



Ellacott Stranks & Co. Chartered Accountants Banbury

**WESTMINSTER GROUP PLC  
FINANCIAL STATEMENTS  
FOR  
30 SEPTEMBER 2002**

Company Registration Number 3967650



**ELLACOTT STRANKS & CO.**  
Chartered Accountants & Registered Auditors  
Beechfield House  
38 West Bar  
Banbury  
Oxfordshire  
OX16 9RX



**WESTMINSTER GROUP PLC**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2002**

Ellacott Stranks & Co. Chartered Accountants Baubury

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**WESTMINSTER GROUP PLC****THE DIRECTORS' REPORT****YEAR ENDED 30 SEPTEMBER 2002**

The directors present their report and the financial statements of the group for the year ended 30 September 2002.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the group during the year was contract electronic manufacturing.

I am pleased to report that the Group's second year trading results following restructuring, are both satisfactory and in line with expectations.

Last year I reported on the Boards decision to undertake a major restructuring of Group activities, including the sale of the UK security systems (small works) division to Chubb in October 2000. This decision was as a result of a close examination of business opportunities and the belief that future margins within the UK security systems market were likely to be affected by increasing legislation and greater competition.

The primary goal of the restructuring was to create a broadly based business services group operating in niche and specialised markets worldwide and offering substantial future growth opportunities. To achieve this goal the main focus of the Group during the past two years has been in establishing a firm operating base within numerous chosen countries, particularly developing nations and those with particular security requirements and to also be influential in our chosen markets.

I am pleased to report that the Group have made very substantial progress in this respect with specialised divisions now operating in International Fire, Safety & Security Protection, Risk Analysis, Manufacturing, Investigations, Specialised Translation and Consultancy Services. Westminster's influence and acknowledged expertise within these fields is also evident by the numerous interviews and articles given by Westminster in the national & international media including T.V. radio, press and specialist journals and magazines.

The Group have also appointed experienced and well placed agent companies in numerous selected countries such as India, Pakistan, Bangladesh, Ghana, Nigeria, Ethiopia, Sudan, Egypt, Emirates, Qatar, Oman & Russia. In addition negotiations are underway with a number of other companies and organisations and a further 15 - 20 specialised agents are expected to be appointed in the coming year.

The Westminster Group's extensive web site at [www.wg-plc.com](http://www.wg-plc.com), which reflects the broad range of services offered, also continues to be extended daily and now includes a full on-line e-commerce site which will enable hundreds of specialised fire & security products to be bought on line. The Westminster web site is one of the world's largest and most informative sites dealing with fire & security products and services and is currently receiving over 800 hits worldwide per day.

Whilst this restructuring has been both costly and time consuming (all costs associated with the restructuring and establishment of Westminster's network have been written off in the period incurred), the benefits will be substantial and long lasting. The Group have, for example, recently provided proposals and quotations for major overseas fire & security projects valued in excess of £38,000,000.

**WESTMINSTER GROUP PLC****THE DIRECTORS' REPORT** *(continued)***YEAR ENDED 30 SEPTEMBER 2002**

Ellacott Stranks &amp; Co. Chartered Accountants Banbury

With reference to our manufacturing operations, the world today is very much a global economy, dependent upon modern technology and one in which technological advances are being experienced at an ever-increasing rate leading many companies to outsource specialist processes such as PCB assembly and bespoke product development. Westminster's Technologies Division, being a specialised Contract Electronic Manufacturing (CEM) business operating at the leading edge of technology, has invested heavily in advanced plant and production facilities as well as high calibre personnel and marketing including a substantial new Web Site and is well placed to take advantage of the opportunities offered by such.

Major contract awards continue to be received from companies such as Kraft Foods as well as specialist electronic production requirements from establishments such as Oxford University. The company is also assisting several OEM's in the design of new 'leading edge' technology products, the ultimate production of which will be part manufactured in Westminster Factories significantly adding to turnover in the coming year. In addition Westminster Technologies have developed a number of niche 'own brand' products including a specialised 'twin beam' emergency light, a swimming pool controller and a number of specialist electronic security products.

In summary, the Group's restructuring has been successful and is well advanced and I believe the Group is well placed for significant future growth.

