Western Selection P.L.C.

Report & Accounts

30th June
2013

Contents

Directors and Advisers

D.C. MARSHALL, *Non-executive Chairman*, age 69

Mr Marshall joined the board in 1974. He is the chairman of London Finance & Investment Group P.L.C., which is a substantial shareholder of Western. He is a non-executive director of Creston plc, Finsbury Food Group Plc, Northbridge Industrial Services PLC and Industrial & Commercial Holdings PLC and is the chief executive of Marshall Monteagle PLC and chairman of Halogen Holdings P.L.C. He resides in South Africa, where he has interests in listed trading, financial and property companies.

E.J. BEALE, *Non-executive*, age 53

Mr Beale joined the board in 2008. He is a Chartered Accountant and is the chief executive of City Group P.L.C., the Company's secretaries and administrators. He was a member of the Accounting Council of the Financial Reporting Council until August 2013 and is a member, previously chairman, of the Corporate Governance Committee of the Quoted Companies Alliance. He is the non-executive chairman of Marshall Monteagle PLC and is a non-executive director of Finsbury Food Group Plc, Halogen Holdings P.L.C., Heartstone Inns Limited and our associated company, Hartim Limited.

A.J. HALL, *Non-executive*, age 71*

Mr Hall joined the board in 1996. Mr Hall held senior investment management positions with The Royal Trust Company of Canada and Aitken Hume. In 1985 he joined Sarasin Investment Management Limited, a wholly owned subsidiary of Bank Sarasin & Cie, a major private Swiss bank, as a director with responsibility for expanding investment services, and was managing director from 1989 to 2000 and he is now a consultant with Sarasin & Partners LLP and a director of Sarasin Asset Management Limited.

J.M. ROBOTHAM, OBE, FCA, *Non-executive*, age 80*

Mr Robotham joined the board in 1971. He is a non-executive director of London Finance & Investment Group P.L.C. and Industrial & Commercial Holdings PLC and is a Chartered Accountant.

*Member of the audit committee

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Registered Number 234871

Western Selection P.L.C. ("Western") is a United Kingdom Strategic Investment Company. It holds investments in: four smaller United Kingdom companies (Strategic Investments), on three of which Western has board representation, and stocks in large quoted companies in the United Kingdom, Europe and the U.S.A.

Western's share capital is admitted to trading on ISDX Growth Market (formerly the PLUS Stock Exchange).

Results in Brief

	2013	2012
	£000	£000
Profit/(Loss) on ordinary activities before the following –	**572**	(17)
Profit on disposal of part of investment in Northbridge	**527**	–
Exceptional loss incurred by associate, Hartim	**(1,390)**	(165)
(Loss) on ordinary activities after tax	**(291)**	(182)
Interim dividend per share	**0.85p**	0.80p
Proposed final dividend per share	**1.05p**	0.90p
(Loss) per share	**(1.6)p**	(1.0)p
Net assets, including investments at fair values	**£14,799,000**	£12,895,000
Number of shares in issue	**17,949,872**	17,949,872
Net assets per share	**82p**	72p
Middle market price on 30th June	**52p**	42.5p

Financial Calendar

Annual General Meeting	28th November 2013 at 9.30 a.m.
Dividend for 2013	Payable on 29th November 2013 to holders on 8th November 2013
Half year results	Announced in February

Analysis of Shareholders

Holding	Shareholders Number	%	Total Shareholding	%
1 - 500	200	38.8	67,918	0.4
501 - 1,000	104	20.2	77,717	0.4
1,001 - 5,000	123	23.9	269,293	1.5
5,001 - 10,000	26	5.1	194,765	1.1
10,001 - 50,000	32	6.2	763,107	4.3
50,001 - 100,000	10	1.9	772,548	4.3
100,001 - 500,000	12	2.3	2,473,737	13.8
Over 500,000	8	1.6	13,330,787	74.2
	515	100.0	17,949,872	100.0

The current price of the Company's shares can be found on the ISDX Growth Market website (www.ISDX.com) and through the Company's website (www.westernselection.co.uk).

Directors' Report

Business Review

Western is an investment company whose objective is to generate growth in value for shareholders over the medium to long term and pay a progressive dividend. The Company's strategy is to hold a mix of Strategic Investments and a General Portfolio of multinational stocks.

As a "long only" investor with a diversified General Portfolio, the Company's performance is mainly dictated by changes in the value of its Strategic Investments and movements in the stock markets.

Western sold a small part of its holding in Northbridge (see below) realising a profit of £527,000. Adjusting for the disposal, quoted strategic investments increased in value by 21% (2012 – decrease 14%) in the year but our principal unquoted investment, Hartim Limited, had a difficult year having to write off its unsuccessful Australian operation. This has led to an exceptional loss in our accounts of £1,390,000. The profit for the year before these items was £572,000 (2012 – loss £17,000).

Dividend income from Strategic Investments has increased by 6% to £340,000 from £320,000 last year. Dividend income on the General Portfolio has increased by 17% from £88,000 to £103,000. Administrative expenses have been reduced by 8% from last year.

As a result of the above the Company made a loss of £291,000 after tax and exceptional items, compared to a loss of £182,000 last year.

Strategic Investments

Creston plc

Creston is a marketing services group whose strategy is to grow within its sector both by organic growth and through selective acquisition to become a substantial, diversified marketing services group. In their trading announcement on 29th July, Creston reported high levels of new business activity and confidence this would lead to underlying growth in its client base. Further information about Creston is available on their website: www.creston.com.

The audited results for the year to 31st March 2013, show a headline profit before tax of £10,000,000 (2012 – £10,300,000), equivalent to fully diluted earnings of 14.66p per share (2012 – 12.34p).

Western maintained its holding of 3,000,000 shares in Creston, which is 4.9% of their issued share capital. The value of this investment at 30th June 2013 was £3,240,000, an increase of 96% from the value of £1,650,000 at June 2012, and represents 22% (2012 – 13%) of Western's net assets.

