	162	172	-	172
Add back share-based expense		-	-	-	368	-	368
Add back exceptional items	4	-	-	-	106	-	106
EBITDA^ (Loss)/Profit from underlying operations		(519)	-	(519)	(15)	28	13
Finance costs	5	(17)	-	(17)	(620)	-	(333)
LOSS BEFORE TAXATION		(761)	-	(761)	(1,324)	28	(1,296)
Taxation	7	31	-	31	26	-	26
LOSS AND TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		(730)	-	(730)	(1,298)	28	(1,270)
LOSS AND TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:							
OWNERS OF THE PARENT		(560)	-	(560)	(1,279)	28	(1,251)
NON-CONTROLLING INTEREST		(170)	-	(170)	(19)	-	(19)
LOSS PROFIT AND TOTAL COMPREHENSIVE INCOME		(730)	-	(730)	(1,298)	28	(1,270)
EARNINGS PER SHARE	9	(0.45p)	-	(0.45p)	(0.93p)	0.02p	(0.91p)

The accompanying notes form part of these financial statements.

^ *This is an Alternative Performance Measure refer to Note 2 for further details*

Financial statements

Consolidated and Company Statements of Financial Position

for the year ended 31 December 2020

	Note	Group 2020	Restated Group 2019	Company 2020	Restated Company 2019
		£'000	£'000	**£'000**	£'000
Goodwill	10	**614**	614	**-**	-
Other intangible assets	11	**187**	129	**187**	128
Property, plant and equipment	12	**1,901**	1,979	**1,088**	1,079
Investment in subsidiaries	14	**-**	-	**-**	-
Deferred tax asset	17	**956**	907	**-**	-
TOTAL NON-CURRENT ASSETS		**3,658**	3,629	**1,275**	1,207
Inventories	18	**773**	47	**-**	-
Trade and other receivables	19	**2,438**	2,525	**9,147**	8,720
Cash and cash equivalents	20	**2,143**	557	**1,716**	28
TOTAL CURRENT ASSETS		**5,354**	3,129	**10,863**	8,748
Assets of disposal groups classified as held for sale	29	**-**	170	**-**	-
Non current receivable	19	**484**	-	**-**	-
TOTAL ASSETS		**9,496**	6,928	**12,138**	9,955
Called up share capital	21	**16,278**	14,540	**16,278**	14,540
Share premium account		**14,069**	9,577	**14,069**	9,577
Merger relief reserve		**300**	300	**300**	300
Share based payment reserve		**1,050**	978	**1,050**	978
Equity reserve on convertible loan note		**-**	423	**-**	12
Revaluation reserve		**139**	133	**139**	133
Retained earnings:					
At 1 January		**(23,697)**	(22,594)	**(18,468)**	(16,149)
(Loss)/profit for the year		**(560)**	(1,251)	**(2,504)**	(2,467)
Other changes in retained earnings		**15**	148	**15**	148
At 31 December		**(24,242)**	(23,697)	**(20,957)**	(18,468)
(DEFICIT)/EQUITY ATTRIBUTABLE TO:					
OWNERS OF THE COMPANY		**7,594**	2,254	**10,879**	7,072
NON-CONTROLLING INTEREST		**(535)**	(365)	**-**	-
TOTAL (DEFICIT)/EQUITY		**7,059**	1,889	**10,879**	7,072
Borrowings	23	**29**	2,510	**13**	212
TOTAL NON-CURRENT LIABILITIES		**29**	2,510	**13**	212
Contractual liabilities	24	**100**	73	**-**	-
Trade and other payables	24	**2,308**	2,456	**1,246**	2,671
TOTAL CURRENT LIABILITIES		**2,408**	2,529	**1,246**	2,671
TOTAL LIABILITIES		**2,437**	5,039	**1,259**	2,883
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**9,469**	6,928	**12,138**	9,955

The accompanying notes form part of these financial statements. The Company has taken advantage of the exemption under Section 408 of the Companies Act 2006 from presenting its own profit and loss account. The Company made a loss of £2,504,000 in 2020, (2019: £2,467,000 loss). The Group and Company financial statements were approved by the Board and authorised for issue on 29 April 2021 and signed on its behalf by:

Peter Fowler
Director

Mark L W Hughes
Director

Financial statements

Consolidated Statement of Changes in Equity

for the year ended 31 December 2020

	Called up share capital	Share premium account	Merger relief reserve	Share based payment reserve	Revaluation reserve	Equity reserve on convertible loan note	Retained earnings	Total	Non-controlling interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
AS AT 1 JANUARY 2020 as previously stated	**14,540**	**9,577**	**300**	**1,166**	**133**	**423**	**(23,844)**	**2,295**	**(365)**	**1,930**
Prior year a djustment (Note 31)	-	-	-	(188)	-	-	147	(41)	-	(41)
AS AT 1 JANUARY 2020	**14,540**	**9,577**	**300**	**978**	**133**	**423**	**(23,697)**	**2,254**	**(365)**	**1,889**
Shares issued for cash	1,525	5,225	-	-	-	-	-	6,750	-	6,750
Cost of share issues	-	(733)	-	-	-	-	-	(733)	-	(733)
Share based payment charge	-	-	-	87	-	-	-	87	-	87
Lapse of share options	-	-	-	(15)	-	-	-	(15)	-	(15)
Exercise of warrants and share options	213	-	-	-	-	-	-	213	-	213
Revaluation of freehold property	-	-	-	-	6	-	-	6	-	6
Other movements in equity	-	-	-	-	-	-	15	15	-	15
CLN Movement	-	-	-	-	-	(423)	-	(423)	-	(423)
TRANSACTIONS WITH OWNERS	**1,738**	**4,492**	**-**	**72**	**6**	**(423)**	**15**	**5,900**	**-**	**5,900**
Total comprehen-sive expense for the year	-	-	-	-	-	-	(560)	(560)	(170)	(730)
AS AT 31 DECEMBER 2020	**16,278**	**14,069**	**300**	**1,050**	**139**	**-**	**(24,242)**	**7,594**	**(535)**	**7,059**

Consolidated Statement of Changes in Equity

for the year ended 31 December 2020

	Called up share capital	Share premium account	Merger relief reserve	Share based payment reserve	Revaluation reserve	Equity reserve on convertible loan note	Retained earnings	Total	Non-controlling interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
AS AT 1 JANUARY 2019	**13,003**	**9,568**	**300**	**858**	**133**	**222**	**(22,594)**	**1,490**	**(346)**	**1,144**
Shares issued for cash	1,500	-	-	-	-	-	-	1,500	-	1,500
Cost of share issues	-	-	-	-	-	-	(100)	(100)	-	(100)
Share based payment charge	-	-	-	368	-	-	-	368	-	368
Lapse of Share Options	-	-	-	(44)	-	-	44	-	-	-
Lapse of Warrants	-	-	-	(204)	-	-	204	-	-	-
Exercise of warrants and share options	37	9	-	-	-	-	-	46	-	46
CLN movement	-	-	-	-	-	201	-	201	-	201
TRANSACTIONS WITH OWNERS	**1,537**	**9**	**-**	**120**	**-**	**201**	**148**	**2,015**	**-**	**2,015**
Total comprehensive expense for the year	-	-	-	-	-	-	(1,251)	(1,251)	(19)	(1,270)
AS AT 31 DECEMBER 2019	**14,540**	**9,577**	**300**	**978**	**133**	**423**	**(23,697)**	**2,254**	**(365)**	**1,889**

Financial statements

Company Statement of Changes in Equity

for the year ended 31 December 2020

	Called up share capital	Share premium account	Merger relief reserve	Share based payment reserve	Revaluation reserve	Equity reserve on convertible loan note	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
AS AT 1 JANUARY 2020 as previously stated	**14,540**	**9,577**	**300**	**1,166**	**133**	**12**	**(18,653)**	**7,075**
Prior year adjustment (Note 31)	-	-	-	(188)	-	-	185	(3)
AS AT 1 JANUARY 2020	**14,540**	**9,577**	**300**	**978**	**133**	**12**	**(18,468)**	**7,072**
Shares issued for cash	1,525	5,225	-	-	-	-	-	6,750
Cost of share issues	-	(733)	-	-	-	-	-	(733)
Share based payment charge	-	-	-	87	-	-	-	87
Lapse of Share Options	-	-	-	(15)	-	-	-	(15)
Exercise of warrants and share options	213	-	-	-	-	-	-	213
Revaluation of freehold property	-	-	-	-	6	-	-	6
CLN Movement	-	-	-	-	-	(12)	-	(12)
Other movements in Equity	-	-	-	-	-	-	15	15
TRANSACTIONS WITH OWNERS	**1,738**	**4,492**	**-**	**72**	**6**	**(12)**	**15**	**6,311**
Total comprehensive expense for the year	-	-	-	-	-	-	(2,504)	(2,504)
AS AT 31 DECEMBER 2020	**16,278**	**14,069**	**300**	**1,050**	**139**	**-**	**(20,957)**	**10,879**
AS AT 1 JANUARY 2019	**13,003**	**9,568**	**300**	**858**	**133**	**21**	**(16,149)**	**7,734**
Shares issued for cash	1,500	-	-	-	-	-	-	1,500
Cost of share issues	-	-	-	-	-	-	(100)	(100)
Share based payment charge	-	-	-	368	-	-	-	368
Lapse of Share Options	-	-	-	(44)	-	-	44	-
Lapse of Warrants	-	-	-	(204)	-	-	204	-
Exercise of warrants and share options	37	9	-	-	-	-	-	46
Recognition of equity component of convertible loan notes (CLN)	-	-	-	-	-	(9)	-	(9)
TRANSACTIONS WITH OWNERS	**1,537**	**9**	**-**	**120**	**-**	**(9)**	**148**	**1,805**
Total comprehensive expense for the year	-	-	-	-	-	-	(2,467)	(2,467)
AS AT 31 DECEMBER 2019	**14,540**	**9,577**	**300**	**978**	**133**	**12**	**(18,468)**	**7,072**