**RESULTS AND DIVIDENDS**

The trading results for the year, and the group's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

**THE DIRECTORS AND THEIR INTERESTS**

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

		At 30 September 2002	At 1 October 2001
Mr P D Fowler	Ordinary A	427,899	427,899
	Ordinary B	—	—
Mrs P J Fowler	Ordinary A	106,975	106,975
	Ordinary B	—	—
Mr R W Worrall	Ordinary A	—	—
	Ordinary B	88,820	88,820
Mrs C Worrall	Ordinary A	—	—
	Ordinary B	<u>88,806</u>	<u>88,806</u>

**POLICY ON THE PAYMENT OF CREDITORS**

The company has a standard policy for payments to suppliers, details of which can be obtained from the registered office. The policy is complied with and applies to all major creditors.



**WESTMINSTER GROUP PLC**  
**THE DIRECTORS' REPORT** *(continued)*  
**YEAR ENDED 30 SEPTEMBER 2002**

Ellacott Stranks & Co. Chartered Accountants Banbury

**DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group at the end of the year and of the group's profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 13 to 14, and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

A resolution to re-appoint Ellacott Stranks & Co. as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
Beechfield House  
38 West Bar  
Banbury  
Oxfordshire  
OX16 9RX

Signed on behalf of the directors

Mr P D Fowler  
Director

Approved by the directors on 28<sup>th</sup> April 2003



**WESTMINSTER GROUP PLC**  
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS**  
**YEAR ENDED 30 SEPTEMBER 2002**

Ellacott Stranks & Co. Chartered Accountants Banbury

We have audited the financial statements on pages 6 to 27 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 13 to 14.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



# WESTMINSTER GROUP PLC

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(continued)*

YEAR ENDED 30 SEPTEMBER 2002

### OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs and of the group as at 30 September 2002 and of the loss of the group for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

ELLACOTT STRANKS & CO.  
Chartered Accountants  
& Registered Auditors

Beechfield House  
38 West Bar  
Banbury  
Oxfordshire  
OX16 9RX

28 April 2003.



**WESTMINSTER GROUP PLC**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 SEPTEMBER 2002**

Ellacott Stranks & Co. Chartered Accountants Banbury

	Note	Year to 30 Sep 02 £	Period from 1 May 00 to 30 Sep 01 £
<b>GROUP TURNOVER</b>	<b>2</b>	<b>714,655</b>	<b>532,246</b>
Cost of sales		<u>444,357</u>	<u>319,838</u>
<b>GROSS PROFIT</b>		<b>270,298</b>	<b>212,408</b>
Distribution costs		—	550
Administrative expenses		<u>312,844</u>	<u>257,530</u>
<b>OPERATING LOSS</b>	<b>3</b>	<b>(42,546)</b>	<b>(45,672)</b>
Interest receivable		—	3,609
Interest payable	<b>6</b>	<u>(1,970)</u>	<u>(2,635)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(44,516)</b>	<b>(44,698)</b>
Tax on loss on ordinary activities	<b>7</b>	<u>915</u>	<u>4,578</u>
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>(45,431)</b>	<b>(49,276)</b>
Minority interests		<u>3,668</u>	<u>6,492</u>
<b>LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY</b>	<b>9</b>	<b>(49,099)</b>	<b>(55,768)</b>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b><u>(49,099)</u></b>	<b><u>(55,768)</u></b>

All of the activities of the company are classed as continuing.

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account.





# WESTMINSTER GROUP PLC

## GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 30 SEPTEMBER 2002

Ellacott Stranks & Co. Chartered Accountants Banbury

	Year to 30 Sep 02 £	Period from 1 May 00 to 30 Sep 01 £
Loss for the financial year attributable to the shareholders of the parent company	(49,099)	(55,768)
Unrealised profit on revaluation of certain fixed assets	91,962	15,612
Total gains and losses recognised since the last annual report	<u>42,863</u>	<u>(40,156)</u>

### RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year to 30 Sep 02 £	Period from 1 May 00 to 30 Sep 01 £
Loss for the financial year	(49,099)	(55,768)
Other net recognised gains and losses	91,962	15,612
New equity share capital subscribed	—	675,000
Net addition to funds	<u>42,863</u>	<u>634,844</u>
Opening shareholders' equity funds	634,844	—
Closing shareholders' equity funds	<u>677,707</u>	<u>634,844</u>



