

COMPANY REGISTRATION NUMBER 01737937

VILLA SELECT LIMITED
FINANCIAL STATEMENTS
30 SEPTEMBER 2008

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VILLA SELECT LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2008

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VILLA SELECT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

I. A. Neale
K. Golds

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

DIRECTORS' REPORT

YEAR ENDED 30 SEPTEMBER 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 September 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of a provider of villa accommodation and other travel related services.

The company made a profit for the year ended 30 September 2008 of £77,351 (2007 – loss of £188,926). The directors do not recommend the payment of a dividend (2007 - £nil).

The company has met the requirements in Companies Act 1985 to obtain the exemption provided from the presentation of an enhanced business review.

DIRECTORS

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

I A Neale
D Howell
K Golds

D Howell ceased to be a director on 3 March 2008

K Golds was appointed a director of the company on 3 March 2008

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

In accordance with Section 487 of the Companies Act 2006, KPMG Audit Plc will be deemed to be re-appointed and will remain in office.

Registered office:
Arden Court
Arden Road
Alcester
Warwickshire
B49 6HN

Signed by order of the directors



S Watkins
Company Secretary

Approved by the directors on 5 January 2009.

VILLA SELECT LIMITED

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

YEAR ENDED 30 SEPTEMBER 2008

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 year ended 30 September 2008 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 AUDITOR

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 3.

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 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 2008 and of its profit for the year 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

5 January 2009

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

VILLA SELECT LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 2008

	Note	Year to 30 Sep 08 £	Period from 1 Nov 06 to 30 Sep 07 £
TURNOVER		5,312,414	5,134,691
Cost of sales		(4,738,795)	(4,306,643)
GROSS PROFIT		573,619	828,048
Administrative expenses		(537,165)	(1,037,290)
OPERATING PROFIT / (LOSS)	2	36,454	(209,242)
Interest receivable		10,592	25,856
Interest payable and similar charges		-	(5,540)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		47,046	(188,926)
Tax on profit / (loss)/profit on ordinary activities	5	30,305	-
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		77,351	(188,926)

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 profit of £77,351 attributable to the shareholders for the period ended 30 September 2008 (2007 - loss of £188,926).

The notes on pages 8 to 15 form part of these financial statements.

VILLA SELECT LIMITED

BALANCE SHEET

30 SEPTEMBER 2008

	Note	30 Sep 08 £	30 Sep 07 £
FIXED ASSETS			
Tangible assets	6	26,129	30,307
CURRENT ASSETS			
Debtors	7	199,636	133,698
Cash at bank		422,403	740,361
		<u>622,039</u>	<u>874,059</u>
CREDITORS: amounts falling due within one year	8	(489,898)	(823,447)
NET CURRENT ASSETS		<u>132,141</u>	<u>50,612</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>158,270</u>	<u>80,919</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	9	(1,400)	(1,400)
		<u>156,870</u>	<u>79,519</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12	50,000	50,000
Profit and loss account	13	106,870	29,519
SHAREHOLDERS' FUNDS	14	<u>156,870</u>	<u>79,519</u>

These financial statements were approved by the directors and authorised for issue on 5 January 2009, and are signed on their behalf by:



I A Neale

The notes on pages 8 to 15 form part of these financial statements.

VILLA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2008

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

VILLA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2008

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:

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

YEAR ENDED 30 SEPTEMBER 2008

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. PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAX

Profit / (loss) on ordinary activities before tax is stated after charging/(crediting):

	Year to 30 Sep 08 £	Period from 1 Nov 06 to 30 Sep 07 £
Depreciation of owned fixed assets	5,040	13,275
Profit on disposal of fixed assets	-	(13,044)
Auditor's remuneration - audit of these financial statements	16,564	10,658
Operating lease costs:		
Plant, equipment and other	15,000	16,241
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 in the previous financial year 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 or as at 30 September 2008.