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Consolidated Cash Flow Statement

for the year ended 31 December 2020

	Note	2020 Continuing Operations	2020 Discontinued Operations	2020 Total	2019 Continuing Operations	2019 Discontinued Operations	2019 Total
		£'000	£'000	£'000	£'000	£'000	£'000
(LOSS) / PROFIT AFTER TAX		(730)	-	(730)	(1,298)	28	(1,270)
Taxation		(31)	-	(31)	(26)	-	(26)
(LOSS) / PROFIT BEFORE TAX		(761)	-	(761)	(1,324)	28	(1,296)
Non-cash adjustments	25	(59)	-	(59)	1,224	-	1,224
Net changes in working capital	25	(1,203)	170	1,033)	(360)	(151)	(511)
NET CASH USED IN OPERATING ACTIVITIES		(2,023)	170	(1,853)	(460)	(123)	(583)
INVESTING ACTIVITIES:							
Purchase of property, plant and equipment	12	(111)	-	(111)	(70)	-	(70)
Purchase of intangible assets	11	(121)	-	(121)	(72)	-	(72)
Acquisition of a subsidiary		-	-	-	(18)	-	(18)
CASH OUTFLOW FROM INVESTING ACTIVITIES		(232)	-	(232)	(160)	-	(160)
CASHFLOWS FROM FINANCING ACTIVITIES:							
Gross proceeds from the issues of ordinary shares		6,963	-	6,963	1,547	-	1,547
Costs of share issues		(733)	-	(733)	(100)	-	(100)
Repayment of convertible loan note	16	(2,222)	-	(2,222)	-	-	-
Reduction in finance lease debt		(69)	-	(69)	(60)	-	(60)
Finance cost on lease liabilities		(5)	-	(5)	(54)		(54)
CLN and other interest paid		(262)	-	(262)	(323)	-	(323)
Other loan repayments, including interest		(1)	-	(1)	-	-	-
CASH INFLOW FROM FINANCING ACTIVITIES		3,671	-	3,671	1,010	-	1,010
Net change in cash and cash equivalents		1,416	170	1,586	390	(123)	267
CASH AND EQUIVALENTS AT BEGINNING OF YEAR				557			290
CASH AND EQUIVALENTS AT END OF YEAR	20			2,143			557

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Company Cash Flow Statement

for the year ended 31 December 2020

	Note	Company 2020	Company 2019
		£'000	£'000
(LOSS)/PROFIT AFTER TAX		**(2,504)**	(2,467)
Other Non-cash adjustments	25	**583**	929
Net changes in working capital	25	**(1,852)**	564
NET CASH USED IN OPERATING ACTIVITIES		**(3,773)**	(974)
INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	12	**(62)**	(26)
Purchase of intangible assets	11	**(121)**	(71)
CASH OUTFLOW FROM INVESTING ACTIVITIES		**(183)**	(97)
CASHFLOWS FROM FINANCING ACTIVITIES:			
Gross proceeds from the issues of ordinary shares		**6,963**	1,547
Costs of share issues		**(733)**	(100)
Repayment of convertible loan note		**(190)**	-
Change in lease debt		**(20)**	-
Finance cost on lease liabilities		**(2)**	(47)
Interest paid		**(374)**	(330)
CASH INFLOW FROM FINANCING ACTIVITIES		**5,644**	1,070
Net change in cash and cash equivalents		**1,688**	(1)
CASH AND EQUIVALENTS AT BEGINNING OF YEAR		**28**	29
CASH AND EQUIVALENTS AT END OF YEAR	20	**1,716**	28

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1. GENERAL INFORMATION AND NATURE OF OPERATIONS

Westminster Group PLC ("the Company") was incorporated on 7 April 2000 and is domiciled and incorporated in the United Kingdom and quoted on AIM. The Group's financial statements for the year ended 31 December 2020 consolidate the individual financial statements of the Company and its subsidiaries. The Group design, supply and provide on-going advanced technology solutions and services to governmental and non-governmental organisations on a global basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Group financial statements have been prepared and approved by the Directors in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. The Parent Company has elected to prepare its financial statements in accordance with IFRS. The Company has taken advantage of the exemption under Section 408 of the Companies Act 2006 from presenting its own profit and loss account.

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

Basis of measurement

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

Consolidation

(i) Basis of consolidation
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2020.

(ii) Subsidiaries
Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the company considers all relevant facts and circumstances, including:

- The size of the company's voting rights relative to both the size and dispersion of other parties
- who hold voting rights
- Substantive potential voting rights held by the company and by other parties
- Other contractual arrangements
- Historic patterns in voting attendance.

The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

(iii) Transactions eliminated on consolidation
Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

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

Going concern

The Group made a loss during the period of £730,000 (2019 restated: £1,270,000), The cash outflow from operating activities during the year was £2,023,000 (2019: Outflow £460,000), which was partly financed through raising new equity.

The financial statements are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, management have taken into account all relevant available information about the current and future position of the Group, including new long-term contracts. As part of its assessment,

Notes to the Financial Statements

management have taken into account the profit and cash forecasts, the continued support of the shareholders and the Directors' and management's ability to affect costs and revenues. Management regularly forecast results, the financial position and cash flows for the Group.

In 2020, the Directors took timely action implementing logistical and organisational changes to consolidate the Group's resilience to Covid-19, including a reduction in costs, risk assessments, safe working practices and various other measures, including utilisation of governmental support schemes. The Directors also took action to expand the Group's range of fever screening and safety equipment, expanding its supply base and instigating targeted marketing campaigns which has seen a significant rise in product sales revenues mitigating reductions elsewhere in the business. The Directors continue to monitor the situation and to update its risk assessments and contingency planning as necessary.

Further details on measures being taken to address the challenges and opportunities presented by Covid-19 can be found in the Chief Executive Office's report on pages 8 to 17.

The Directors have reviewed the Group's resources at the date of approving the financial statements, and their projections for future trading, which due to winning incremental new business give a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, which for the avoidance of doubt is at least 12 months from the date of signing the financial statements. Thus, they continue to adopt the going concern basis of accounting in the preparing the financial statements.

Business combinations

The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition date fair values of assets transferred, liabilities incurred, and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition date fair values.

Foreign currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates - 'the functional currency'. The functional and presentation currency in these financial statements is the Great British Pounds (GBP).

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

Foreign exchange gains and losses are recognised in arriving at profit before interest and taxation (see Note 6).

Segmental reporting

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

An operating segment is a component of the Group;

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

Revenue

Revenue recognition

Revenue represents income derived from contracts for the provision of goods and services, over time or at a point in time, by the Group to customers in exchange for consideration in the ordinary course of the Group's activities.

Performance Obligations

Upon approval by the parties to a contract, the contract is assessed to identify each promise to transfer either a distinct good or service or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer. Goods and services are distinct and accounted for as separate performance obligations in the contract if the customer can benefit from them either on their own or together with other resources that are readily available to the customer and they are separately identifiable in the contract.

Transaction price

At the start of the contract, the total transaction price is estimated as the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods and services to the customer, excluding sales taxes. Variable consideration, such as price escalation, is included based on the expected value or most likely amount only to the extent that it is highly probable that there will not be a reversal in the amount of the cumulative revenue recognised. The transaction price does not include estimates of consideration resulting from contract modifications, such as change orders, until they have been approved by parties to the contract. The total transaction price is allocated to the performance obligations identified in the contract in proportion to their relative stand-alone selling prices. Given the nature of many of the Group's products and services, which are designed and/or manufactured under contract to customers' individual specifications, there are typically no observable stand-alone selling prices. Instead, stand-alone selling prices are typically estimated based on expected costs plus contract margin consistent with the Group's pricing principles.

Whilst payment terms vary from contract to contract, an element of the transaction price may be received in advance of delivery. The Group may therefore have contract liabilities depending on the contracts in existence at a period end. The Group's contracts are not considered to include significant financing components on the basis that there is no difference between the consideration and the cash selling price.

Revenue recognition

Revenue is recognised as performance obligations are satisfied as control of the goods and services is transferred to the customer.

For each performance obligation within a contract the Group determines whether it is satisfied over time or at a point in time. Performance obligations are satisfied over time if one of the following criteria is satisfied:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as it performs;
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and it has an enforceable right to payment for performance completed to date.

The Group has determined that most of its contacts satisfy the overtime criteria, either because the customer simultaneously receives and consumes the benefits provided by the Group's performance as it performs, or the Group's performance does not create an asset with an alternative use to the Group and it has an enforceable right to payment for performance completed to date. For each performance obligation recognised over time, the Group recognises revenue using an input method, based on costs incurred in the period. Revenue and attributable margin are calculated by reference to reliable estimates of transaction price and total expected costs, after making suitable allowances or technical and other risks. Revenue and associated margin are therefore recognised progressively as costs are incurred, and as risks have been mitigated or retired. The Group has determined that this method appropriately depicts the Group's performance in transferring control of the goods and services to the customer.

If the overtime criteria for revenue recognition is not met, revenue is recognised at the point in time that control is transferred to the customer which is usually when legal title passes to the customer and the business has the right to payment.

When it is expected that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense.

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin. Expenditure for warranties is recognised and charged against the associated provision when the related revenue is recognised. Certain items have been disclosed as operating exceptional due to their size and nature and their separate disclosure should enable better understanding of the financial dynamics.

Interest income and expenses

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

Goodwill

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition

Notes to the Financial Statements

date fair value of any existing equity interest in the acquiree, over the acquisition date fair value of identifiable net assets. If the fair value of identifiable net assets exceeds the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately. Goodwill is carried at cost less accumulated impairment losses.

Property, plant and equipment

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

Depreciation is charged so as to write off the cost or valuation of assets to their residual value over their estimated useful lives, using the straight-line method, typically at the following rates. Where certain assets are specific for a long-term contract and the customer has an obligation to purchase the asset at the end of the contract they are depreciated in accordance with the expected disposal / residual value.

	Rate
Freehold buildings	2%
Plant and equipment	7% to 25%
Office equipment, fixtures & fittings	20% to 33%
Motor vehicles	20%

Freehold land is not depreciated.

Leases

All leases that fall under IFRS 16 will be recorded on the balance sheet as liabilities, at the present value of the future lease payments, along with an asset reflecting the right to use the asset over the lease term. Rentals payable under operating leases exempt from IFRS 16 are charged to income on a straight-line basis over the term of the relevant lease. At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a corresponding lease liability at the lease commencement date. The lease liability is initially measured at the present value of the following lease payments:

- fixed payments;
- variable payments that are based on index or rate;
- the exercise price of any extension or purchase option if reasonably certain it can be exercised; and
- penalties for terminating the lease, if relevant

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate for that type of asset.

The right-of-use assets are initially measured based on initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs. The right-of-use assets are depreciated over the period of the lease term using the straight-line method. The lease term includes periods covered by the option to extend, if the Group is reasonably certain to exercise that option. In addition, right-of-use assets may during the lease term be reduced by any impairment losses, if any, or adjusted for certain remeasurements of the lease liability.

