

COMPANY REGISTRATION NUMBER 01737937

VILLA SELECT LIMITED
FINANCIAL STATEMENTS
30 SEPTEMBER 2007

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VILLA SELECT LIMITED

FINANCIAL STATEMENTS

PERIOD FROM 1 NOVEMBER 2006 TO 30 SEPTEMBER 2007

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VILLA SELECT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

I A Neale
D Howell

Company secretary

S A Watkins

Registered office

Arden Court
Arden Road
Alcester
Warwickshire
B49 6HN

Auditor

KPMG Audit plc
Chartered Accountants
& Registered Auditor
8 Salisbury Square
London
EC4Y 8BB

VILLA SELECT LIMITED

THE DIRECTORS' REPORT

PERIOD FROM 1 NOVEMBER 2006 TO 30 SEPTEMBER 2007

The directors have pleasure in presenting their report and the financial statements of the company for the period from 1 November 2006 to 30 September 2007

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was tour operators and travel agents

On 20 September 2007 the company was acquired by Western & Oriental plc

The directors of Western & Oriental plc manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development or position of the business of Villa Select Limited. The development, performance and position of the tour operator division of Western & Oriental plc, which includes the company, is discussed in the group's annual report which does not form part of this report.

DIRECTORS

The directors who served the company during the period were as follows

J R Ball
P Ball
I A Neale
D Howell

I A Neale was appointed as a director on 21 September 2007

D Howell was appointed as a director on 21 September 2007

J R Ball retired as a director on 21 September 2007

P Ball retired as a director on 21 September 2007

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITOR

During the year, Ernst & Young LLP resigned as auditors and KPMG Audit plc were appointed. KPMG Audit plc's reappointment for the ensuing year will be confirmed at the forthcoming Annual General Meeting in accordance with section 385 of the Companies Act 1985.

VILLA SELECT LIMITED

THE DIRECTORS' REPORT *(continued)*

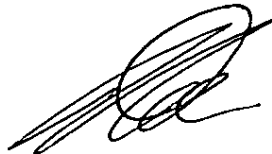
PERIOD FROM 1 NOVEMBER 2006 TO 30 SEPTEMBER 2007

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Registered office
Arden Court
Arden Road
Alcester
Warwickshire
B49 6HN

Signed by order of the directors



I A Neale
Director

Approved by the directors on 31 March 2008

VILLA SELECT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

PERIOD FROM 1 NOVEMBER 2006 TO 30 SEPTEMBER 2007

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these financial statements, the directors are required to

select suitable accounting policies and then apply them consistently,

make judgements and estimates that are reasonable and prudent,

state whether applicable UK 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 company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VILLA SELECT LIMITED

We have audited the financial statements of Villa Select Limited for the period ended 30 September 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
VILLA SELECT LIMITED** *(continued)*

OPINION

In our opinion

the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2007 and of its loss for the period then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the financial statements

KPMG Audit Plc

KPMG Audit Plc

Chartered Accountants
Registered Auditor
8 Salisbury Square
London
EC4Y 8BB
United Kingdom

31 March 2008

VILLA SELECT LIMITED

PROFIT AND LOSS ACCOUNT

PERIOD FROM 1 NOVEMBER 2006 TO 30 SEPTEMBER 2007

	Period from 1 Nov 06 to 30 Sep 07 £	Year to 31 Oct 06 £
TURNOVER	5,134,691	5,830,160
Cost of sales	<u>(4,306,643)</u>	<u>(4,771,622)</u>
GROSS PROFIT	828,048	1,058,538
Administrative expenses	<u>(1,037,290)</u>	<u>(919,210)</u>
OPERATING (LOSS)/PROFIT	2 (209,242)	139,328
Interest receivable	25,856	23,118
Interest payable and similar charges	<u>(5,540)</u>	<u>(18,504)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(188,926)	143,942
Tax on (loss)/profit on ordinary activities	5 -	(28,721)
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD	<u>(188,926)</u>	<u>115,221</u>

All of the activities of the company are classed as continuing

Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss of £188,926 attributable to the shareholders for the period ended 30 September 2007 (2006 - profit of £115,221)