VILLA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2008

3. PARTICULARS OF EMPLOYEES

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

	Year to 30 Sep 08	Period from 1 Nov 06 to 30 Sep 07
	No	No
Reservations	5	5
Administrative	3	2
Management	-	2
	<u>8</u>	<u>9</u>

The aggregate payroll costs of the above were:

	Year to 30 Sep 08	Period from 1 Nov 06 to 30 Sep 07
	£	£
Wages and salaries	175,905	374,018
Social security costs	15,895	37,513
	<u>191,800</u>	<u>411,531</u>

4. DIRECTORS' EMOLUMENTS

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

	Year to 30 Sep 08	Period from 1 Nov 06 to 30 Sep 07
	£	£
Aggregate emoluments	<u>-</u>	<u>180,211</u>

VILLA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2008

5. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	Year to 30 Sep 08 £	Period from 1 Nov 06 to 30 Sep 07 £
Current tax:		
UK Corporation tax based on the results for the period at 30% (2007 - 28%)	<u>(30,305)</u>	<u>-</u>

(b) Factors affecting current tax (credit)/ charge

The tax assessed on the profit / (loss) on ordinary activities for the period is lower (2007: higher) than the standard rate of corporation tax in the UK of 28% (2007 - 30%).

	Year to 30 Sep 08 £	Period from 1 Nov 06 to 30 Sep 07 £
Profit / (loss) on ordinary activities before taxation	<u>47,046</u>	<u>(188,926)</u>
Profit / (loss) on ordinary activities multiplied by rate of tax at 28% (2007 - 30%)	13,173	(56,678)
Capital allowances in excess of depreciation	-	(2,125)
Group relief claimed	(3,081)	-
Adjustment in respect of a prior period	(40,397)	-
Losses not recognised	-	58,803
Total current tax credit (note 5(a))	<u>(30,305)</u>	<u>-</u>

VILLA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2008

6. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Motor Vehicles £	Total £
COST			
At 1 October 2007	130,672	14,094	144,766
Additions	862	-	862
At 30 September 2008	<u>131,534</u>	<u>14,094</u>	<u>145,628</u>
DEPRECIATION			
At 1 October 2007	101,311	13,148	114,459
Charge for the period	4,094	946	5,040
At 30 September 2008	<u>105,405</u>	<u>14,094</u>	<u>119,499</u>
NET BOOK VALUE			
At 30 September 2008	<u>26,129</u>	<u>-</u>	<u>26,129</u>
At 30 September 2007	<u>29,361</u>	<u>946</u>	<u>30,307</u>

7. DEBTORS

	30 Sep 08 £	30 Sep 07 £
Corporation tax	29,436	-
Other debtors	170,200	133,698
	<u>199,636</u>	<u>133,698</u>

8. CREDITORS: amounts falling due within one year

	30 Sep 08 £	30 Sep 07 £
Trade creditors	134,480	307,156
Corporation tax	-	869
Other taxation and social security	7,998	57,602
Other creditors	347,420	457,820
	<u>489,898</u>	<u>823,447</u>

VILLA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR TO 30 SEPTEMBER 2008

9. DEFERRED TAXATION

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

	Year to 30 Sep 08 £	Period from 1 Nov 06 to 30 Sep 07 £
Provision brought forward	1,400	1,400
Profit and loss account movement arising during the period	-	-
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 08 £	30 Sep 07 £
Excess of taxation allowances over depreciation on fixed assets	<u>1,400</u>	<u>1,400</u>

10. COMMITMENTS UNDER OPERATING LEASES

At 30 September 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	30 Sep 08		30 Sep 07	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire: Within 2 to 5 years	<u>30,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>

VILLA SELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2008

11. 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.

12. SHARE CAPITAL

Authorised share capital:

	30 Sep 08	30 Sep 07
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

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

13. RESERVES

	Profit and loss account £
Balance brought forward	29,519
Profit for the period	<u>77,351</u>
Balance carried forward	<u>106,870</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 Sep 08	30 Sep 07
	£	£
Profit / (loss) for the financial period	77,351	(188,926)
Opening shareholders' funds	<u>79,519</u>	<u>268,445</u>
Closing shareholders' funds	<u>156,870</u>	<u>79,519</u>

15. 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.