Mr D. C. Marshall is a non-executive director of Creston.

Northbridge Industrial Services PLC

Northbridge hires and sells specialist industrial equipment to a non-cyclical customer base. With offices or agents in the U.K., U.S.A., Dubai, Germany, Belgium, France, Australia, Singapore, India, Brazil, Korea and Azerbaijan, Northbridge has a global customer base. This includes utility companies, the oil and gas sector, shipping, construction and the public sector. The product range includes loadbanks, transformers, generators, compressors, loadcells and oil tools.

On 13th September 2013, Northbridge announced the acquisition of Crestchic (Asia Pacific) PTE Limited for £6.63 million, funded by cash resources and a share placing of 1,561,700 new shares. The acquisition of the Singapore based distributor of loadbanks and transformers, enhances Northbridge's presence in the region and re-unifies the brand. Further information about Northbridge is available on their website: www.northbridgegroup.co.uk.

Northbridge announced audited profits of £3,707,000 for the year ended 31st December 2012 (2011 – £2,321,000) and declared a final dividend of 3.575p per share, making 5.425p for the year (2012 – 5.0p).

Western sold 200,000 of its 2,200,000 holding in May 2013, realising £738,000 and a profit of £527,000, and now holds 2,000,000 shares in Northbridge. Following the sale, Western's holding is 11.6% of their issued share capital. The value of this investment at 30th June 2013 was £7,040,000 (2012 – £5,984,000) being 48% (2012 – 46%) of Western's net assets.

Mr D. C. Marshall is a non-executive director of Northbridge.

Swallowfield plc

Swallowfield is a market leader in the development, formulation, manufacture and supply of cosmetics, toiletries and related household products for global brands and retailers operating in the cosmetics, personal care and household goods market. The company recently appointed a new Chairman and Chief Executive. Further information about Swallowfield is available on their website: www.swallowfield.com.

Swallowfield announced its annual results to June 2013 on 19th September showing a loss after tax of £815,000 compared to a profit of £1,263,000 for the comparable period last year. Dividends of £118,000 (2012 – £118,000) were received from Swallowfield during the year.

At the reporting date, Western owned 1,869,149 shares which is 16.5% of their issued share capital. The market value of this investment on 30th June 2013 was £1,495,000 (2012 – £2,187,000), being 10% (2012 – 17%) of Western's net assets.

Investments in Associates

Hartim Limited

Hartim is the unquoted holding company for Tudor Rose International Limited ("TRI") which was founded in 1984. It works closely with a number of leading UK branded fast moving consumer goods companies, offering a complete sales, marketing and logistical service. Based in Stroud, Gloucestershire, TRI sells into 78 countries worldwide including USA, Spain, Portugal, Italy, Czech Republic, Russia, Turkey, South Africa, Saudi Arabia, UAE, Malaysia, Australia and China. Last year Hartim acquired out of administration its principal distributor in Australia, but the Australian business has not been successful in generating sufficient sales to cover its overhead costs and significant losses have been incurred, leading to the winding up of this business.

Western holds 49.5% of Hartim, which has a 31st December year end, and which generated trading profits before exceptional items in the year to 30th June 2013 of £915,000. Hartim sustained exceptional losses, after tax, in connection with Australia of £2,809,000. Turnover in the period was £21,609,000 (2012 – £27,799,000). Western's share of the consolidated loss after exceptional items and tax for the twelve months to 30th June 2013 was £937,000 (2012 – loss – £342,000) and the book value of the investment at 30th June 2013 was £185,000 (2012 – £1,124,000), being 1% (2012 – 9%) of Western's assets.

Despite the problems in Australia, the UK division of Hartim continues to trade profitably. We have high hopes for this business provided that it can avoid any more costly misadventures.

Western has two nominees on the board of Hartim: Mr E. J. Beale and Mr L. H. Marshall.

Industrial & Commercial Holdings PLC (ICH)

ICH is a small unquoted PLC in which Western holds a 29.9% interest. It owns land with potential for residential planning permission at Milngavie, adjacent to Dougalston golf course, just north east of Glasgow. ICH is currently making representations for its land to be included in the local authority's next five year plan, but it may take some time for permission to be received. Mr D. C. Marshall and Mr J. M. Robotham are directors of ICH.

City Group P.L.C.

Western holds 48.6% and London Finance & Investment Group P.L.C. holds 51.4% of City Group P.L.C., which provides head office and company secretarial services to both these and other companies.

General Portfolio

During the year the General Portfolio increased in value by 9%. Our investments in FTSE 100 and FTSE Fledging stocks, which comprise 37% of the General Portfolio, increased in value by 8% whereas the FTSE100 increased by 12% and the FTSE Fledgling by 28%. Our European and United States stocks, representing 27% and 37% of the General portfolio respectively decreased in value by 12% and increased by 67% respectively. We have increased the General Portfolio by £40,000 in the year.

Outlook

The Company's net asset value per share will continue to remain volatile reflecting both movements in the market and the sensitivity of its strategic company investments. We are seeing a general improvement in both the USA and UK economies which is being reflected in better equity markets. In such an environment we remain well placed to capitalise on market imperfections.