Impairment on non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The 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.

FINANCIAL INSTRUMENTS

Financial assets

The Group's financial assets include cash and cash equivalents and loans and other receivables. All financial assets are recognised when the Group becomes party to the contractual provisions of the instrument. All financial assets are initially recognised at fair value, plus transaction costs. They are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Any changes in carrying value are recognised in the Statement of Comprehensive Income. Interest and other cash flows resulting from holding financial assets are recognised in the Statement of Cash Flows when received, regardless of how the related carrying amount of financial assets is measured.

The Group recognises a loss allowance for expected losses on financial assets that are measured at amortised cost including trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition.

Cash and cash equivalents comprise cash at bank and deposits and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities unless a legally enforceable right to offset exists.

Financial liabilities

The Group's financial liabilities comprise trade and other payables and borrowings. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when they are extinguished, discharged, cancelled or expire.

Convertible loan notes with an option that leads to a potentially variable number of shares, have been accounted for as a host debt with an embedded derivative. The embedded derivative is accounted for at fair value through profit and loss at each reporting date. The host debt is recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

Convertible loan notes which can be converted to share capital at the option of the holder, and where the number of shares to be issued does not vary with changes in fair value, are considered to be a compound instrument.

The liability component of a compound instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound instrument and fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components.

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

Investments and loans in subsidiaries

Subsidiary fixed asset investments are valued at cost less provision for impairment. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all investment and loans in subsidiaries.

Inventories

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

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income 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.

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Deferred tax

Deferred tax is the tax expected to be payable or recoverable on material differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit not the accounting profit.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities unless a legally enforceable right to offset exists.

Equity, reserves and dividend payments

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

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

Merger relief reserve includes any premiums on issue of share capital as part or all of the consideration in a business combination.

The share-based payment reserve represents equity-settled share-based employee remuneration until such share options are exercised or lapse. It also includes the equity settled items such as warrants for services rendered accounted for in accordance with IFRS 2.

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

Retained earnings include all current and prior period retained profits and losses.

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

Pensions

The Group operates a defined contribution pension scheme for employees in the UK and is operating under auto enrolment. Local labour in Africa benefit from a termination payment on leaving employment. The expected value of this is accrued on a monthly basis.

Share-based compensation (Employee Based Benefits)

The Group operates an equity-settled share-based compensation plan. The fair value of the employee services received in exchange for the grant of options is recognised as an expense over the vesting period, based on the Group's estimate of awards that will eventually vest, with a corresponding increase in equity as a share-based payment reserve. For plans that include market-based vesting conditions, the fair value at the date of grant reflects these conditions and are not subsequently revisited.

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

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

Share-based payments

The Group has two types of share based payments other than employee compensation.

Warrants issued for services rendered which are accounted for in accordance with IFRS 2 recognising either the cost of the service if it can be reliably measured or the fair value of the warrant (using Black-Scholes option pricing models).

Warrants issued as part of Share Issues have been determined as equity instruments under IAS 32. Since the fair value of the shares issued at the same time is equal to the price paid, these warrants, by deduction, are considered to have been issued at nil value.

Provisions

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

SIGNIFICANT MANAGEMENT JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Board has judged that because most of the Groups costs and a substantial part of its sales are situated in the UK.

Goodwill
Goodwill (note 10) has been tested for impairment by considering its net present value for the expected income stream in perpetuity at a discount rate judged to be 5% based on the normal lending rate we are offered leases at, which management consider is a good surrogate for cost of capital. It was also established that 20% (2019:18%) is the discount rate at which no impairment still would be needed. The income is assumed to be flat and stable for the purpose of this test. Goodwill which does not show a net present value higher than its carrying cost will be impaired.

Deferred tax asset
Deferred tax assets (note 17) are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The Directors have prepared projections for the next five years based on the best available evidence and have concluded that this deferred tax asset will be utilised in the future.

SIGNIFICANT MANAGEMENT ESTIMATES IN APPLYING ACCOUNTING POLICIES

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

Revalued freehold property
The freehold property is stated at fair value. A full revaluation exercise was carried out in December 2020. The fair value is based on market value, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

New standards, amendments and interpretations

The following new standards have been adopted and where required the prior year's figures have been restated.

Amendments to IAS 1, Presentation of financial statements' on classification of liabilities
These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability

Amendments to IFRS 3 Definition of a business
The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

Amendments to References to the Conceptual Framework in IFRS Standards
Together with the revised Conceptual Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Notes to the Financial Statements

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

Amendments to IAS 1 and IAS 8 Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

Other Standards not applicable

The following new standards or amendments are not applicable to the Group

- Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions
- Amendments to IFRS 17 and IFRS 4, 'Insurance contracts', deferral of IFRS 9
- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform

Standards amendments and interpretations in issue not yet effective

IFRS 17 Insurance Contracts

IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023. This is not applicable to the Group.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. If endorsed this will apply for annual reporting periods beginning on or after 1 January 2023.

Notes to the Financial Statements

Reference to the Conceptual Framework (Amendments to IFRS 3)

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard. If endorsed this will apply for annual reporting periods beginning on or after 1 January 2022.

Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. If endorsed this will apply for annual reporting periods beginning on or after 1 January 2022.

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). If endorsed this will apply for annual reporting periods beginning on or after 1 January 2022.

Alternative performance measures (APM)

In the reporting of financial information, the Directors have adopted the APM 'EBITDA profit from underlying continuing and discontinued operations (APMs were previously termed 'Non-GAAP measures'), which is not defined or specified under International Financial Reporting Standards (IFRS).

The Directors also look at recurring revenue as a key performance indicator. This is revenue arising from multi-year contracts.

This measure is not defined by IFRS and therefore may not be directly comparable with other companies' APMs, including those in the Group's industry.

APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements.

Purpose

The Directors believe that this APM assists in providing additional useful information on the underlying trends, performance and position of the Group. This APM is also used to enhance the comparability of information between reporting periods and business units, by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid the user in understanding the Group's performance.

Consequently, APMs are used by the Directors and management for performance analysis, planning, reporting and incentive setting purposes and this remains consistent with the prior year.

The key APM that the Group has focused on is as follows: EBITDA profit from underlying continuing and discontinued operations': This is the headline measure used by management to measure the Group's performance and is based on operating profit before the impact of financing costs, share based payment charges, depreciation, amortisation, impairment charges and exceptional items. Exceptional items relate to certain costs that derive from events or transactions that fall within the normal activities of the Group but which, individually or, if of a similar type, in aggregate, are excluded by virtue of their size and nature in order to reflect management's view of the performance of the Group.

3. SEGMENT REPORTING

Operating segments

The Board considers the Group on a Business Unit basis. Reports by Business Unit are used by the chief decision-makers in the Group. The Business Units operating during the year are the two operating divisions; Services and Technology. This split of business segments is based on the products and services each offer.

2020	Managed Services	Technology	Group and Central	Group Total
	£'000	£'000	£'000	£'000
Supply of products	-	4,237	-	4,237
Supply and installation contracts	-	1,039	-	1,039
Maintenance and services	4,259	312	-	4,571
Training courses	98	-	-	98
Revenue	**4,357**	**5,588**	**-**	**9,945**
Segmental underlying EBITDA^	655	781	(1,955)	(519)
Exceptional items (note 4)	-	-	-	-
Depreciation & amortisation	(136)	(9)	(80)	(225)
Segment operating result	**519**	**772**	**(2,035)**	**(744)**
Finance cost	(1)	-	(16)	(17)
Profit/ (loss) before tax	518	772	(2,051)	(761)
Income tax charge	51	(2)	(18)	31
Profit/(loss) for the financial year	**569**	**770**	**(2,069)**	**(730)**
Segment assets	5,255	1,392	2,849	9,496
Segment liabilities	912	694	831	2,437
Capital expenditure	39	10	134	183

2019 (Restated)	Managed Services	Technology	Group and Central	Group Total
	£'000	£'000	£'000	£'000
Supply of products	-	1,598	-	1,598
Supply and installation contracts	-	3,468	-	3,468
Maintenance and services	5,291	298	-	5,589
Training courses	234	-	-	234
Revenue	**5,525**	**5,364**	**-**	**10,889**
Segmental underlying EBITDA^ from underlying continuing and discontinued operations	1,084	525	(1,596)	13
Share based payments	-	-	(368)	(368)
Exceptional items (note 4)	(105)	-	(1)	(106)
Depreciation & amortisation	(72)	(30)	(113)	(215)
Segment operating result	**907**	**495**	**(2,078)**	**(676)**
Finance cost	(1)	(3)	(616)	(620)
Profit/ (loss) before tax	906	492	(2,694)	(1,296)
Income tax charge	18	-	8	26
Profit/(loss) for the financial year	**924**	**492**	**(2,686)**	**(1,270)**
Segment assets	2,949	2,023	1,956	6,926
Segment liabilities	1,072	1,433	2,534	5,039
Capital expenditure	48	4	18	70

^ *This is an Alternative Performance Measure refer to Note 2 for further details*

Notes to the Financial Statements

Geographical areas

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

	2020	2019
	£'000	£'000
UK and Europe	2,056	1,957
Africa	4,172	4,899
Middle East	508	2,397
Rest of World	3,209	1,636
Total	9,945	10,889

Some of the Group's assets are located outside the United Kingdom where they are being put to operational use on specific contracts.

Information about major customers

Included in revenues arising from the Technology Solutions in the "Rest of World" are revenues of approximately £1,284,000 (2019: £1,236,000) for the provision of advanced screening of containers at ports in Asia. This was the Group's largest customer in 2020. No other single customer contributed more than 10% of the Group revenue in either 2020 or 2019.

4. EXCEPTIONAL ITEMS

	2020	2019
	£'000	£'000
Middle East airport pre-contract costs	-	105
Ferry closure costs	-	1
	-	106

The 2019 exceptional relates to the project signed in 2018 for a long-term security support service in a Middle East airport pre-contract costs ceased during 2019 when the project was permanently put on hold.