# WESTMINSTER GROUP PLC

## GROUP BALANCE SHEET

30 SEPTEMBER 2002

Ellacott Stranks & Co. Chartered Accountants Banbury

	Note	2002 £	2001 £
<b>FIXED ASSETS</b>			
Intangible assets	10	3	4
Tangible assets	11	815,423	717,398
		<u>815,426</u>	<u>717,402</u>
<b>CURRENT ASSETS</b>			
Stocks	13	57,807	72,993
Debtors	14	270,590	125,955
Cash in hand		162	113
		<u>328,559</u>	<u>199,061</u>
<b>CREDITORS: Amounts falling due within one year</b>	15	<u>323,855</u>	<u>178,477</u>
<b>NET CURRENT ASSETS</b>		<u>4,704</u>	<u>20,584</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>820,130</u>	<u>737,986</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	16	<u>126,701</u>	<u>92,003</u>
		<u>693,429</u>	<u>645,983</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	17	5,312	4,397
		<u>(688,117)</u>	<u>(641,586)</u>
<b>MINORITY INTERESTS</b>		<u>10,410</u>	<u>6,742</u>
		<u>677,707</u>	<u>634,844</u>

The Balance sheet continues on the following page.

The notes on pages 13 to 27 form part of these financial statements.



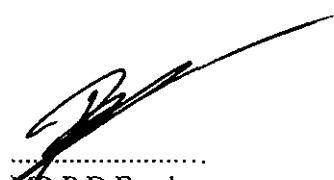
## WESTMINSTER GROUP PLC

GROUP BALANCE SHEET *(continued)*

30 SEPTEMBER 2002

	Note	2002 £	2001 £
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	20	675,000	675,000
Revaluation reserve	21	107,574	15,612
Profit and loss account	21	(104,867)	(55,768)
<b>SHAREHOLDERS' FUNDS</b>		<u>677,707</u>	<u>634,844</u>

These financial statements were approved by the directors on the 28<sup>th</sup> April 2003 and are signed on their behalf by:

  
.....  
MR P D Fowler  
Director



## WESTMINSTER GROUP PLC

## BALANCE SHEET

30 SEPTEMBER 2002

Ellacott Stranks &amp; Co. Chartered Accountants Banbury

	Note	2002 £	£	2001 £	£
<b>FIXED ASSETS</b>					
Tangible assets	11		691,782		604,573
Investments	12		750		750
			<u>692,532</u>		<u>605,323</u>
<b>CURRENT ASSETS</b>					
Debtors	14	85,967		72,601	
Cash at bank and in hand		-		14,770	
		<u>85,967</u>		<u>87,371</u>	
<b>CREDITORS: Amounts falling due within one year</b>	15	<u>121,552</u>		<u>77,326</u>	
<b>NET CURRENT ASSETS</b>			<u>(35,585)</u>		<u>10,045</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>656,947</u>		<u>615,368</u>
<b>CREDITORS: Amounts falling due after more than one year</b>					
	16		9,720		-
			<u>647,227</u>		<u>615,368</u>

The Balance sheet continues on the following page.

The notes on pages 13 to 27 form part of these financial statements.




## WESTMINSTER GROUP PLC

BALANCE SHEET *(continued)*

30 SEPTEMBER 2002

	Note	2002 £	2001 £
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	20	675,000	675,000
Revaluation reserve	21	107,574	15,612
Profit and loss account	21	(135,347)	(75,244)
<b>SHAREHOLDERS' FUNDS</b>		<u>647,227</u>	<u>615,368</u>

These financial statements were approved by the directors on the 29<sup>th</sup> March 2003 and are signed on their behalf by:

  
 .....  
 MR P D Fowler



**WESTMINSTER GROUP PLC**  
**GROUP CASH FLOW STATEMENT**  
**YEAR ENDED 30 SEPTEMBER 2002**

Ellacott Stranks & Co. Chartered Accountants Banbury

	Note	Year to 30 Sep 02 £	£	Period from 1 May 00 to 30 Sep 01 £	£
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>22</b>		<b>(130,886)</b>		<b>(133,406)</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>22</b>		<b>(1,970)</b>		<b>974</b>
<b>TAXATION</b>	<b>22</b>		<b>(181)</b>		<b>—</b>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>22</b>		<b>(41,071)</b>		<b>(721,471)</b>
<b>CASH OUTFLOW BEFORE FINANCING</b>			<b>(174,108)</b>		<b>(853,903)</b>
<b>FINANCING</b>	<b>22</b>		<b>43,698</b>		<b>767,253</b>
<b>DECREASE IN CASH</b>	<b>22</b>		<b><u>(130,410)</u></b>		<b><u>(86,650)</u></b>