The notes on pages 9 to 18 form part of these financial statements

VILLA SELECT LIMITED

BALANCE SHEET

30 SEPTEMBER 2007

	Note	30 Sep 07 £	31 Oct 06 £
FIXED ASSETS			
Tangible assets	6	<u>30,307</u>	<u>57,898</u>
CURRENT ASSETS			
Debtors	7	133,698	352,908
Cash at bank		<u>740,361</u>	<u>554,427</u>
		874,059	907,335
CREDITORS: amounts falling due within one year	8	<u>(823,447)</u>	<u>(462,106)</u>
NET CURRENT ASSETS		<u>50,612</u>	<u>445,229</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>80,919</u>	<u>503,127</u>
CREDITORS: amounts falling due after more than one year	9	–	(233,282)
		<u>80,919</u>	<u>269,845</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	11	<u>1,400</u>	<u>1,400</u>
		<u>79,519</u>	<u>268,445</u>
CAPITAL AND RESERVES			
Called-up equity share capital	15	50,000	50,000
Profit and loss account	16	<u>29,519</u>	<u>218,445</u>
SHAREHOLDERS' FUNDS	17	<u>79,519</u>	<u>268,445</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These financial statements were approved by the directors and authorised for issue on 31 March 2008, and are signed on their behalf by



I A Neale

The notes on pages 9 to 18 form part of these financial statements.

VILLA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 NOVEMBER 2006 TO 30 SEPTEMBER 2007

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with matters which are considered material in relation to the financial statements of the company

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards

Cash flow statement

Under Financial Reporting Standard ("FRS") 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of Western & Oriental plc, which includes the company in its own published consolidated financial statements

Turnover

Turnover represents the invoiced value, net of Value Added Tax and other sales taxes, of goods sold and services provided to customers

Turnover is recognised as follows

Travel operator business	- on the date of departure
Travel agency business	- on the date of booking confirmation

Fixed assets

All fixed assets are initially recorded at cost

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

Fixtures & Fittings	- 25% reducing balance
Motor Vehicles	- 15% reducing balance

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

VILLA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 NOVEMBER 2006 TO 30 SEPTEMBER 2007

1. ACCOUNTING POLICIES *(continued)*

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

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.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

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 assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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.

VILLA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 NOVEMBER 2006 TO 30 SEPTEMBER 2007

1. ACCOUNTING POLICIES *(continued)*

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

The company enters into forward foreign currency contracts to hedge certain foreign currency transactions. These contracts are not recognised in the accounts until the transaction being hedged is itself recognised. Foreign currency assets and liabilities which are hedged using forward currency contracts are translated at the contract rate once they are recognised.

2. (LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

(Loss) / profit on ordinary activities before tax is stated after charging/(crediting)

	Period from 1 Nov 06 to 30 Sep 07 £	Year to 31 Oct 06 £
Depreciation of owned fixed assets	13,275	9,890
Depreciation of assets held under hire purchase agreements	–	4,908
Profit on disposal of fixed assets	(13,044)	–
Auditor's remuneration - audit of these financial statements	10,658	7,345
Operating lease costs		
Plant and equipment	1,241	15,000
Other	15,000	1,069
Exceptional costs	241,735	–
	<hr/>	<hr/>

Amounts paid to the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent Western & Oriental plc.

The exceptional costs include items of expenditure that were deferred in the prior year that have been recorded in the profit and loss account for the period ended 30 September 2007. No similar items have been deferred as at 30 September 2007.

VILLA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 NOVEMBER 2006 TO 30 SEPTEMBER 2007

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial period was

	Period from 1 Nov 06 to 30 Sep 07	Year to 31 Oct 06
	No	No
Reservations	5	7
Administrative	2	2
Management	2	2
	<u>9</u>	<u>11</u>

The aggregate payroll costs of the above were

	Period from 1 Nov 06 to 30 Sep 07	Year to 31 Oct 06
	£	£
Wages and salaries	374,018	401,588
Social security costs	37,513	45,710
Other pension costs	-	14,400
	<u>411,531</u>	<u>461,698</u>

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	Period from 1 Nov 06 to 30 Sep 07	Year to 31 Oct 06
	£	£
Aggregate emoluments	180,211	225,144
Value of company pension contributions to money purchase schemes	-	14,400
	<u>180,211</u>	<u>239,544</u>

Emoluments of highest paid director.