5. FINANCE COSTS

	Group 2020	Group 2019
	£'000	£'000
Finance cost on lease liabilities	(5)	(54)
Interest payable on bank and other borrowings	(1)	(1)
Interest paid on convertible loan notes (Note 16)	(262)	(375)
Other movement on convertible loan notes	251	(190)
Total finance benefit / (costs)	(17)	(620)

6. LOSS FROM OPERATIONS

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

	Group 2020	Group 2019
	£'000	£'000
Staff costs (see Note 8)	3,887	4,396
Depreciation of property, plant and equipment (see Note 12)	162	172
Amortisation of intangible assets (see Note 11)	63	43
Operating lease rentals payable		
Short term leases	96	85
Foreign exchange loss/(gain)	(43)	(166)

Auditor's remuneration

Amounts payable in 2020 years relate to PKF in respect of audit and other services (2019: BDO were the Company's auditors). The local Audit in Sierra Leone is performed by Moore Sierra Leone (both years). The local audit in Ghana is performed by PKF Ghana.

Audit services

	Group 2020	Group 2019
	£'000	£'000
Statutory audit of parent and consolidated financial statements	46	57
Review of Interim Results	2	2
- Statutory audit of subsidiaries of the company pursuant to legislation	20	21
Taxation services including research and development tax credits	-	18
Total payable to PKF Littlejohn UK (2019: BDO)	68	98
Local audit in Sierra Leone - Moore Sierra Leone	18	20
Local audit in Ghana - PKF Ghana	1	-
Total fees	87	118

7. TAXATION

Analysis of tax charge / (credit) in year

The Finance Act 2020 set the Corporation Tax main rate at 19% for the financial year beginning 1 April 2020.

Deferred taxes at the balance sheet date have been measured using a 19% tax rate and reflected in these financial statements.

	Group 2020	Group 2019
	£'000	£'000
Current year		
UK corporation tax on profits in the year	-	-
Potential foreign corporation tax on profits in the year	18	-
Deferred Tax (Note 17)		
Foreign entity deferred tax	(49)	(18)
Review of expected utilisation of Losses	-	(8)
	(31)	(26)

	Group 2020	Group 2019
	£'000	£'000
Reconciliation of effective tax rate		
Loss on ordinary activities before tax	(761)	(1,296)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	(145)	(246)
Effects of:		
Expenses not deductible for tax purposes	(158)	106
Foreign entity deferred tax movement (Note 17)	(49)	-
Unrecognised losses carried forward	320	114
Total tax - credit	(31)	(26)

Notes to the Financial Statements

8. EMPLOYEE COSTS

Employee costs for the Group during the year:

	Group 2020	Group 2019
	£'000	£'000
Wages and salaries	3,757	3,854
Pension contributions	60	44
Social security costs	284	266
	4,101	4,164
Share based payments	-	232
	4,101	4,396
Job retention support	(214)	-
Net Cost	3,887	4,396

The Group operates a stakeholder pension scheme. The Group made pension contributions totalling £60,000 during the year (2019: £44,000), and pension contributions totalling £13,000 were outstanding at the year-end (2019: £8,000).

Details of the Directors' remuneration are included in the Remuneration Committee Report. Key management within the business are considered to be the Board of Directors. The total Directors' remuneration during the year was £614,000 (2019: £582,000) and the highest paid director received remuneration totalling £196,000 (2019: £201,000).

Average monthly number of people (including Executive Directors) employed

	2020 Group Number			2019 Group Number		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
By function:						
Sales	7	-	7	3	-	3
Operations	197	1	198	224	3	227
Administration	24	-	24	25	-	25
Management	10	-	10	6	-	6
	238	1	239	258	3	261

9. EARNINGS PER SHARE

Earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

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

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

	2020	2019
	£'000	£'000
Issued ordinary shares		
Start of year	**145,403**	130,028
Effect of shares issued during the year	**17,245**	8,834
Weighted average basic and diluted number of shares for year	**162,648**	138,862

	2020	2019
	£'000	£'000
Earnings		
(Loss) / Profit and total comprehensive expense (continuing)	**(730)**	(1,298)
(Loss) / Profit and total comprehensive expense (discontinued)	**-**	28
(Loss) / Profit and total comprehensive expense total	**(730)**	(1,270)

For the year ended 31 December 2020 and 2019 the issue of additional shares on exercise of outstanding share options, convertible loans and warrants would decrease the basic loss per share and there is therefore no dilutive effect. Loss per share was 0.45p (2019 Loss restated 0.91p).

10. GOODWILL

	Group 2020	Group 2019
	£'000	£'000
Gross carrying amount at 1 January	**1,377**	1,359
Acquisition in year	**-**	18
	1,377	1,377
Accumulated impairment at 1 January	**(763)**	(763)
Impairment charge for the year	**-**	-
Accumulated impairment at 31 December	**(763)**	(763)
Carrying amount at 1 January	**614**	596
Carrying amount at 31 December	**614**	614

The goodwill balance relates to the acquisition of Longmoor Security Limited, Keyguard U.K Limited and Euro-Ops SARL.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill may be impaired. The recoverable amounts of the cash-generating unit are determined from value in use calculations. The key assumptions are discount rate (5%) future revenues (assumed as flat) derived from the most recent 2020 financial budgets approved by management. The projection assumes that the companies are held in perpetuity. A discount rate of 20% (2019:18%) would not result in any impairment based on management's latest forecast.

No reasonably possible change in any of the estimates and assumptions used in the impairment test would give rise to a material impairment.

Notes to the Financial Statements

11. OTHER INTANGIBLE ASSETS

2020	Group Website and Software	Company Website and Software
	£'000	£'000
Cost		
At 1 January 2020	297	286
Additions	121	121
Disposals	(3)	(3)
At 31 December 2020	415	404
Accumulated amortisation and impairment		
At 1 January 2020	168	158
Charge for the year	63	62
Disposals	(3)	(3)
At 31 December 2020	228	217
Net book value at 31 December 2020	187	187

2019	Group Website and Software	Company Website and Software
	£'000	£'000
Cost		
At 1 January 2019	225	215
Additions	72	71
At 31 December 2019	297	286
Accumulated amortisation and impairment		
At 1 January 2019	125	115
Charge for the year	43	43
At 31 December 2019	168	158
Net book value at 31 December 2019	129	128

12. PROPERTY, PLANT AND EQUIPMENT

Group 2020	Freehold property	Plant and equipment	Office equipment, fixtures and fittings	Motor vehicles	Right of use assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2020	1,039	727	998	164	260	3,188
Additions	34	40	37	-	-	111
Disposals	-	(1)	(17)	(86)	(96)	(200)
Revaluation	6	-	-	-	-	6
At 31 December 2020	**1,079**	**766**	**1,018**	**78**	**164**	**3,105**
Accumulated amortisation and impairment						
At 1 January 2020	38	476	428	160	107	1,209
Charge for the year	21	44	41	1	55	162
Disposals	-	(1)	(18)	(86)	(62)	(167)
At 31 December 2020	**59**	**519**	**451**	**75**	**100**	**1,204**
Net book value at 31 December 2020	**1,020**	**247**	**567**	**3**	**64**	**1,901**

Group 2019	Freehold property	Plant and equipment	Office equipment, fixtures and fittings	Motor vehicles	Right of use assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2019	1,031	471	1,194	159	260	3,115
Additions	8	32	25	5	-	70
Disposals	-	-	(63)	-	-	(63)
Transfer	-	224	(158)	-	-	66
At 31 December 2019	**1,039**	**727**	**998**	**164**	**260**	**3,188**
Accumulated amortisation and impairment						
At 1 January 2019	17	236	553	151	46	1,003
Charge for the year	21	38	43	9	61	172
Disposals	-	-	(34)	-	-	(34)
Transfer	-	202	(134)	-	-	68
At 31 December 2019	**38**	**476**	**428**	**160**	**107**	**1,209**
Net book value at 31 December 2019	**1,001**	**251**	**570**	**4**	**153**	**1,979**

Right of use assets (motor vehicles) above have been created in accordance with IFRS 16. Motor vehicles are leased for certain employees for lease terms ranging between 3-5 years with fixed payments. The Group does not purchase or guarantee the future value of lease vehicles.

The freehold property was valued professionally by White Commercial, Chartered Surveyors, as at 31 December 2020, which provided a valuation of £1,020,000. The valuation was made on the basis of recent market transactions on arm's length terms and on an alternative use basis. The Revaluation Reserve is not available for distribution to shareholders.

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12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company 2020	Freehold property	Plant and equipment	Office equipment, fixtures and fittings	Right of use assets	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 January 2020	1,039	15	195	84	1,333
Additions	34	3	25	-	62
Disposals	-	-	(18)	(8)	(26)
Revaluation	6	-	-	-	6
At 31 December 2020	**1,079**	**18**	**202**	**76**	**1,375**
Accumulated amortisation and impairment					
At 1 January 2020	38	15	175	26	254
Charge for the year	21	1	10	19	51
Disposals	-	-	(18)	-	(18)
At 31 December 2020	**59**	**16**	**167**	**45**	**287**
Net book value at 31 December 2020	**1,020**	**2**	**35**	**31**	**1,088**

Company 2019	Freehold property	Plant and equipment	Office equipment, fixtures and fittings	Right of use assets	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 January 2019	1,031	15	185	76	1,307
Additions	8	-	10	8	26
At 31 December 2019	**1,039**	**15**	**195**	**84**	**1,333**
Accumulated amortisation and impairment					
At 1 January 2019	17	15	174	7	213
Charge for the year	21	-	7	19	47
Adjustment	-	-	(6)	-	(6)
At 31 December 2019	**38**	**15**	**175**	**26**	**254**
Net book value at 31 December 2019	**1,001**	**-**	**20**	**58**	**1,079**

The freehold property was valued professionally by White Commercial, Chartered Surveyors, as at 31 December 2020, which provided a valuation of £1,020,000. The valuation was made on the basis of recent market transactions on arm's length terms and on an alternative use basis. The Revaluation Reserve is not available for distribution to shareholders.

No depreciation has been charged on the freehold land only building additions have been depreciated.

The difference between the net book value of the total freehold property if depreciation, at 2%, had been charged as shown in the financial statements is not materially different to the value the asset is recorded at the balance sheet date.

The freehold property is stated at valuation, the comparable historic cost and depreciation values are as follows. This depreciation is charged on historical cost only:

	2020	2019
	£'000	£'000
Historical cost	756	722
Accumulated depreciation		
At 1 January	293	279
Charge for the year	15	14
At 31 December	308	293
Net book value as at 31 December	448	429

13. LEASE COMMITMENTS

The Group accounts for operating leases under IFRS 16. There are some leases of small value or less than one-year duration which have been charged to expenses as incurred, but the aggregate commitment of these leases is immaterial.