# WESTMINSTER GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 30 SEPTEMBER 2002

Ellacott Stranks &amp; Co. Chartered Accountants Banbury

#### 1. ACCOUNTING POLICIES

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

##### **Basis of consolidation**

The consolidated accounts incorporate the accounts of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group accounts by virtue of section 230 of the Companies Act 1985.

##### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

##### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 20% straight line

##### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	- nil, 2% & 15% straight line
Leasehold improvements	- 15% straight line
Plant and machinery	- 15%, 20% & 25% straight line
Fixtures and fittings	- 15% straight line
Motor vehicles	- 25% straight line
Equipment	- 20% & 25% straight line
Website	- 25% straight line

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### **Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.



**WESTMINSTER GROUP PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2002**

**1. ACCOUNTING POLICIES** *(continued)*

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.





**WESTMINSTER GROUP PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2002**

**2. TURNOVER**

The turnover and loss before tax are attributable to the principal activity of the group.

An analysis of turnover is given below:

	Year to 30 Sep 02 £	Period from 1 May 00 to 30 Sep 01 £
United Kingdom	584,971	374,408
Overseas	129,684	157,838
	<u>714,655</u>	<u>532,246</u>

**3. OPERATING LOSS**

Operating loss is stated after charging/(crediting):

	Year to 30 Sep 02 £	Period from 1 May 00 to 30 Sep 01 £
Amortisation	1	1
Depreciation	35,009	19,680
Auditors' remuneration		
- as auditors	3,600	3,000
- for other services	10,022	6,500
Operating lease costs:		
Land and buildings	14,625	7,764
Plant and equipment	1,203	1,163
Vehicles	<u>22,034</u>	<u>22,354</u>

**4. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the group during the financial year amounted to:

	Year to 30 Sep 02 No	Period from 1 May 00 to 30 Sep 01 No
Number of production staff	12	12
Number of administrative staff	5	5
Number of management staff	6	6
	<u>23</u>	<u>23</u>



**WESTMINSTER GROUP PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2002**

**4. PARTICULARS OF EMPLOYEES** *(continued)*

The aggregate payroll costs of the above were:

	Year to 30 Sep 02 £	Period from 1 May 00 to 30 Sep 01 £
Wages and salaries	91,793	67,964
Social security costs	12,797	7,731
	<u>104,590</u>	<u>75,695</u>

**5. DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments in respect of qualifying services were:

	Year to 30 Sep 02 £	Period from 1 May 00 to 30 Sep 01 £
Emoluments receivable	<u>68,455</u>	<u>28,274</u>

**6. INTEREST PAYABLE**

	Year to 30 Sep 02 £	Period from 1 May 00 to 30 Sep 01 £
Interest payable on bank borrowing	<u>1,970</u>	<u>2,635</u>

**7. TAX ON LOSS ON ORDINARY ACTIVITIES**

	Year to 30 Sep 02 £	Period from 1 May 00 to 30 Sep 01 £
Current tax:		
UK Corporation tax based on the results for the year at -% (2001 - 20%)	-	181
Total current tax	-	181
Deferred tax:		
Increase in deferred tax provision (note 17)		
Capital allowances	915	4,397
Tax on loss on ordinary activities	<u>915</u>	<u>4,578</u>



**WESTMINSTER GROUP PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2002**

**8. MINORITY INTERESTS**

	Year to 30 Sep 02 £	Period from 1 May 00 to 30 Sep 01 £
Minority interests in profit	<u>3,668</u>	<u>6,492</u>

**9. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY**

The loss dealt with in the accounts of the parent company was £(60,103) (2001 - £(75,244)).