	Year to 31 Oct 06
	£
Total emoluments (excluding pension contributions)	162,093
Value of company pension contributions to money purchase schemes	9,000
	<u>171,093</u>

The company has taken advantage of an exemption to not disclose emoluments for the highest paid director for the period ended 30 September 2007

VILLA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 NOVEMBER 2006 TO 30 SEPTEMBER 2007

4. DIRECTORS' EMOLUMENTS *(continued)*

The number of directors who accrued benefits under company pension schemes was as follows

	Period from 1 Nov 06 to 30 Sep 07 No	Year to 31 Oct 06 No
Money purchase schemes	-	2

5. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	Period from 1 Nov 06 to 30 Sep 07 £	Year to 31 Oct 06 £
Current tax		
UK Corporation tax based on the results for the period at 30% (2006 - 19%)	-	29,421
Total current tax	-	29,421
Deferred tax		
Origination and reversal of timing differences (note 11)		
Capital allowances	-	(700)
Tax on (loss)/profit on ordinary activities	-	28,721

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 30% (2006 - 19%)

	Period from 1 Nov 06 to 30 Sep 07 £	Year to 31 Oct 06 £
(Loss)/profit on ordinary activities before taxation	<u>(188,926)</u>	<u>143,942</u>
(Loss)/profit on ordinary activities by rate of tax	(56,678)	27,349
Expenses not deductible for tax purposes	-	691
Capital allowances in excess of depreciation	(2,125)	1,396
Other reconciling items	-	(15)
Losses carried forward	<u>58,803</u>	-
Total current tax (note 5(a))	-	<u>29,421</u>

VILLA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 NOVEMBER 2006 TO 30 SEPTEMBER 2007

6. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Motor Vehicles £	Total £
COST			
At 1 November 2006	129,531	73,910	203,441
Additions	1,141	–	1,141
Disposals	–	(59,816)	(59,816)
At 30 September 2007	130,672	14,094	144,766
DEPRECIATION			
At 1 November 2006	100,835	44,708	145,543
Charge for the period	476	12,799	13,275
On disposals	–	(44,359)	(44,359)
At 30 September 2007	101,311	13,148	114,459
NET BOOK VALUE			
At 30 September 2007	29,361	946	30,307
At 31 October 2006	28,696	29,202	57,898

Hire purchase agreements

Included within the net book value of £30,307 is £Nil (2006 - £14,725) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £Nil (2006 - £4,908)

7. DEBTORS

	30 Sep 07 £	31 Oct 06 £
Trade debtors	–	347
Other debtors	133,698	352,561
	133,698	352,908

8. CREDITORS: amounts falling due within one year

	30 Sep 07 £	31 Oct 06 £
Trade creditors	307,156	77,995
Corporation tax	869	30,763
Other taxation and social security	57,602	73,603
Hire purchase agreements	–	2,852
Other creditors	457,820	276,893
	823,447	462,106

VILLA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 NOVEMBER 2006 TO 30 SEPTEMBER 2007

9. CREDITORS: amounts falling due after more than one year

	30 Sep 07	31 Oct 06
	£	£
Other creditors	<u>–</u>	<u>233,282</u>

10. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	30 Sep 07	31 Oct 06
	£	£
Amounts payable within 1 year	<u>-</u>	<u>2,852</u>
	<u>-</u>	<u>2,852</u>

11. DEFERRED TAXATION

The movement in the deferred taxation provision during the period was

	Period from 1 Nov 06 to 30 Sep 07	Year to 31 Oct 06
	£	£
Provision brought forward	1,400	2,100
Profit and loss account movement arising during the period	-	(700)
Provision carried forward	<u>1,400</u>	<u>1,400</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	30 Sep 07	31 Oct 06
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>1,400</u>	<u>1,400</u>
	<u>1,400</u>	<u>1,400</u>

12. FINANCIAL INSTRUMENTS

The company is exposed to a number of financial risks, in particular foreign currency exchange risk, interest rate risk, credit risk and liquidity risk. The board reviews these risks and sets broad overall objectives and guidelines for managing each of these risks. Where appropriate the company uses derivative financial instruments (forward foreign exchange contracts) to reduce exposure to foreign exchange risk. It does not use derivative financial instruments for trading purposes.