Summary of Investments

	2013			2012		
	Cost £000	**Carrying Value £000**	**%**	Cost £000	Carrying Value £000	%
Strategic Investments						
Creston plc*	**4,444**	**3,240**	**22**	4,444	1,650	13
Northbridge Industrial Services PLC	**2,109**	**7,040**	**48**	2,320	5,984	46
Swallowfield plc	**2,007**	**1,495**	**10**	2,007	2,187	17
Total Strategic Investments	**8,560**	**11,775**	**80**	8,771	9,821	76
Investments in Associates**						
Hartim Limited	**728**	**185**	**1**	728	1,124	9
Industrial & Commercial Holdings PLC	**107**	**33**	**–**	107	43	–
City Group P.L.C.	**83**	**90**	**–**	83	106	1
Total Investments in Associates	**918**	**308**	**1**	918	1,273	10
General Portfolio						
Listed investments – UK	**715**	**1,071**	**7**	919	1,213	9
– Europe	**467**	**629**	**5**	518	542	4
– USA	**867**	**1,072**	**7**	572	651	5
Offshore Funds – FSA recognised	**126**	**148**	**1**	127	129	1
Total General Portfolio	**2,175**	**2,920**	**20**	2,136	2,535	19
Other Unquoted Investments***	**104**	**–**	**–**	104	–	–
Total Fixed Asset Investments	**11,757**	**15,003**	**101**	11,929	13,629	105
Bank overdraft	**(129)**	**(129)**	**(1)**	(707)	(707)	(5)
Other Net Current Assets	**(75)**	**(75)**	**–**	(27)	(27)	–
Net Assets	**11,553**	**14,799**	**100**	11,195	12,895	100

* The historic cost of this investment does not reflect exceptional dividends of £894,000 received on re-organisation of Creston in 2000.
** The carrying value of these investments is cost plus our share of profits/(losses).
*** Other Unquoted Investments have been fully provided against.

Composition of General Portfolio

at 30th June 2013

	£000	%
British American Tobacco	199	6.8
Diageo	184	6.3
Philip Morris International	166	5.7
Unilever	160	5.5
Royal Dutch Shell	154	5.3
Sarasin International Equity Income Fund (A Class Inc)	148	5.1
Lockheed Martin	134	4.6
Becton Dickinson	134	4.6
Brown Forman	131	4.5
Chevron	128	4.3
Exxon Mobil	125	4.3
Imperial Tobacco	124	4.2
Bioquell	122	4.2
Procter and Gamble	116	4.0
Novartis	84	2.9
Reckitt Benckiser	83	2.8
Colgate Palmolive	77	2.6
L'Oreal	73	2.5
Schindler Holdings	69	2.4
Pernod Ricard	64	2.1
BASF	62	2.1
United Technologies	61	2.1
Nestlé	60	2.1
Heineken	60	2.1
Danone	57	1.9
Zurich Financial Services	53	1.8
ABB	47	1.6
BHP Billiton	45	1.6
Total	**2,920**	**100**

Analysis by currency	**£000**	**%**
Euro	629	21.5
Sterling	1,219	41.8
US dollar	1,072	36.7
	2,920	**100.0**

Key Performance Indicators

Key Performance Indicators ("KPIs") are the yardsticks against which the Board measures the performance of the Company. Our objective is to achieve long term growth of both dividends payable and net asset value.

	2013	2012	2011	2010	2009
Net assets value per share – pence	**82.4**	71.8	83.9	60.9	50.0
Dividends per share – pence	**1.9**	1.7	1.5	1.3	–
Our other principal KPIs are:					
Normalised earnings/(loss) per share before share of exceptional items – pence	**6.1**	(0.1)	2.6	1.4	(1.8)
Expense ratio	**1.8%**	2.2%	1.8%	2.5%	3.7%

2013 Normalised earnings per share exclude our share of Hartim's exceptional losses but include the profit on sale of Northbridge shares. The timing of realisation of investments in both our strategic and general portfolios makes this measure volatile.

Asset values increased during the year, as disclosed above, and expenses were reduced, resulting in a decrease in the expense ratio.

Definition of KPIs used above

Net assets per share – Net assets including investments at market value divided by the number of shares in issue at the year end.

Dividends per share – Dividends declared for the year.

Normalised earnings per share – Earnings for the year, excluding exceptional items as disclosed in the Statement of Comprehensive income, divided by the weighted average number of shares in issue over the year, as set out in note 5.

Expense ratio – Normal administration expenses (excluding exceptional items) for the year divided by the year end net assets including investments at market value.

Dividend

The Company paid an interim dividend of 0.85p per share on 22nd March 2013.

A final dividend of 1.05p per share is proposed, making 1.90p for the year, compared to 1.70p for 2012. The dividend will be paid on 29th November 2013 to shareholders on the register at the close of business on 8th November 2013.

Financial Instruments

The financial instruments of the Company are the investment portfolio and bank borrowings. Details of the Company's risk assessments and risk policy are set out in note 15.

Risks and Uncertainties

The main risks arising from the Company's financial instruments are interest rate risk, market price risk and liquidity risk. There is limited credit risk as most of the investments are traded on recognised stock exchanges, registered in the Company's name, and no one "general portfolio" investment will represent more than 10% of the value of the "general portfolio" at the time of such investment. Cash and cash equivalents are deposited with independently rated banks. The Board reviews and agrees policies, which have remained unchanged for the year under review, for managing these risks.

Share Capital

At 30th June 2013 the issued share capital of the Company was 17,949,872 shares.

The Company considers its capital to comprise its ordinary share capital, share premium and capital reserves. The Company's primary objective in managing its capital is to provide, over the long term, real growth in value for shareholders through a combination of capital growth and distributions. The Company has limited borrowing and intends to maintain a low gearing ratio.

Directors

A list of the present directors of the Company is shown on page 2. The beneficial interests of the directors in the shares were as follows:

30th June	**2013 Shares**	2012 Shares
D.C. Marshall	**–**	–
E.J. Beale	**–**	–
A.J. Hall	**121,800**	121,800
J.M. Robotham	**35,000**	35,000

There have been no changes in directors' share interests between 1st July 2013 and the date of this report.

Mr. Robotham retires by rotation in accordance with the Articles of Association and, being eligible, offers himself for re-election.

Purchase of own shares

At our last Annual General Meeting, shareholders gave the Company limited authority to buy its own shares in the market at a minimum price for any such purchase of 10p. A similar resolution will be proposed at this year's Annual General Meeting as the Directors believe that in certain circumstances it may be in shareholders' best interest to buy in shares if the discount between the share price and net asset value is sufficiently large.