**10. INTANGIBLE FIXED ASSETS**

Group and company	Goodwill £
<b>COST</b>	
At 1 October 2001 and 30 September 2002	<u>5</u>
<b>AMORTISATION</b>	
At 1 October 2001	1
Charge for the year	<u>1</u>
At 30 September 2002	<u>2</u>
<b>NET BOOK VALUE</b>	
At 30 September 2002	<u>3</u>
At 30 September 2001	<u>4</u>



**WESTMINSTER GROUP PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2002**

**11. TANGIBLE FIXED ASSETS**

Group	Freehold & Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Other Assets £	Total £
<b>COST OR VALUATION</b>						
At 1 Oct 2001	605,442	93,683	1,255	3,813	24,973	729,166
Additions	512	32,099	—	—	8,460	41,071
Revaluation	55,000	—	—	—	—	85,000
At 30 Sep 2002	<u>690,954</u>	<u>125,782</u>	<u>1,255</u>	<u>3,813</u>	<u>33,433</u>	<u>855,237</u>
<b>DEPRECIATION</b>						
At 1 Oct 2001	1,313	7,310	122	874	2,148	11,767
Charge for the year	9,328	18,558	188	953	5,982	35,009
Revaluation adjustment	(6,962)	—	—	—	—	(6,962)
At 30 Sep 2002	<u>3,679</u>	<u>25,868</u>	<u>310</u>	<u>1,827</u>	<u>8,130</u>	<u>39,814</u>
<b>NET BOOK VALUE</b>						
At 30 Sep 2002	<u>687,275</u>	<u>99,914</u>	<u>945</u>	<u>1,986</u>	<u>25,303</u>	<u>815,423</u>
At 30 Sep 2001	<u>604,129</u>	<u>86,373</u>	<u>1,133</u>	<u>2,939</u>	<u>22,825</u>	<u>717,399</u>

The freehold property was revalued by Berry Morris, chartered surveyors, on 30 September 2002.

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

	2002 £	2001 £
Net book value at end of year	<u>675,000</u>	<u>590,000</u>
Historical cost	<u>582,301</u>	<u>582,301</u>
Depreciation:		
At 1 Oct 2001	<u>7,913</u>	—
At 30 Sep 2002	<u>14,875</u>	<u>7,913</u>
Net historical cost value:		
At 30 Sep 2002	<u>567,426</u>	<u>574,388</u>



**WESTMINSTER GROUP PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. TANGIBLE FIXED ASSETS** *(continued)*

Company	Freehold Property £	Plant & Machinery £	Equipment £	Motor Vehicles £	Website £	Total £
<b>COST OR VALUATION</b>						
At 1 Oct 2001	590,000	1,832	11,017	3,813	-	606,662
Additions	-	118	-	-	5,941	6,059
Revaluation	85,000	-	-	-	-	85,000
At 30 Sep 2002	<u>675,000</u>	<u>1,950</u>	<u>11,017</u>	<u>3,813</u>	<u>5,941</u>	<u>697,721</u>
<b>DEPRECIATION</b>						
At 1 Oct 2001	-	279	936	874	-	2,089
Charge for the year	6,962	380	2,085	953	432	10,812
Revaluation adjustment	(6,962)	-	-	-	-	(6,962)
At 30 Sep 2002	<u>-</u>	<u>659</u>	<u>3,021</u>	<u>1,827</u>	<u>432</u>	<u>5,939</u>
<b>NET BOOK VALUE</b>						
At 30 Sep 2002	<u>675,000</u>	<u>1,291</u>	<u>7,996</u>	<u>1,986</u>	<u>5,509</u>	<u>691,782</u>
At 30 Sep 2001	<u>590,000</u>	<u>1,553</u>	<u>10,081</u>	<u>2,939</u>	<u>-</u>	<u>604,573</u>

The freehold property was revalued by Berry Morris, chartered surveyors, on 30 September 2002.



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**12. INVESTMENTS**

<b>Company</b>	<b>Subsidiary undertakings</b>
Investment in Westminster Technologies Limited	
<b>COST</b>	<b>£</b>
At 1 October 2001 and 30 September 2002	<u>750</u>
<b>NET BOOK VALUE</b>	
At 30 September 2002	<u>750</u>
At 30 September 2001	<u>750</u>



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**12. INVESTMENTS** *(continued)*

The company owns 75% of the share capital of the following company:

	Country of incorporation	Class of shares	Capital & Reserves	Profit for year
Westminster Technologies Limited	England	Ordinary	£41,670	£14,702

The following company is wholly owned by Westminster Technologies Limited:

Westminster International Limited	England	Ordinary	£(28)	Dormant
--------------------------------------	---------	----------	-------	---------

Westminster Technologies Limited was acquired on 9 October 2000, the fair value of consideration being £750. No goodwill was generated on acquisition.