Right to use assets	2020	2019
	£'000	£'000
At 1 January 2020	158	216
Expensed in the year	(91)	(58)
As at 31 December 2020	67	158
Of which		
Current lease	38	60
Non-current	29	98
As at 31 December 2020	67	158

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14. INVESTMENT IN SUBSIDIARIES

The Group has reviewed its disclosure on investments in subsidiaries.

All loans relate to cash movements between Group companies and are repayable on demand. It has been decided that loans and other intercompany accounts will, going forward, be included in the Company's respective current payables or receivables. This is because they are more in the nature of current assets and current liabilities than longer term investments. Therefore this note now deals solely with investments:

Company	2020 Investments	2019 Restated Investments
Cost	**£'000**	£'000
At 1 January 2019	**389**	378
Movement in Year	**-**	11
At 31 December	**389**	389
Accumulated impairment		
At 1 January 2019	**(389)**	(378)
Movement in Year	**-**	(11)
At 31 December	**(389)**	(389)
Investment in subsidiaries	**-**	-

A sum of £7,915,000 (2019: £8,650,000) has been recognised in receivables; and £735,000 (2019: £2,398,000) has been recognised in payables.

Had the Company continued to report as in prior years, this would have been the result:

Company	2020 Investments	2020 Loans	2020 Total	2019 Investments	2019 Loans	2019 Total
Cost	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000
At 1 January 2019	**389**	**14,901**	**15,290**	378	15,458	15,836
Movement in Year	**-**	**(114)**	**(114)**	11	(557)	(546)
At 31 December	**389**	**14,787**	**15,176**	389	14,901	15,290
Accumulated impairment						
At 1 January 2019	**(389)**	**(8,649)**	**(9,038)**	(378)	(8,552)	(8,930)
Movement in Year	**-**	**1,042**	**1,042**	(11)	(97)	(108)
At 31 December	**(389)**	**(7,607)**	**(7,996)**	(389)	(8,649)	(9,038)
Investment in subsidiaries	**-**	**7,180**	**7,180**	-	6,252	6,252

15. SUBSIDIARY UNDERTAKINGS

The subsidiary undertakings at 31 December 2020 were as follows:

Name	Country of incorporation	Principal activity	% of nominal ordinary share capital and voting rights held
Westminster International Limited	England	Advanced security technology. (Technology division)	100
Westminster Security Limited (formerly Longmoor Security Limited)	England	Close protection training and provision of security services. (Managed Services)	100
Westminster Aviation Security Services Limited	England	Managed services of airport security under long term contracts. (Managed Services)	100
Sovereign Ferries Limited	England	Dormant	100
Westminster Operating Limited	England	Special purpose vehicle which exists solely for listing the 2013 CLN on the CISX. Year end 31 October. Only transactions are intra group.	100
Keyguard U.K Limited	England	Security and risk management including manned guarding, mobile patrols, risk management and K9 services.	100
Longmoor (SL) Limited	Sierra Leone	Security and terminal guarding.	100
Facilities Operations Management Limited	Sierra Leone	Infrastructure management.	90
Westminster Sierra Leone Limited*	Sierra Leone	Local infrastructure for airport operations.	49
Westminster Group GMBH	Germany	Dormant	100
GLIS Gesellschaft für Luftfahrt- und Infrastruktur-Sicherheit GmbH	Germany	Managed Services	85
Westminster Sicherheit GMBH	Germany	Dormant	85
Euro Ops SARL	France	Managed Services infrastructure	100
Westminster Managed Services Limited (formerly Westminster Facilities Management Limited)	England	Dormant	100
CTAC Limited	England	Dormant	100
Longmoor Security Services Limited (formerly Westminster Aviation Security Services (ME) Limited)	England	Dormant	100
Westminster International (Ghana) Limited	Ghana	Dormant	90

Subsidiary company registered addresses:

England	Westminster House, Blacklocks Hill, Banbury, Oxfordshire, OX17 2BS, United Kingdom.
Sierra Leone	60 Wellington Street, Freetown, Sierra Leone.
Germany	Chiemseestrasse 25, 83233 Bernau am Chiemsee, Germany.
France	3 Rue de Bischwihr, 68280 Andolsheim. France.
Ghana	2nd Floor, Emerald House, Gowa Lane, Roman Ridge, Accra.

** Consolidated due to de facto control. These results do not have a material effect on the financial statements.*

Notes to the Financial Statements

16. FINANCIAL INSTRUMENTS

Categories of financial assets and liabilities

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

	Group 2020	Group 2019	Company 2020	Company 2019
	£'000	£'000	**£'000**	£'000
Financial assets				
Financial liabilities measured at amortised cost				
Trade and other receivables (note 19)	**2,647**	2,279	**9,059**	8,650
Cash and cash equivalents (note 20)	**2,143**	557	**1,716**	28
	4,790	2,836	**10,775**	8,678
Financial liabilities				
Financial liabilities measured at amortised cost				
Borrowings (note 23)	**29**	2,510	**13**	212
Trade and other payables (note 24)	**2,308**	2,405	**1,246**	2,655
	2,337	4,915	**1,259**	2,687

See note 2 for a description of the accounting policies for each category of financial instruments. The fair values are presented in this note and are the same as the carrying value. A description of the Group's risk management and objectives for financial instruments is given in note 27.

Convertible Loan Notes

The Group had the following convertible loan notes outstanding during the year the key details of which are set out below:

	Secured Convertible Loan Notes ("CLN")
Amount	£2.245m repaid or converted during 2020.
Conversion Price	25p until 22 May 2019 15p per share until 30 September 2019, 12.5p per share from 1 October 2019 until 31 December 2019 and thereafter 10p.
Security	Secured fixed and floating released at the end of the year.
Redemption Date	1 May 2021 however all repaid or converted in 2020.
Management Fee	£25,000 per annum.
Coupon	12 % until 31 March 2019 then 15% paid quarterly in arrears. Listed on the CISX during the year; but delisted once all were repaid or converted.
Conversion Detail	Company could make repayment without penalty at any time. The holder could convert at any time.

These were either converted or repaid during 2020 with the process being completed on 31 December 2020. See also Note 23.

	2020			2019		
	CULN	**CLN**	**Total**	CULN	CLN	Total
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
At 1 January	**179**	**2,233**	**2,412**	171	2,216	2,387
Amortised finance cost	**20**	**265**	**285**	18	357	375
Interest paid	**(9)**	**(253)**	**(262)**	(10)	(312)	(322)
Fair Value adjustment on extension	**-**	**-**	**-**	-	(28)	(28)
Repaid in the year	**(190)**	**(2,032)**	**(2,222)**	-	-	-
Converted in the year	**-**	**(213)**	**(213)**	-	-	-
At 31 December	**-**	**-**	**-**	179	2,233	2,412

Analysis of movement in debt at principal value (excluding IFRS impacts), memorandum only.

	2020			2019		
	CULN	**CLN**	**Total**	CULN	CLN	Total
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
At 1 January	**171**	**2,245**	**2,416**	171	2,245	2,416
Fair value adjustment on conversion / repayment	**19**	**-**	**19**	-	-	-
Conversion	**-**	**(213)**	**(213)**	-	-	-
Repaid	**(190)**	**(2,032)**	**(2,222)**	-	-	-
At 31 December	**-**	**-**	**-**	171	2,245	2,416

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17. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The Group's projections show the expectation of future profits, hence in 2018 a deferred tax asset was recognised. Reviews performed since then, including as at 31 December 2020, confirmed those expectations.

The tax losses against which this deferred tax asset is being recognised are in the group's holding company and its principal UK based subsidiaries. Evidence, both positive and negative, primarily the Group's projections of future profits have been considered. The critical judgement has been the timing of new contracts. The deferred tax asset is expected to be used in the period up to the end of 2022.

The Group believes it has a total potential deferred tax asset of £2,557,000 (2019: £1,904,000). It has recognised a deferred tax asset of £956,000 (2019: £907,000) due to budgeted future profits of the business beyond 2021. There remains £1,601,000 (2019: £991,000) of unrecognised deferred tax asset.

Deferred tax assets and liabilities have been calculated using the expected future tax rate of 19% (2019: 17%). Any changes in the future would affect these amounts proportionately.

	2020	2019
	£'000	£'000
Opening balance as at 1 January	**907**	889
Credit / (debit) to income statement	**49**	18
Deferred tax asset as at 31 December	**956**	907

18. INVENTORIES

	Group 2020	Group 2019	Company 2020	Company 2019
	£'000	£'000	**£'000**	£'000
Finished goods	**773**	47	**-**	-
	773	47	**-**	-

The cost of inventories recognised as an expense within cost of sales amounted to £2,782,000 (2019: £3,210,000). No reversal of previous write-downs was recognised as a reduction of expense in 2020 or 2019.

19. TRADE AND OTHER RECEIVABLES

	Group 2019	Group 2018	Company 2019	Company 2018
	£'000	£'000	**£'000**	£'000
Amounts falling due within one year:				
Trade receivables, gross	**759**	851	**1**	1
Allowance for credit losses	**(52)**	(116)	**(1)**	(1)
Trade receivables	**707**	735	**-**	-
Amounts recoverable on contracts	**135**	1,430	**-**	-
Intercompany receivables	**-**	-	**7,915**	8,650
Other receivables	**1,321**	114	**1,144**	-
Financial assets	**2,163**	2,279	**9,059**	8,650
Other taxes and social security	**211**	-	**63**	-
Prepayments	**64**	246	**25**	70
Non-financial assets	**275**	246	**88**	70
Trade and other receivables	**2,438**	2,525	**9,147**	8,720
Non-current receivable (financial asset)	**484**	-	**-**	-

The average credit period taken on sale of goods in 2020 was 19 days (2019: 38 days). An allowance has been made for estimated credit losses of £52,000 (2019: £116,000). This allowance has been based on the knowledge of receivables at the reporting date together with forecasts of future economic impacts and their collectability. There are no expected credit losses on amounts recoverable on contracts.

Expected credit losses on intercompany receivables assume that repayment of the loan is demanded at the reporting date. If the subsidiary has sufficient accessible highly liquid assets to repay the loan if demanded at the reporting date, the expected credit loss is likely to be immaterial. If the subsidiary could not repay the loan if demanded at the reporting date, the Group consider the expected manner of recovery to measure expected credit losses. This is a 'repay over time' strategy (that allows the subsidiary time to pay), Non-trading subsidiaries will not be able to repay loans over time and are therefore deemed to be impaired. A loan to Sovereign Ferries (SL) Limited which was fully impaired was written off in the period.