Substantial Interests

At the date of this report the Company has been notified pursuant to Rule 5 of the Disclosure Rules and Transparency Rules of the following interests in 3% or more of its shares:

	Shareholding	% interest
London Finance & Investment Group P.L.C.	7,860,515	43.80
W.T. Lamb Holdings Limited	1,250,000	6.96
P.S. & J.M. Allen	1,089,292	6.06
M.G.H Heald	1,004,442	5.59
T.W.G. Charlton	725,734	4.04

Corporation Tax Act 2010

The Company is not a close company as defined in this Act.

Payment of Suppliers

The Company does not follow any code or statement on payment practice, but the policy of the Company is to abide by such payment terms as are agreed with suppliers within the terms of supply. The Company does not have a significant level of trade creditors.

Corporate Governance

Listed companies (but not companies traded on ISDX Growth Market) incorporated in the UK are required to state in their report and accounts whether they comply with the UK Corporate Governance Code (the "UK Code") and identify and give reasons for any areas of non-compliance. The Company's shares are traded on the ISDX Growth Market and no such disclosures are required. This is not a statement of compliance as required by the UK Code and should therefore not be relied upon to give the disclosure required by the UK Code.

However, the Company follows the UK Code wherever it is reasonable to do so. It operates an effective board, which includes non-executive directors. A separate audit committee is established and meets on a timely basis. The appointment of directors and the purchase and sale of strategic investments are matters for the entire Board. Each director is required to retire every three years in accordance with the Articles of Association.

The Company has no Remuneration Committee because the Company has no employees and the remuneration of each Director is limited by the Articles of Association and set out in detail in the statutory accounts which are approved by shareholders in General Meeting. None of the directors have a service contract with the Company. Share options are not awarded to directors for services provided to the company.

The Board is aware of the requirements of the UK Code and the need for appropriate controls and systems to safeguard the Company's assets. Appropriate controls are put in place and monitored by the Board. However full compliance with the UK Code is not possible because of the size and resource constraints within the Company and because the costs of putting in place the additional procedures cannot be justified.

Statement of Directors’ Responsibilities in Respect of the Accounts

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 company and of the profit or loss of the company for that period. The directors are also required to prepare financial statements in accordance with the rules of ISDX.

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 they have been prepared in accordance with IFRSs as adopted by the European Union , subject to any material departures disclosed and explained in the financial statements;
- 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 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 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.

The directors are responsible for ensuring the annual report and the 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.

The directors, after making enquiries, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis in preparing the accounts.

Auditors

BDO LLP have signified their willingness to continue as auditors to the Company. Under the Companies Act 2006 section 487(2) they will be automatically re-appointed as auditors 28 days after these financial statements are sent to members, unless the members exercise their rights under the Companies Act 2006 to prevent their re-appointment.

The Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company’s Auditors for the purposes of their audit and to establish that the Auditors are aware of that information. The Directors are not aware of any relevant audit information of which the Auditors are unaware.

By Order of the Board,

CITY GROUP P.L.C.
Secretaries

18th October 2013

Statement of Comprehensive Income

For the year ended 30th June	Notes	2013 £000	2012 £000
Income from investments in:			
Listed strategic undertakings		**340**	320
Other listed undertakings		**103**	88
		443	408
Administrative expenses	2	**(260)**	(282)
Profits on disposal of investments		**529**	72
Operating profit		**712**	198
Share of profits/(losses) of associated companies		**426**	(177)
Share of associated company's exceptional item (Hartim – page 5)		**(1,390)**	(165)
Finance costs		**(31)**	(34)
(Loss) before taxation		**(283)**	(178)
Taxation	4	**(8)**	(4)
(Loss) after taxation attributable to equity shareholders		**(291)**	(182)
Other comprehensive income			
Fair value recycled from equity on disposal		**(340)**	74
Fair value adjustment on listed undertakings		**2,849**	(1,723)
Total comprehensive profit/(loss)		**2,218**	(1,831)
Basic and diluted (loss) per share attributable to ordinary equity holders	5	**(1.6)p**	(1.0)p

The notes on pages 17 to 26 form part of these accounts.

Statement of Changes in Equity

	Ordinary share capital £000	Share premium account £000	Capital redemption reserve £000	Unrealised profits and losses on investments £000	Share of undistributed profits of associates £000	Realised profits and losses £000	Total £000
Year ended 30th June 2012							
Balances at 1st July 2011	7,180	2,654	3	2,806	696	1,683	15,022
Total Comprehensive Income	–	–	–	(1,649)	(342)	160	(1,831)
Transactions with shareholders							
Final dividend paid in respect of prior year	–	–	–	–	–	(153)	(153)
Interim dividends paid in respect of the year	–	–	–	–	–	(143)	(143)
Total transactions with shareholders	–	–	–	–	–	(296)	(296)
Balances at 30th June 2012	7,180	2,654	3	1,157	354	1,547	12,895
Year ended 30th June 2013							
Balances at 1st July 2012	**7,180**	**2,654**	**3**	**1,157**	**354**	**1,547**	**12,895**
Total Comprehensive Income	–	–	–	2,509	(964)	673	2,218
Transactions with shareholders							
Final dividend paid in respect of prior year	–	–	–	–	–	(161)	(161)
Interim dividends paid in respect of the year	–	–	–	–	–	(153)	(153)
Total transactions with shareholders	–	–	–	–	–	(314)	(314)
Balances at 30th June 2013	**7,180**	**2,654**	**3**	**3,666**	**(610)**	**1,906**	**14,799**

The notes on pages 17 to 26 form part of these accounts.