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

Westminster International Limited was acquired by Westminster Technologies Limited on 12 December 2000.

**13. STOCKS**

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Raw materials	39,455	33,731	-	-
Work in progress	13,841	468	-	-
Finished goods	4,511	38,794	-	-
	<u>57,807</u>	<u>72,993</u>	<u>-</u>	<u>-</u>

**14. DEBTORS**

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Trade debtors	262,137	110,495	43,403	41,334
VAT recoverable	-	8,002	-	-
Other debtors	4,141	7,043	40,502	30,850
Prepayments and accrued income	4,312	416	2,062	416
	<u>270,590</u>	<u>125,956</u>	<u>85,967</u>	<u>72,600</u>



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**15. CREDITORS: Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	226,223	86,763	85,918	—
Trade creditors	71,519	54,556	1,375	2,865
Amounts owed to group undertakings	—	—	—	42,445
Directors' loan accounts	—	9,720	—	9,720
Other creditors including taxation and social security:				
Corporation tax	—	181	—	—
PAYE and social security	8,800	4,886	—	453
VAT	4,378	—	17,677	13,970
Other creditors	1,135	12,871	1,135	1,372
Refundable rent deposits	—	—	—	1
Accruals and deferred income	11,800	9,500	7,000	6,500
	<u>323,855</u>	<u>178,478</u>	<u>121,552</u>	<u>77,326</u>

The bank overdraft is secured by a first mortgage over the freehold property owned by the company, including Fixed Charge over all present freehold and leasehold property and First Floating Charge over all present and future assets.

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<u>226,223</u>	<u>101,533</u>	<u>85,918</u>	<u>—</u>

**16. CREDITORS: Amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	24,978	—	—	—
Other creditors	<u>101,723</u>	<u>92,003</u>	<u>9,720</u>	<u>—</u>
	<u>126,701</u>	<u>92,003</u>	<u>9,720</u>	<u>—</u>

The director's loan and current accounts are unsecured and interest free.

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<u>24,978</u>	<u>—</u>	<u>—</u>	<u>—</u>





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# 17. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	Group		Company	
	Year to	Period from	Year to	Period from
	30 Sep 02	1 May 00 to	30 Sep 02	1 May 00 to
	£	30 Sep 01	£	30 Sep 01
Provision brought forward	4,397	-	-	-
Increase in provision	915	4,397	-	-
Provision carried forward	<u>5,312</u>	<u>4,397</u>	<u>-</u>	<u>-</u>

	Group		Company	
	Year to	Period from	Year to	Period from
	30 Sep 02	1 May 00 to	30 Sep 02	1 May 00 to
	£	30 Sep 01	£	30 Sep 01
Excess of taxation allowances over depreciation on fixed assets	<u>5,312</u>	<u>4,397</u>	<u>-</u>	<u>-</u>

There is a potential deferred tax liability on the revaluation of the freehold property acquired on 18 October 2000 of £22,822. As the directors have no intention of selling the property, no provision for deferred tax has been made in the accounts of Westminster Group plc.

# 18. COMMITMENTS UNDER OPERATING LEASES

At 30 September 2002 the group had annual commitments under non-cancellable operating leases as set out below.

Group	2002		2001	
	Land and buildings	Other items	Land and Buildings	Other items
	£	£	£	£
Operating leases which expire:				
Within 1 year	-	8,787	-	6,861
Within 2 to 5 years	13,500	11,093	-	14,653
After more than 5 years	-	-	13,500	-
	<u>13,500</u>	<u>19,880</u>	<u>13,500</u>	<u>21,514</u>



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**19. RELATED PARTY TRANSACTIONS**

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

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

	Due > 1Yr £
Mr P D Fowler	71,403
Mrs P J Fowler	17,850
R W Worrall	6,235
C Worrall	6,235

**20. SHARE CAPITAL**

**Authorised share capital:**

	2002 £	2001 £
800,000 Ordinary A Shares shares of £1 each	800,000	800,000
200,000 Ordinary B Shares shares of £1 each	200,000	200,000
	<u>1,000,000</u>	<u>1,000,000</u>