Other receivables include a sum of £1,130,000 due from the RiverFort Equity Placing and Sharing Agreement detailed in note 23. It is expected that it will be recovered from the sale of shares currently still held by RiverFort. However, refer also note 26 on Contingent Liabilities.

The following table provides an analysis of trade receivables at 31 December. The Group believes that the balances are ultimately recoverable based upon a review of past payment history and the current financial status of the customers.

	2020	2019
	£'000	£'000
Current	463	474
Not more than 3 months	130	197
More than 3 months	166	180
	759	851
Allowances for Credit Losses		
Opening balance at 1 January	116	127
Amounts written off	(48)	(113)
Amounts provided	46	102
Written back (no longer required)	(62)	-
Closing balance at 31 December	52	116

There are no significant expected credit losses from financial assets that are neither past due nor impaired.

At 31 December 2020 £307,000 (2019: £510,000) of receivables were denominated in US dollars and £167,000 (2019: £ Nil) were denominated in Ghanaian Cedi. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

20. CASH AND CASH EQUIVALENTS

	Group 2020	Group 2019	Company 2020	Company 2019
	£'000	£'000	£'000	£'000
Cash at bank and in hand	2,143	605	1,716	28
Bank overdraft	-	(48)	-	-
Cash and cash equivalents	2,143	557	1,716	28

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

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21. CALLED UP SHARE CAPITAL

Group and Company

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

Ordinary Share Capital	2020		2019	
	Number	£'000	Number	£'000
At 1 January	**145,402,511**	**14,540**	130,027,511	13,003
Arising on exercise of share options and warrants	**2,125,000**	**213**	375,000	37
Issued under the RiverFort EPSA	**14,000,000**	**1,400**	-	-
Share capital reorganisation to create deferred shares	**-**	**(15,991)**	-	-
Other issue for cash	**125,000,000**	**125**	15,000,000	1,500
At 31 December	**286,527,511**	**287**	145,402,511	14,540

Deferred Share Capital	2020		2019	
	Number	£'000	Number	£'000
At 1 January	**-**	**-**	-	-
Share capital reorganisation to create deferred shares	**161,527,511**	**15,991**	-	-
At 31 December	**161,527,511**	**15,991**	-	-

Total Share Capital	2020		2019	
	Number	£'000	Number	£'000
Ordinary Share Capital	**286,527,511**	**287**	145,402,511	14,540
Deferred Share Capital	**161,527,511**	**15,991**	-	-
	448,055,022	**16,278**	145,402,511	14,540

During the year the following equity issues took place:

Date	Comment	Shares Issued	Issue price
23 January 2020	Equity placing	14,000,000	12.5p
01 April 2020	Conversion of Loan Note	62,500	10p
02 June 2020	Conversion of Loan Note	937,500	10p
02 October 2020	Conversion of Loan Note	937,500	10p
07 October 2020	Conversion of Loan Note	187,500	10p
22 December 2020	Equity placing	125,000,000	4p

Share Capital Reorganisation

During the year the company undertook a share capital reorganisation in order to facilitate a placing of shares. As at 3 December 2020 the Company's Existing Ordinary Shares were trading at around 6.3 pence and had a nominal value of 10 pence. Under the Companies Act 2006 the Company is not permitted to issue shares with an issue price which is below their nominal value. In order to enable the Company to issue shares pursuant to the placing at 4 pence per share and also going forwards in the future at an issue price which exceeds their nominal value, the Company undertook a reorganisation of its ordinary share capital. Under the share capital reorganisation each of the Existing Ordinary Shares that were in issue were subdivided into 1 new ordinary share of 0.1 pence each and 1 deferred share of 9.9 pence each.

After the Share Capital Reorganisation had taken place and before the placing, there were the same number of New Ordinary Shares in issue as there were Existing Ordinary Shares in issue. There were 161,527,511 Existing Ordinary Shares in issue as at 3 December 2020. Immediately following the share capital reorganisation and before completion of the placing, 161,527,511 New Ordinary Shares and 161,527,511 Deferred Shares were issued, and the Existing Ordinary Shares cancelled.

The New Ordinary Shares have the same rights as those currently accruing to the Existing Ordinary Shares currently in issue under the articles of association of the Company, including those relating to voting and entitlement to dividends.

Holders of options or warrants over Existing Ordinary Shares maintained the same rights as currently accruing to them.

The Deferred Shares will have no substantive rights attached to them and, accordingly, will not carry the right to vote or to participate in any distribution of surplus assets. Furthermore, they were not admitted to trading on AIM. The Deferred Shares effectively carry no value.

The holders of the Deferred Shares shall be deemed to have conferred an irrevocable authority on the Company at any time to: (i) appoint any person, for and on behalf of such holder, to, inter alia, transfer some or all of the Deferred Shares (without making any payment therefor) to such person(s) as the Company may determine (including without limitation the Company itself); and (ii) repurchase or cancel such Deferred Shares without obtaining the consent of the holders thereof. In addition, the Company may repurchase all of the Deferred Shares, at a price not exceeding 1 penny in aggregate.

As part of this process, the Company's articles of association were amended to set out the rights and restrictions attaching to the Deferred Shares.

22. SHARE OPTIONS AND WARRANTS

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

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

The Company adopted the 2017 Share Option Scheme on 21 September 2017 that provides for the granting of both Enterprise Management Incentives and unapproved share options (Westminster Group Individual Share Option Agreements). The main terms of the option scheme are as follows:

- Although no special conditions apply to the options granted in 2017, the model form agreement allows the Company to adopt special conditions to tailor an option for any particular employee.
- The scheme is open to all full-time employees and Directors except those who have a material interest in the Company.
- For the purposes of this definition, a material interest is either beneficial ownership of, or the ability to control directly, or indirectly, more than 30% of the ordinary share capital of the Company.

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- The Board determines the exercise price of options before they are granted. It is provided in the scheme rules that options must be granted at the prevailing market price in the case of EMI options and must not be granted at an exercise price that is less than the nominal value of a share.
- There is a limit that options over unissued shares granted under the scheme and any discretionary share option scheme or other option agreement adopted or entered into by the Company must not exceed 10% of the issued share capital.
- Options can be exercised on the second anniversary of the date of grant and may be exercised up to the 10th anniversary of granting. Options will remain exercisable for a period of 40 days if the participant is a "good leaver".

Options have subsequently been granted on this basis.

These options are valued by the use of the Black-Scholes model using a volatility of 70%, interest free rate of 0.5% and a life of 5 years.

The Company has the following share options outstanding to its employees (including those on good leaver terms). The weighted average exercise price at the reporting date was 18.1p (2019: 18.2p). The average life of the unexpired share options was 7.1 years (2019: 8.4 years).

During the year, no employee options were granted (2019: Nil), none were exercised (2019: none) and 93,750 lapsed (2019: 496,000). The weighted average price of the options lapsed in the year was 28.5p (2019: 20.3p). The weighted average exercise price of exercisable options at the end of 2020 was 18.0p (2019 18.1p).

The Black-Scholes option-pricing model is used to determine the fair value of share options at grant date. The assumptions used to determine the fair values of share options at grant dates were as follows:

For share options granted post IPO the expected share price volatility was determined taking account of the historic daily share price movements. Since 2009, the standard deviation of the share price over the past 3 years has been used to calculate volatility.

The average expected term to exercise used in the models is based on management's best estimate for the effects of non- transferability, exercise restrictions and behavioural conditions, forfeiture and historical experience. The risk-free rate has been determined from market yields for government gilts with outstanding terms equal to the average expected term to exercise for each relevant grant.

		31 December 2020		31 December 2019	
Grant Date	Exercise Price	**Number Outstanding**	**Average Life Outstanding (Years)**	Number Outstanding	Average Life Outstanding (Years)
28 June 2012	0.365	**225,000**	**1.5**	225,000	2.5
01 July 2014	0.510	**225,000**	**3.5**	225,000	4.5
10 December 2014	0.285	**2,187,500**	**3.9**	2,281,250	4.9
09 October 2015	0.140	**40,000**	**4.8**	40,000	5.8
01 June 2018	0.130	**6,150,000**	**7.4**	6,150,000	8.4
01 November 2018	0.130	**750,000**	**7.8**	750,000	8.8
		9,577,500	**6.4**	9,671,250	7.1

Warrants

The Company has historically issued the following warrants, which are still in force at the balance sheet date:

Date issued	Reason for issue	Number of warrants	Exercise price pence per share	Life in years
31 January 2018	Placing Commission	170,455	22.0	5
25 July 2019	£1m Share Issue	9,625,000	12.5	2
22 January 2020	RiverFort EPSA	3,499,222	5.2	4
22 December 2020	£5m Share Issue	25,000,000	7.0	2

On 23 January 2020, the Company announced that it had agreed to issue to the RiverFort Global Opportunities PCC and YA II PN Ltd as part of the RiverFort Equity Placing and Sharing Agreement (EPSA) 3,499,222 warrants at 14.54p, being a premium of 34% to the closing price of 10.85p on 21 January 2020, that can be exercised between 6 and 48 months from issue. On 22 December 2020 following the placing of the 125,000,000 New Ordinary Shares referred to in Note 21 and below; the strike price was adjusted under the terms of the EPSA to 5.2p.

On 3 December 2020, the Company announced a placing of 125,000,000 New Ordinary Shares to various holders. These were admitted to AIM on 22 December 2020. Subscribers in the Placing were granted warrants to subscribe for New Ordinary Shares on a 1 warrant for each 5 Placing Shares basis. These Placing Warrants are exercisable at 7p per New Ordinary Share for a period of 24 months from Admission. The Placing Warrants were not admitted to trading on AIM or any other stock market and are not transferable.

The Warrants issued on 31 January 2018 and 22 January 2020 are valued in accordance with IFRS 2 that is for equity-settled share-based payment transactions, the Company measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. Warrants are recorded at fair value at inception and are not remeasured.

The fair value of £88,000 (2019 restated: £27,000) for the issue of these warrants was recognised in the year.

The Warrants issued with Share Issues on 25 July 2019 and 22 December 2020 have been determined as equity instruments under IAS 32. Since the fair value of the shares issued at the same time is equal to the price paid, these warrants, by deduction, are considered to have been issued at nil value.