Statement of Financial Position

At 30th June	Notes	**2013** **£000**	2012 £000
Non-current Assets			
Investment in Associates	6	**308**	1,273
Investments	7	**14,695**	12,356
		15,003	13,629
Current Assets			
Trade and other receivables	8	**22**	71
Current Liabilities			
Trade and other payables	9	**(226)**	(805)
Net Current (Liabilities)		**(204)**	(734)
Net Assets		**14,799**	12,895
Equity			
Share capital	11	**7,180**	7,180
Share premium account	12	**2,654**	2,654
Capital redemption reserve	13	**3**	3
Unrealised profits and losses on investments		**3,666**	1,157
Share of undistributed (losses)/profits of associates		**(610)**	354
Realised profits and losses		**1,906**	1,547
Shareholders' Funds		**14,799**	12,895

Approved and authorised for issue by the Board on 18th October 2013.

E.J. BEALE Director

The notes on pages 17 to 26 form part of these accounts.

Statement of Cash Flow

For the year ended 30th June	Notes	2013 £000	2013 £000	2012 £000	2012 £000
(Loss) before taxation			**(283)**		(178)
Profit on sale of investments			**(529)**		(72)
Share of results of associates			**964**		342
Interest payable			**31**		34
Changes in working capital					
Decrease in trade and other receivables			**49**		61
Increase in trade and other payables			**1**		52
Cash generated by operations			**233**		239
Taxation paid			**(8)**		(4)
Interest paid			**(31)**		(34)
Net cash generated by operations			**194**		201
Cash flow from investing activities					
Proceeds on disposal of general portfolio investments		**312**		211	
Purchase of general portfolio investments		**(352)**		–	
		(40)		211	
Disposal/(Purchase) of strategic investments		**738**		(26)	
Net cash generated/(absorbed) by investing activities			**698**		185
Cash flow from financing activities					
Equity dividend paid			**(314)**		(296)
Movement in cash and cash equivalents			**578**		90
Net debt at start of year			**(707)**		(797)
Net debt at end of year	(a)		**(129)**		**(707)**

Notes

(a) Analysis of cash and cash equivalents

	At start of year £000	Cash Flow £000	At end of year £000
2012/2013			
Bank overdraft	**(707)**	**578**	**(129)**
Total debt	**(707)**	**578**	**(129)**
2011/2012			
Bank overdraft	(797)	90	(707)
Total debt	(797)	90	(707)

The notes on pages 17 to 26 form part of these accounts.

Notes to the Accounts
For the year ended 30th June 2013

1. Accounting Policies

(i) These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs and IFRIC interpretations), issued by the International Accounting Standards Board (IASB) and adopted by the European Union and with the Companies Act 2006 applicable to companies preparing their accounts under IFRS.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The most significant estimates are explained below:

In accordance with IAS 39 the Company is required to measure certain financial assets at their fair values.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision in future periods if applicable. The most significant techniques for estimation are described in the accounting policies below. These policies have been applied consistently to all of the years presented, unless otherwise stated.

At the date of authorisation of these financial statements the IASB and the International Financial Reporting Interpretations Committee (IFRIC) have issued interpretations and amended or revised standards, to be applied to financial statements with periods commencing either on or after 30th June 2013. The Company has not opted for early adoption for those which have been endorsed. The Directors do not expect that the adoption of these, where applicable, would have an impact on the Company's financial statements for the current or subsequent year. None of the new standards, interpretations and amendments, effective for the first time from 1st July 2012, have had a material effect on the financial statements.

(ii) Dividends receivable are recognised in the income statement, in respect of quoted shares, when the shares are quoted ex-dividend and, in respect of unquoted shares, when the dividend is declared.

(iii) Financial assets are classified by category, depending on the purpose for which the asset was acquired. The Company's accounting policy is as follows:

a) The Company's strategic and general portfolio investments are classified as available-for-sale non-derivative financial assets. They are carried at market value with changes in market value recognised directly in other comprehensive income and recycled through the income statement on disposal. Where a decline in the market value of an available-for-sale financial asset constitutes a prolonged or significant evidence of impairment, the amount of the loss in value is removed from other comprehensive income and recognised in the income statement.

b) Unquoted investments. These are stated at fair value net of impairment provisions. Reviews for indications of permanent impairment are carried out at least annually.

c) Trade and other receivables. The carrying amounts approximate to their fair values, the transactions giving rise to these balances arising in the normal course of trade and standard industry terms.

Notes to the Accounts (continued)

For the year ended 30th June 2013

1. Accounting Policies (continued)

(iv) Investments in associated companies. An investment is equity accounted when it meets the definition of an associate under IAS 28, i.e. that the investor has a significant influence. The investment is initially recognised at cost and then adjusted for the share of comprehensive income.

(v) The charge for taxation is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income (primarily franked dividend income) and expense that are never taxable or deductible and items which are taxable or deductible in other years.

Deferred taxation is provided on the liability method based on temporary differences between the taxation base of an asset or liability and its carrying amount. A deferred tax asset is only recognised to the extent that it is probable that future taxable profits will be available against which the deferred taxation asset can be realised in the foreseeable future.

(vi) Cash and cash equivalents comprise cash balances and deposits.

(vii) The Company comprises one business segment only. This is consistent with internal reporting. All revenues are derived from operations within the United Kingdom. Consequently no separate business or geographical segment information is provided.

(viii) The nature and amount of material items of income or expense are disclosed separately as exceptional items.

2. Administrative expenses

	2013	2012
	£000	£000
Auditors' remuneration – for audit services	**18**	18
Directors' emoluments as set out in Note 3	**45**	45
Other administrative expenses	**197**	219
	260	282

3. Directors' emoluments and related party disclosures

The emoluments of key management personnel, who are the directors and who were the only employees of the Company were:

D.C. Marshall	**Nil**	Nil
A.J. Hall	**10**	10
E.J. Beale	**Nil**	Nil
J.M. Robotham	**10**	10
	20	20
Amounts paid to third parties	**25**	25
	45	45

The services of Mr Marshall are supplied for £15,000 by a company, in which none of the directors are beneficially interested (2012 – £15,000). The services of Mr Beale were supplied by his primary employer for £10,000 (2012 – £10,000).