**Allotted and called up:**

	2002 No	£	2001 No	£
Ordinary A Shares shares	534,874	506,723	534,874	506,723
Ordinary B Shares shares	177,626	168,277	177,626	168,277
	<u>712,500</u>	<u>675,000</u>	<u>712,500</u>	<u>675,000</u>



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**21. RESERVES**

<b>Group</b>	<b>Revaluation reserve £</b>	<b>Profit and loss account £</b>
Loss for the period	—	(55,768)
Other gains and losses		
Revaluation of fixed assets	15,612	—
Balance brought forward	15,612	(55,768)
Loss for the year	—	(49,099)
Other gains and losses		
Revaluation of fixed assets	91,962	—
Balance carried forward	<u>107,574</u>	<u>(104,867)</u>
<b>Company</b>	<b>Revaluation reserve £</b>	<b>Profit and loss account £</b>
Loss for the period	—	(75,244)
Other gains and losses		
Revaluation of fixed assets	15,612	—
Balance brought forward	15,612	(75,244)
Loss for the year	—	(60,103)
Other gains and losses		
Revaluation of fixed assets	91,962	—
Balance carried forward	<u>107,574</u>	<u>(135,347)</u>



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**22. NOTES TO THE STATEMENT OF CASH FLOWS**

**RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	Year to 30 Sep 02 £	Period from 1 May 00 to 30 Sep 01 £
Operating loss	(42,546)	(45,672)
Amortisation	1	1
Depreciation	35,009	19,680
Decrease/(increase) in stocks	15,186	(72,993)
Increase in debtors	(144,635)	(125,956)
Increase in creditors	6,099	91,534
Net cash outflow from operating activities	<u>(130,886)</u>	<u>(133,406)</u>

**RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

	Year to 30 Sep 02 £	Period from 1 May 00 to 30 Sep 01 £
Interest received	—	3,609
Interest paid	(1,970)	(2,635)
Net cash (outflow)/inflow from returns on investments and servicing of finance	<u>(1,970)</u>	<u>974</u>

**TAXATION**

	Year to 30 Sep 02 £	Period from 1 May 00 to 30 Sep 01 £
Taxation paid	(181)	—

**CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT**

	Year to 30 Sep 02 £	Period from 1 May 00 to 30 Sep 01 £
Payments to acquire intangible fixed assets	—	(5)
Payments to acquire tangible fixed assets	(41,071)	(721,466)
Net cash outflow for capital expenditure and financial investment	<u>(41,071)</u>	<u>(721,471)</u>



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**22. NOTES TO THE STATEMENT OF CASH FLOWS** *(continued)*

**FINANCING**

	Year to 30 Sep 02 £	Period from 1 May 00 to 30 Sep 01 £
Issue of equity share capital	—	675,250
Net cash inflow from bank loans	33,978	—
Net inflow from other long-term creditors	9,720	92,003
<b>Net cash inflow from financing</b>	<u>43,698</u>	<u>767,253</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2002 £	2001 £
Decrease in cash in the period	(130,410)	(86,650)
Net cash (inflow) from bank loans	(33,978)	—
Net cash (inflow) from other long-term creditors	<u>(9,720)</u>	<u>(92,003)</u>
	(174,108)	(178,653)
Change in net debt	(174,108)	(178,653)
Net debt at 1 October 2001	(178,653)	—
Net debt at 30 September 2002	<u>(352,762)</u>	<u>(178,653)</u>

**ANALYSIS OF CHANGES IN NET DEBT**

	At 1 Oct 2001 £	Cash flows £	At 30 Sep 2002 £
Net cash:			
Cash in hand and at bank	113	49	162
Overdrafts	(86,763)	(130,460)	(217,223)
	<u>(86,650)</u>	<u>(130,411)</u>	<u>(217,061)</u>
Debt:			
Debt due within 1 year	—	(9,000)	(9,000)
Debt due after 1 year	(92,003)	(34,698)	(126,701)
	<u>(92,003)</u>	<u>(43,698)</u>	<u>(135,701)</u>
<b>Net debt</b>	<u>(178,653)</u>	<u>(174,109)</u>	<u>(352,762)</u>