23. BORROWINGS

	Group 2020	Group 2019	Group 2020	Group 2019
	£'000	£'000	**£'000**	£'000
Non-current				
Convertible loan note (note 16)	**-**	2,233	**-**	-
Convertible redeemable unsecured loan notes (Note 16)	**-**	179	**-**	179
Non-current lease debt	**29**	98	**13**	33
Total borrowings	**29**	2,510	**13**	212

Notes to the Financial Statements

RiverFort Loan Facility
On 22 January as part of the RiverFort Equity Placing and Sharing Agreement (EPSA) the Company entered into a £3.0m Mezzanine Loan Facility with the RiverFort Global Opportunities PCC and YA II PN Ltd. (together the "Investor") and elected to drawdown an initial £1.5m to fund the commencement of the staged Convertible Loan Notes (CLN) redemption programme and provide additional working capital. The Company has the right, at its sole discretion, to draw down up to a further £1.5m at any time in the following 24 months, subject to certain conditions.

The Mezzanine Loan Facility is subject to a 0.75% Commitment Fee and each drawdown had a term of 18 months at a 6.5% rate of interest and a 5% drawdown fee. Repayments commenced 3 months after drawdown and were to be followed by 15 equal monthly payments. The Company could if it wishes, elect to convert any of its monthly payments or amounts due by issuing the Investor with a convertible note giving conversion rights equal to the amount concerned, in which case the Investor will have 12 months to convert the note into ordinary shares of the Company at the lower of 14.54p or the 90% 5 day volume weighted average price immediately preceding the date of such notice. The Company may also elect to make early repayment of any outstanding amount subject to a 5% early redemption premium.

On 22 December 2020 following the equity placing the company elected to repay the remaining amount due on the Mezzanine Loan. As such there was no balance outstanding at 31 December 2020 (2019 £Nil).

Convertible Loan Notes
For full details of these notes see note 16.

From 31 December 2019 holders were able elect to convert their CLNs at 10p per share in place of cash redemption. From May 2019 the Group was allowed to redeem the CLNs in whole or in part at any time before the maturity date (1 May 2021) without restriction or penalty.

On 22 January the Group commenced a staged redemption programme of the Company's existing £2.245m Convertible Loan Notes with an offer to convert or redeem 25% of the outstanding balance.

In February 2020 CLNs to the value of £555,000 were redeemed and £6,250 were converted to Ordinary Shares. In March, June and October CLNs to the value of a further £212,500 in total were converted. Finally, in December 2020 the remaining £1,471,250 of CLNs were redeemed.

Convertible redeemable unsecured loan notes
On 31 December 2019, the convertible redeemable unsecured loan notes carried a coupon of 5% payable quarterly in arrears, had a conversion price of 10p and matured on 31 July 2021. On 22 December 2020, this note was fully redeemed for a value of USD $250,000.

Non-current lease debt
As described in Note 13, all leases that fall under IFRS 16 are recorded on the balance sheet as liabilities, at the present value of the future lease payments, along with an asset reflecting the right to use the asset over the lease term. The non-current lease debt is the part of that debt which falls due after 12 months.

The average credit period taken for trade purchases in 2020 was 50 days (2019: 66 days)

24. TRADE AND OTHER PAYABLES

	Group 2019	Group Restated 2018	Company 2019	Company Restated 2018
	£'000	£'000	**£'000**	£'000
Current				
Trade payables	**688**	1,385	**125**	99
Accruals and other creditors	**1,582**	960	**366**	140
Intercompany payables	**-**	-	**735**	2,398
Finance lease creditor (IFRS 16)	**38**	60	**20**	18
Financial liabilities	**2,308**	2,405	**1,246**	2,655
Other taxes and social security payable	**-**	51	**-**	16
Contractual liabilities	**100**	73	**-**	-
Non-financial liabilities	**100**	124	**-**	16
Total current trade and other payables	**2,408**	2,529	**1,246**	2,671
Shown on the balance sheet as:				
Contractual liabilities	**100**	73	**-**	-
Trade and other payables	**2,308**	2,456	**1,246**	2,671
	2,408	2,529	**1,246**	2,671

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs, as well as payments received in advance on contracts. The average credit period taken for trade purchases in 2020 was 50 days (2019: 66 days). The Directors consider that the carrying value of trade payables approximates to their fair value.

Contractual liabilities relate to amounts received from customers at year-end but not yet earned.

At 31 December 2020 £438,000 (2019: £1,243,000) of payables were denominated in US dollars, £2,000 (2019: £16,000) were denominated in Euros, £1,000 (2019: Nil) were denominated in Ghanaian Cedi and Nil (2019: £22,000) were denominated in Sierra Leone Leones.

Notes to the Financial Statements

25. CASH FLOW ADJUSTMENTS AND CHANGES IN WORKING CAPITAL

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

	Group 2020			Group 2019		
	Continuing Operations	**Discontinued Operations**	**Total**	Continuing Operations	Discontinued Operations	Total
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Adjustments:						
Depreciation, amortisation and impairment of non-financial assets	**225**	**-**	**225**	215	-	215
Effect of assets / liabilities acquired	**-**	**-**	**-**	2	-	2
Finance costs	**(17)**	**-**	**(17)**	620	-	620
Revaluation of fixed assets	**(6)**	**-**	**(6)**	2	-	2
Loss on disposal of non-financial assets	**33**	**-**	**33**	-	-	-
Non-cash accounting for CLN & CULN	**(119)**	**-**	**(119)**	35	-	35
Conversion of CLN	**(213)**	**-**	**(213)**	-	-	-
Increase in Deferred Tax Asset	**(49)**	**-**	**(49)**	(18)	-	(18)
Share-based payment expenses	**87**	**-**	**87**	368	-	368
Total adjustments	**(59)**	**-**	**(59)**	1,224	-	1,224

	Group 2020			Group 2019		
	Continuing Operations	**Discontinued Operations**	**Total**	Continuing Operations	Discontinued Operations	Total
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Net changes in working capital:						
(Increase)/Decrease in inventories	**(726)**	**-**	**(726)**	27	-	27
Decrease in trade and other receivables	**128**	**-**	**128**	2,091	-	2,091
Increase in long term receivables	**(484)**	**-**	**(484)**	-	-	-
Increase/(decrease) in contract liabilities	**27**	**-**	**27**	(2,365)	-	(2,365)
Decrease in trade and other payables	**(148)**	**-**	**(148)**	(113)	-	(113)
Decrease in assets of disposal group classified as held for sale	**-**	**170**	**170**	-	-	-
Decrease in liabilities of disposal group classified as held for sale	**-**	**-**	**-**	-	(151)	(151)
Total changes in working capital	**(1,203)**	**170**	**(1,033)**	(360)	(151)	(511)

	Company 2020	Company Restated 2019
	£'000	£'000
Adjustments:		
Depreciation, amortisation and impairment of non-financial assets	113	90
Finance costs	376	458
Revaluation of fixed assets	(6)	-
(Profit) / loss on disposal of non-financial assets	8	-
Non-cash accounting for CLN	(1)	(90)
Share-based payment expenses	87	368
Other non-cash items	6	103
Total adjustments	583	929
Net changes in working capital:	£'000	£'000
Increase in trade and other receivables	(427)	623
Decrease in trade and other payables	(1,425)	(59)
Increase in asset held for sale	-	-
Total changes in working capital	(1,852)	564

26. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The RiverFort EPSA has already been described in Notes 21, 22 and 23. In summary, the company issued 14m ordinary shares and received a £1.5m mezzanine loan. At the same time under the EPSA the company issued 14m shares and booked a sundry debt of £1.75m. The loan was to be repaid and the sundry debt settled by selling down the shares. As disclosed in note 23 the mezzanine loan was fully repaid in December 2020. As at the 31 December 2020 there remained shares still to be sold and a residual sundry debt for those shares. Because of the low share price caused primarily by the market reaction to Covid-19, had the remaining shares been sold at the end of 2020 there would have been a loss of £936,000 on this debt. However, the shares do not have to be fully sold until at least 31 December 2021 and there is reason to believe that it will be at a price higher during 2021 than the 31 December 2020 price level and enough to recoup the losses.

There were no material contingent assets and contingent liabilities in 2019.

27. FINANCIAL RISK MANAGEMENT

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

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

Foreign currency sensitivity

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

Notes to the Financial Statements

Group	Short-term exposure USD	Short-term exposure EUR	Short-term exposure SLL	Short-term exposure GHS
	£'000	£'000	£'000	£'000
31 December 2020				
Financial assets	**307**	**-**	**-**	**167**
Financial liabilities	**(438)**	**(2)**	**-**	**(1)**
Total exposure	**(131)**	**(2)**	**-**	**166**
31 December 2019				
Financial assets	510	-	-	-
Financial liabilities	(1,243)	(16)	(22)	-
Total exposure	(733)	(16)	(22)	-

If the US dollar were to depreciate by 10% relative to its year end rate, this would cause a gain of profits in 2020 of £15,000 (2019: £81,000 Gain).

If the Ghanaian Cedi were to depreciate by 10% relative to its year end rate, this would cause a loss of profits in 2020 of £18,000 (2019: £ Nil).

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk. Foreign currency denominated financial assets and liabilities are immaterial for the Company.

Interest rate sensitivity

The main borrowings of the Group were the convertible loans and the RiverFort EPSA. These are detailed in note 16. All had fixed interest rates. Interest on the cash holdings of the Group and "other" loans noted in note 23 is both not material and also has fixed interest rates. Therefore no calculation of interest rate sensitivity has been undertaken.

Credit risk analysis

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and where possible working on a "cash with order".

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

None of the Group's financial assets are secured by collateral or other credit enhancements. Details of allowance for credit losses are shown in note 19 of these financial statements.

The Company has investments in and amounts owing from subsidiary companies. The amounts owing are held at fair value. For loans that are repayable on demand, expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date. If the subsidiary has sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date, the expected credit loss is likely to be immaterial. If it does not, then an impairment will be considered.

Liquidity risk analysis

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages its liquidity needs by monitoring scheduled debt repayments for long term financial liabilities as well as forecast cash flows due in day to day business. Net cash requirements are compared to borrowing facilities in order to determine headroom or any shortfalls. This analysis shows if available borrowing facilities are expected to be sufficient over the outlook period.

As at 31 December 2020, the Group's financial liabilities have contractual maturities (including interest payments, where applicable) as summarised below:

	2020			2019		
	Current (within 6 months	**6 to 12 months**	**Non-Current (1-5 years)**	Current (within 6 months	6 to 12 months	Non-Current (1-5 years)
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Group						
Convertible loans	-	-	-	-	2,233	179
Trade and other payables	2,308	-	-	2,456	-	-
Total	2,308	-	-	2,456	2,233	179
Company						
Convertible loans	-	-	-	-	-	179
Trade and other payables	1,246	-	-	2,671	-	-
Total	1,246	-	-	2,671	-	179

28. DISCONTINUED OPERATIONS

At 30 September 2017 the Group took the decision to dispose of its ferry operation in Sierra Leone, from this date the operation together with the related finance obligations was being actively marketed for sale, and therefore has been reclassified as a disposal group held for sale within the financial statements.