Foreign currency exchange risk

The company's results are subject to fluctuation in foreign exchange risk, in particular in relation to foreign currency denominated supplies, where the principal exposure is in respect of the Euro, although there are smaller exposures in a number of other currencies. The company enters into forward foreign currency contracts to hedge the contracted exposure for its major foreign currency exposures on a regular basis.

VILLA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 NOVEMBER 2006 TO 30 SEPTEMBER 2007

12. FINANCIAL INSTRUMENTS *(continued)*

Interest rate risk

The company receives interest from cash on deposit and this is dependent upon interest rates throughout the year. The company seeks to maximise the receipt of interest subject to acceptable levels of credit risk and the need to maintain flexibility in terms of access to the cash to meet operational and strategic requirements.

Credit risk

The company places cash on deposit with financial institutions that have a high credit rating. The company's operations have no significant concentration of credit risk. The nature of the company's tour operations are such that in most situations deposits are received from customers at the time of booking and final balances are paid in advance of the date of travel.

Liquidity risk

The UK tour operations are monitored by the Civil Aviation Authority who have set down rules on various financial (as well as operational) parameters including the requirement to maintain a minimum level of net assets, including cash.

Fair value of derivative financial instruments

The table below shows the extent to which the company has off balance sheet (unrecognised) gains and losses in respect of forward foreign exchange contracts.

	30 Sep 07	31 Oct 06
	£	£
Unrecognised gains	4,502	-
Unrecognised losses	(492)	-
Net unrecognised gains	<u>4,010</u>	<u>-</u>

All the unrecognised gains and losses are expected to be matched by losses and gains on the hedged transactions.

Under the company's accounting policies foreign currency liabilities which are hedged are translated using the forward foreign currency contract rate. Consequently the carrying value of the relevant liability effectively includes the gain or loss on the hedging instrument.

VILLA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 NOVEMBER 2006 TO 30 SEPTEMBER 2007

12. FINANCIAL INSTRUMENTS *(continued)*

Interest rate risk profile of financial assets

The interest rate profile of the company's financial assets at 30 September 2007 is as follows

	Floating rate financial assets	Financial assets on which no interest is earned	Total cash at bank
	£	£	£
At 30 September 2007			
Sterling	516,786	70,601	587,387
Euro	152,768	-	152,768
Other	206	-	206
	<u>639,760</u>	<u>70,601</u>	<u>740,361</u>
At 31 October 2006	<u>554,427</u>	<u>-</u>	<u>554,427</u>

The financial assets on which no interest is earned comprised of bank current account balances as at 30 September 2007. The benchmark rate for determining interest payments for floating rate financial assets is the term rate offered by Anglo Irish Bank plc. Floating rate financial assets are held with a number of different banks offering a range of interest rates between 2 - 10 2%

Fair value of financial assets and financial liabilities

There are no material differences between the fair value and the book value of financial assets and liabilities

13. COMMITMENTS UNDER OPERATING LEASES

At 30 September 2007 the company had annual commitments under non-cancellable operating leases as set out below

	30 Sep 07		31 Oct 06	
	Land & Buildings	Other Items	Land & Buildings	Other Items
	£	£	£	£
Operating leases which expire Within 2 to 5 years	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>1,241</u>

VILLA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 NOVEMBER 2006 TO 30 SEPTEMBER 2007

14. RELATED PARTY TRANSACTIONS

The company has a 100% interest in Villa Select (Flights) Limited, which is dormant and has not traded in the year

As the company is a wholly owned subsidiary of Western & Oriental plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group

15. SHARE CAPITAL

Authorised share capital:

	30 Sep 07	31 Oct 06
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	30 Sep 07		31 Oct 06	
	No	£	No	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

16. RESERVES

	Profit and loss account
	£
Balance brought forward	218,445
Loss for the period	<u>(188,926)</u>
Balance carried forward	<u>29,519</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 Sep 07	31 Oct 06
	£	£
(Loss)/Profit for the financial period	(188,926)	115,221
Opening shareholders' funds	<u>268,445</u>	<u>153,224</u>
Closing shareholders' funds	<u>79,519</u>	<u>268,445</u>

18. ULTIMATE PARENT COMPANY

The immediate and ultimate parent company is Western & Oriental plc, a company registered in England and Wales. Copies of the Western & Oriental plc consolidated Group financial statements may be obtained from Western & Oriental plc, Welby House, 96 Wilton Road, London, SW1V 1DW