3. Directors' emoluments and related party disclosures (continued)

No bonuses have been paid in cash or equity in the year (2012 – Nil)

The section on Related Party Disclosures below gives details of the interests of the directors in any material transactions. Other than as disclosed there and above no director was interested in any contract between the directors, the Company and any other related parties which subsisted during or at the end of the financial year.

Related party disclosures

London Finance & Investment Group P.L.C. ("Lonfin") has a 43.8% interest in the Company. Mr Marshall and Mr Robotham are directors of Lonfin. Mr Marshall has an interest in Lonfin through family trusts, which hold 12,890,693 shares, representing 41.3% of Lonfin's issued share capital. Of this figure he has no beneficial interest in these shares. Mr Robotham has a non-beneficial interest in Lonfin of 11,377,474 shares as a trustee of some of the Marshall family trusts, and a beneficial interest in 30,000 shares. There were no amounts due to or from Lonfin at 30th June 2013 or 2012.

The Company owns 48.57% of City Group P.L.C. ("CGL") and the remaining 51.43% is owned by Lonfin. Mr Marshall and Mr Robotham are directors of Lonfin and also CGL and Mr Beale is the chief executive of CGL. CGL provides office, accounting and secretarial services to the Company, Lonfin and other companies. During the year under review the Company paid £102,000 (2012 – £107,000) to CGL. These fees covered the provision of office accommodation to directors, investment management advice, portfolio management, secretarial, administrative and accounting services. At 30th June 2013 fees and expenses of £35,000 were due to CGL (2012 – £47,000).

4. Taxation

The tax charge for the year arises on unrelieved tax on foreign dividend income. The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2013	2012
	£000	£000
(Loss) before taxation	**(283)**	(178)
Taxation at 23.7% (2012 – 25.5%)	**67**	45
Effects of:		
Tax losses carried forward	**(57)**	(72)
Capital gains losses utilised	**125**	18
Associates – share of results net of tax	**(236)**	(87)
Non-taxable franked and other income	**93**	92
	(8)	(4)

Dividends received from U.K. companies (franked income) are recognised in the income statement net of their associated tax credit. The excess of available losses is not reflected in the statement of financial position (see note 2(iv)) and the change in the rate of tax therefore has no impact on assets or liabilities.

Notes to the Accounts (continued)

For the year ended 30th June 2013

5. Earnings per share

Losses per share are based on the loss on ordinary activities after taxation of £291,000 (2012 – £182,000) and on 17,949,872 (2012 – same) being the weighted average number of shares in issue during the period.

	2013	2012
Basic loss per share	**(1.6)p**	(1.0)p
Normalised earnings/(loss) –being earnings excluding exceptional items	**6.1p**	(0.7)p

Diluted loss per share at 30th June 2013 and 30th June 2012 are the same as basic loss per share.

6. Non-current assets – Associated Companies

	2013	2012
	£000	£000
Shares at cost:		
Cost	**918**	918
Cumulative share of profits and losses	**(610)**	355
Balance at 30th June 2013	**308**	1,273

a) **Hartim Limited** ("Hartim") is incorporated and operating in England and Wales and its prime activity is that of a holding Company, owning 100% of an operating subsidiary, Tudor Rose International Limited (TRI). Hartim and TRI's year ends are 31st December. At 30th June 2013 Hartim had 441,089 A ordinary and 450,000 B ordinary 1p shares in issue. Western owned all of the A shares, equivalent to 49.50% of the company. The following amounts for the year ended 30th June 2013 have been extracted from the consolidated audited accounts at 31st December 2012 and the unaudited management accounts of Hartim at 30th June 2013.

	2013	2012
	£000	£000
At 30th June		
Non current assets – property, plant and equipment	**288**	606
Goodwill	**3,391**	3,652
Net current liabilities	**(434)**	(1,915)
Aggregate capital and reserves	**3,043**	2,342
Share of net assets	**1,506**	1,089
Share of post acquisition (losses)/profits	**(610)**	395
Year ended 30th June		
Turnover	**21,609**	29,967
Loss after tax	**(1,893)**	(690)
Share of loss after tax for the year to 30th June	**(937)**	(342)

6. Non-current assets – Associated Companies (continued)

b) **City Group P.L.C.** ("CGL") is incorporated and operating in England and Wales and its prime activity is the provision of Corporate Services. CGL's year end is 30th June. It has 70,000 ordinary shares in issue of which the Company owns 34,000 (48.6%). The following amounts have been extracted from the audited accounts of CGL.

	2013	2012
	£000	£000
Net current assets	**165**	198
Turnover	**406**	455
(Loss)/profit before and after taxation	**(35)**	11
Aggregate capital and reserves	**168**	201
Share of net assets	**82**	97
Share of (loss)/profit after tax for the year	**(16)**	5
Share of post acquisition profit	**7**	23

c) **Industrial and Commercial Holdings P.L.C.** ("ICH") is incorporated and operating in England and Wales and its prime activity is that of a holding company. ICH's year end is 30th June. It has 23,997,985 ordinary 1p shares in issue of which the Company owns 7,177,762 shares (29.9%). The following amounts have been extracted from the audited accounts of ICH.