A discontinued operation is a component of the Group's activities that is distinguishable by reference to geographical area or line of business that is held for sale, has been disposed of or discontinued, or is a subsidiary acquired exclusively with a view to resale. When an operation is classified as discontinued, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

	2020	**2019**
	£'000	£'000
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Administration expenses	-	28
Operating loss from discontinued activities before taxation	-	28
Income tax expense	-	-
Loss from discontinued ordinary activities after taxation	-	28
Earnings per share relating to the discontinued operations	-	0.02p
Cash flows relating to the discontinued operation are as follows: Operating cash flows	-	28
Investing cash flows	-	-

Notes to the Financial Statements

29. DISPOSAL GROUPS HELD FOR SALE

At 30 September 2017 the Group took the decision to dispose of its ferry operation in Sierra Leone, from this date the operation together with the related finance obligations was being actively marketed for sale, and therefore has been reclassified as a disposal group held for sale within the financial statements. On this date the Group impaired the assets of the disposal group to nil. Details of the assets and liabilities held for sale are as follows:

	2020	2019
	£'000	£'000
Assets held for sale:		
Tangible fixed assets at cost	-	2,820
Accumulated depreciation	-	(2,650)
Assets held for sale	-	170

The Sierra Queen was sold in February 2020.

30. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties, are listed below:

	Balance at 31 December 2018	Movement in Year 2019	Balance at 31 December 2019	**Movement in Year 2020**	**Balance at 31 December 2020**
Westminster International Limited	2,265	64	2,329	**(1,483)**	**846**
Westminster Security Limited (formerly Longmoor Security Limited)	-	-	-	**10**	**10**
Westminster Aviation Security Services Limited	5,466	(1,487)	3,979	**6**	**3,985**
Sovereign Ferries Limited	-	45	45	**503**	**548**
Westminster Operating Limited	(2,381)	(17)	(2,398)	**2,156**	**(242)**
Keyguard U.K Limited	31	(31)	-	**68**	**68**
Longmoor (SL) Limited	(29)	29	-	**-**	**-**
Facilities Operations Management Limited	959	(767)	192	**(6)**	**186**
Westminster Sierra Leone Limited*	23	(23)	-	**(60)**	**(60)**
Westminster Group GMBH	2	793	795	**63**	**858**
GLIS Gesellschaft für Luftfahrt- und Infrastruktur-Sicherheit GmbH	-	-	-	**(50)**	**(50)**
Westminster Sicherheit GMBH	593	(593)	-	**-**	**-**
Euro Ops SARL	-	-	-	**104**	**104**
Westminster Managed Services Limited (formerly Westminster Facilities Management Limited)	(22)	1,332	1,310	**-**	**1,310**
Longmoor Security Services Limited (formerly Westminster Aviation Security Services (ME) Limited)	-	-	-	**-**	**-**
Westminster International (Ghana) Limited	-	-	-	**(383)**	**(383)**
	6,907	(655)	6,252	**928**	**7,180**

The remuneration of the Directors, who are the key management personnel of the Group is set out in the Remuneration Committee report on pages 56 to 59 as are details of pension contributions for Directors.

In the year to 31 December 2020 fees and expenses of £18,619 (2019: £16,180) plus VAT were accrued to Cattaneo LLP a Limited Liability Partnership under the control of Charles Cattaneo. On the 31 December 2020 Cattaneo LLP was owed £1,600 including VAT (2019: £1,600).

Certain members of the Fowler family, other than directors, have been employed by the Group on normal arms-length terms for between 11 and 23 years. Their remuneration, in aggregate, for the year ended 31 December 2020 was £182,830 (2019: £171,659)

31. PRIOR YEAR ADJUSTMENT

Changes to the way investments and loans in subsidiaries have been displayed are reported in note 14.

The 2019 statement of profit and loss, other comprehensive income and financial position has been restated to account for net gains amounting to £147,000 (Company: £184,000) that were not recognised in the prior year accounts following reviews of policies and reconciliations during 2020. No third balance sheet is presented as the error occurred solely in the prior period and effects that year only.

Statement of profit or loss and other comprehensive income (extract)

	Note	Year ended 31 December 2019 Group	Company
		£'000	£'000
Loss per signed accounts 2019		(1,398)	(2,652)
Review of accounting for Share based payments	i)	(110)	(110)
Correction of error in accounting for Warrants	ii)	298	298
Write off of uncollectable VAT balance	iii)	(41)	-
Other immaterial difference	iv)	-	(3)
Restated loss for 2019		**(1,251)**	**(2,467)**

Earnings per Share	Note	Signed accounts as at 31 December 2019	Adjustment	Restated as at 31 December 2019
		Per-share amount pence		Per-share amount pence
Basic and diluted EPS		(1.02p)		(0.91p)
Group statement of financial position (extract)				
Share based payment reserve	i) & ii)	1,166	(188)	978
Trade and other receivables	iii)	2,566	(41)	2,525
(Loss)/profit for the year	i), ii) & iii)	(1,398)	147	(1,251)
Company statement of financial position (extract)				
Share based payment reserve	i) & ii)	1,166	(188)	978
Trade and other receivables	iii)	2,668	3	2,671
(Loss)/profit for the year	i), ii) & iii)	(2,652)	185	(2,467)

i. Following a review by the Group of the reserve for share based payments going back to first principles, it was determined that this reserve had been under stated by £110,000.

ii. In discussion with the new auditors, PKF, a more appropriate treatment of warrants issued as part of a placing was determined. To be consistent £298,000 charged in 2019 has been written back.

iii. An accounting error left an unrecoverable balance of £41,000 on the VAT account. This is written off.

iv. There was a sundry immaterial rounding difference on the Company's P&L account which has now been corrected.

Financial statements

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32. EVENTS AFTER THE REPORTING PERIOD

In February 2021, Clydesdale Bank PLC trading as Yorkshire Bank offered the Group an overdraft and other banking facilities. As a condition of these facilities the Company entered into a multilateral charge and guarantee in respect of bank overdrafts and other facilities of all companies within the Group.

Westminster Group PLC

Company information

Directors

Executive
Sir Tony Baldry (Chairman)
Peter Fowler
Mark Hughes
Stuart Fowler

Non-Executives
Lady Patricia Lewis
Charles Cattaneo
J Mawuli Ababio

Company Secretary

Roger Worrall

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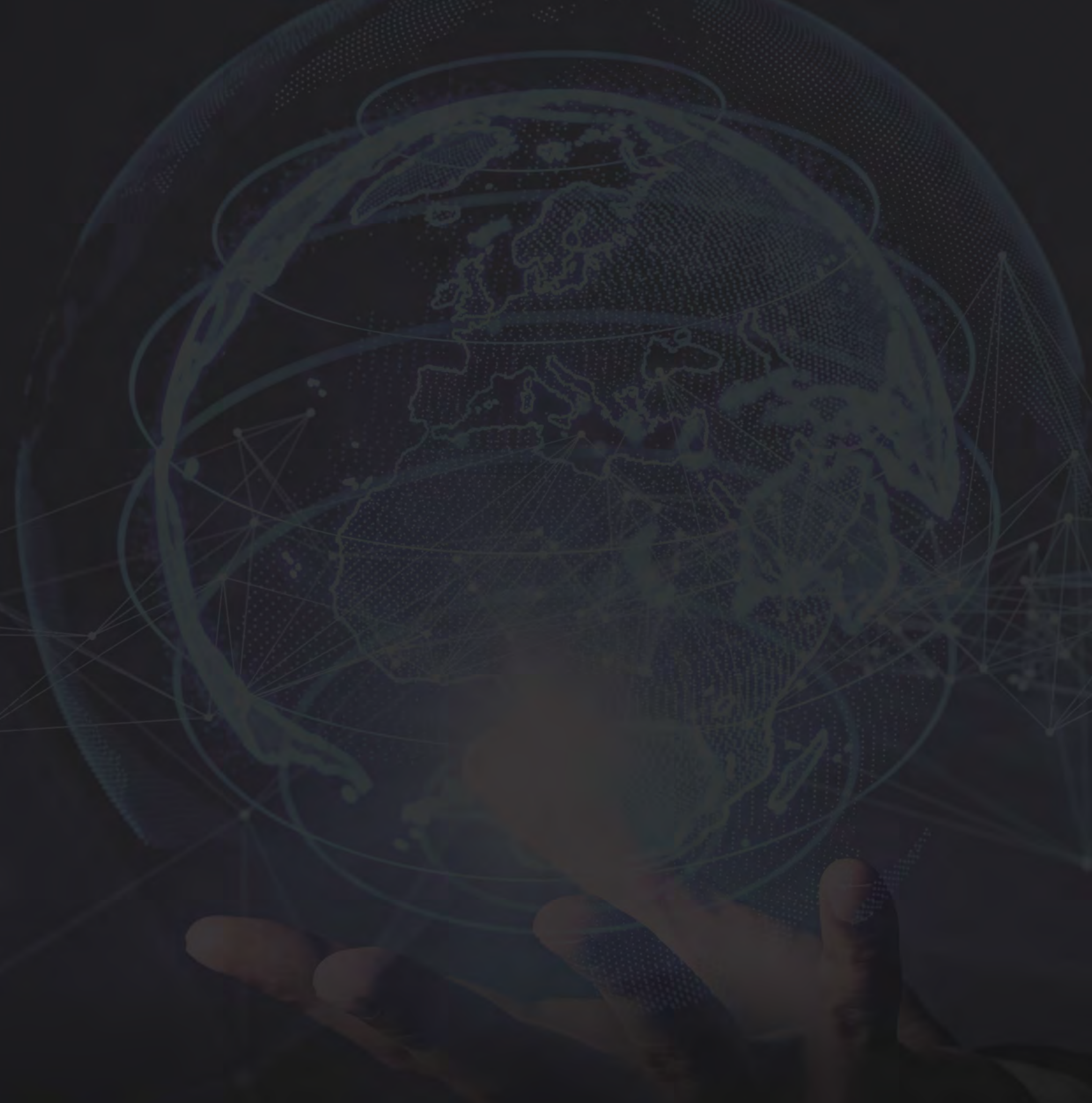

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