	2013	2012
	£000	£000
Non current assets – property, plant and equipment	**42**	42
Net current assets	**41**	74
Loss before and after taxation	**(33)**	(19)
Aggregate capital and reserves	**83**	117
Share of net assets	**25**	35
Share of loss after tax for the year	**(10)**	(6)
Share of post acquisition loss	**(74)**	(64)

Notes to the Accounts (continued)

For the year ended 30th June 2013

7. Non-current assets – Investments classified as available for sale (see note 1(iii))

	Strategic Quoted Investments £000	Other Quoted Investments £000	AIM, ISDX & Unquoted Companies £000	Total £000
Year ended 30th June 2013				
Cost	**8,770**	**2,023**	**319**	**11,112**
Fair value adjustment	**4,070**	**383**	**3**	**4,456**
Balance at 1st July 2012	**12,840**	**2,406**	**322**	**15,568**
Additions	**–**	**352**	**–**	**352**
Disposals	**(210)**	**(313)**	**–**	**(523)**
Brought forward fair values adjustments recycled from equity to the income statement on disposals	**(343)**	**3**	**–**	**(340)**
Change in fair value adjustment carried forward	**2,508**	**323**	**19**	**2,850**
Balance at 30th June 2013	**14,795**	**2,771**	**341**	**17,907**
Provisions for impairment in value:				
Balance at 1st July 2012 and 30th June 2013	**(3,019)**	**–**	**(193)**	**(3,212)**
Net balance at 30th June 2013	**11,776**	**2,771**	**148**	**14,695**
Year ended 30th June 2012				
Cost	8,744	2,162	407	11,313
Fair value adjustment	5,681	282	54	6,017
Balance at 1st July 2011	14,425	2,444	461	17,330
Additions	26	–	–	26
Disposals	–	(139)	–	(139)
Brought forward fair values adjustments recycled from equity to the income statement on disposals	–	(74)	–	(74)
Change in fair value adjustment carried forward	(1,611)	175	(139)	(1,575)
Balance at 30th June 2012	12,840	2,406	322	15,568
Provisions for impairment in value:				
Balance at 1st July 2011 and 30th June 2012	(3,019)	–	(193)	(3,212)
Net balance at 30th June 2012	9,821	2,406	129	12,356

8. Trade and other receivables

	2013 £000	2012 £000
Prepayments and accrued income	**22**	71

9. Trade and other payables

	2013 £000	2012 £000
Bank overdrafts	**129**	707
Other accounts payable and accruals	**97**	98
	226	805

The Company has available a £1.5 million revolving credit facility terminating on 31st May 2016 which is secured by a charge over the Company's investments. Interest is chargeable at 3.0% over Coutts & Co.'s base rate fluctuating from time to time.

10. Equity

The following describes the nature and purpose of each component within equity:

	Description and purpose
Share capital	Nominal value of issued share capital.
Share premium	Amount subscribed for share capital in excess of nominal value.
Capital Reserve	Amount transferred from realised profit equal to the value of any shares cancelled to maintain capital.
Unrealised profits and losses on investments	Difference between historical cost and fair value of investments held in Statement of Financial Position.
Share of undistributed profits of associates	The Company's share of cumulative post-acquisition gains and losses of associates recognised in the income statement.
Realised profits and losses	Realised profits of the Company less realised losses and unrealised losses other than on investments.

Share capital disclosures in respect of IAS 1 are set out in the Directors' Report on page 10.

11. Share capital

	2013 £000	2012 £000
Authorised equity share capital		
30,000,000 shares of 40p each (2011 – 30,000,000 shares of 40p each)	**12,000**	12,000
Alloted, called up and fully paid equity share capital: Balance brought forward and carried forward at 30th June – 17,949,872 shares of 40p each	**7,180**	7,180

12. Share Premium Account

	2013 £000	2012 £000
Balance brought forward at 1st July and carried forward at 30th June	**2,654**	2,654

Notes to the Accounts (continued)

For the year ended 30th June 2013

13. Capital Reserve

	2013 £000	2012 £000
Balance brought forward and carried forward at 30th June	**3**	3

14. Deferred taxation

The Company has no potential deferred tax liabilities and no deferred tax asset is recognised, as it is unclear when taxable profits might arise which would enable utilisation of available losses. The Company has estimated Corporation Tax losses to carry forward of £4,021,000 (2012 – £3,733,000) and Capital Tax losses of £1,766,000 (2012 – £2,295,000) subject to agreement of tax computations with Her Majesty's Revenue & Customs.

15. Financial Instruments

The Directors set out below an explanation of the role that financial instruments have had during the period in creating or changing the risks the Company faces in its activities. The explanation summarises the objectives and policies for holding or issuing financial instruments and similar contracts, and the strategies for achieving the objectives that have been followed during the year. The Company monitors its performance against these objectives on a continuous basis and through bi-monthly reports of the investment portfolio and cash position.

The categories of financial instruments used by the Company are:

	2013 £000	2012 £000
Financial assets		
Available for sale investments	**14,695**	12,356
Trade and other receivables	**22**	71
Financial liabilities		
Bank borrowings	**(129)**	(707)
Trade and other payables	**(97)**	(98)

The main risks arising from the Company's financial instruments are interest rate risk, market price risk and liquidity risk. There is limited credit risk as most of the investments are traded on recognised stock exchanges and cash and cash equivalents are deposited with independently rated banks. The Board reviews and agrees policies, which have remained unchanged for the year under review, for managing these risks. The policies are summarised below.

Interest Rate Risk Profile

The Company finances its operations through a mixture of share capital, share premium, reserves and retained profits. The Company also has available a bank borrowing facility, in pounds sterling, at a floating rate of interest. The Company's policy is to keep any of its borrowings at floating rates of interest. Surplus funds are held in interest bearing accounts at competitive commercial rates.

The Company's principal financial asset is its investment portfolio. There are no investments in fixed interest stock and the majority of the Company's investment portfolio consists of equity investments, for which an interest rate profile is not relevant. Interest is not charged on trade and other receivables nor incurred on trade and other payables.

15. Financial Instruments (continued)

The Company has a five-year revolving credit facility of £1,500,000, expiring on 31st May 2016. The facility is secured on the portfolio of investments. Interest on the amounts drawn under the facility accrues at 3.0% over Coutts & Co.'s base rate, which fluctuates from time to time. At 30th June 2013, the Company had borrowings outstanding under the facility of £129,000 (2012 – £707,000). Every 1% change in interest rates would change the interest expense on this amount by £1,000 p.a.

Credit risk

No concentration of credit risk exists in the Company's principal financial assets, other than surplus funds which are deposited with the Company's independently rated bank. Credit risk is minimised as the counter-parties are institutions with high credit ratings.

There has been no impairment of trade and other debtors during the year, there are no provisions against these assets and none are past their due date.

Currency Exposures

There were currency exposures on the investments in European and United States stocks. The value of these at 30th June 2013 was £1,701,000 (2012 – £1,193,000). The sensitivity to each 1% decrease/increase in the relative exchange rates applicable to these investments would result in a decrease/increase in value of £17,000 and a corresponding change in reserves.

Liquidity Risk

The directors do not think that there is a material exposure to liquidity risk based on the cash and credit facilities available in relation to the magnitude of creditors.

The Company's policy is that its borrowings should be flexible and available over the medium term. The bank facility is a £1.5 million revolving credit facility. The Company holds investments, most of which are listed on recognised stock exchanges. In normal markets these are, by their nature, liquid. However there are periods when the market may not be prepared to deal at realistic prices in unusually large blocks of certain shares and this particularly applies to our Strategic Investment holdings. The Company maintains a General Portfolio of investment holdings most of which are within normal market size. The policy is for these to have an aggregate market value of at least 167% of borrowings at any point in time.

Market Price Risk

The Company is exposed to market risk through the equity investments in other companies. The Company maintains a spread of investments over various sectors and monitors performance continuously. The majority of the General Portfolio investments are in companies with good market liquidity. The future values of these investments will fluctuate because of changes in interest rates and other market factors.

The directors believe that the exposure to market price risk from these activities is acceptable in the Company's circumstances.

The sensitivity to each 1% decrease in the value of investments would result in the fair values of investments decreasing by £147,000 (2012 – £123,000) and a corresponding decrease in unrealised profits. A 1% increase, would, on the same basis, increase fair values and increase unrealised profits.

Reviews for indications of impairment are carried out at least annually.

Notes to the Accounts (continued)

For the year ended 30th June 2013

16. International Financial Reporting Standards

As indicated in note 1, at the date of authorisation of these financial statements the IASB and the International Financial Reporting Interpretations Committee (IFRIC) have issued interpretations and amended or revised standards, to be applied to financial statements with periods commencing either on or after 1st January 2013.

None of the new standards, interpretations and amendments, effective for the first time from 1st January 2013, have had a material effect on the financial statements. None of the other new standards, interpretations and amendments, which are effective for periods beginning after 1st January 2013 and which have not been adopted early, are expected to have a material effect on the company's future financial statements.

Independent Auditor's Report

TO THE SHAREHOLDERS OF WESTERN SELECTION P.L.C.

We have audited the financial statements of Western Selection P.L.C for the year ended 30th June 2013 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flow and the related notes. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Councils's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30th June 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

James Fearon (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

Gatwick

United Kingdom

18th October 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Notice of Meeting

NOTICE is hereby given that the ANNUAL GENERAL MEETING of Western Selection P.L.C. will be held at the offices of City Group P.L.C., 30 City Road London, EC1Y 2AG on Thursday 28th November 2013 at 9.30 a.m. for the following purposes:

1. To receive the directors' report and accounts for the year ended 30th June 2013.
2. To declare a final dividend that will be paid on 29th November 2013.
3. To re-elect Mr. J.M. Robotham as a director.
4. To re-appoint BDO LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

Special Business

5. To consider and, if thought fit, pass the following Resolution which will be proposed as an Ordinary Resolution:

   "THAT the Board be and is hereby generally and unconditionally authorised to exercise all the powers of the Company to allot shares in the Company up to an aggregate nominal amount of £4,820,000 provided that this authority will expire on 28th November 2018, save that the Company may before such expiry make an offer or agreement which would or might require shares in the Company to be allotted after such expiry and the Board may allot shares in the Company in pursuance of such offer or agreement as if the authority conferred hereby had not expired."

6. To consider and, if thought fit, pass the following resolution which will be proposed as a Special Resolution:

   "THAT

   (a) in accordance with Section 570 of the Companies Act 2006 the Directors be and are hereby given power to allot shares pursuant to the authority conferred by the Ordinary Resolution numbered 5 passed at the Annual General Meeting held on 28th November 2013, as and when the same becomes effective as if Section 563 of the Companies Act 2006 did not apply to any such allotment, provided that:

   (i) the power hereby conferred shall be limited;

   (aa) to the allotment of shares in the Company in connection with or pursuant to an offer by way of rights, bonus issues or other similar issues to the holders of Shares of 40p each in the capital of the Company and other persons entitled to participate therein in proportion (as nearly as may be) to such holders' holdings of such shares (or, as appropriate, to the numbers of such shares which such other persons are for those purposes deemed to hold) subject only to such exclusions or other arrangements as the Directors may feel necessary or expedient to deal with (i) fractional entitlements or legal or practical problems under the laws or the requirements of any recognised regulatory body in any territory (ii) underwriting of such an issue and (iii) excess applications by shareholders for equity instruments offered to other shareholders as part of such an issue, but not taken up by other shareholders; and

   (bb) to the allotment (otherwise than pursuant to sub-paragraph (i) (aa) of this proviso) of shares in the Company up to an aggregate nominal amount of £358,997 representing 5% of the issued share capital;

(ii) the power hereby granted shall expire on the earlier of the conclusion of the next Annual General Meeting of the Company or the date falling 15 months after the date of the passing of this resolution;

(b) the said power shall allow and enable the Directors to make an offer or agreement before the expiry of that power which would or might require shares in the Company to be allotted after such expiry and the Directors may allot shares in the Company in pursuance of such offer or agreement as if the said power had not expired

(c) words and expressions defined in or for the purposes of Part 17 of the Companies Act 2006 shall bear the same meaning herein”

7. To consider and, if thought fit, pass the following resolution which will be proposed as a Special Resolution:

THAT, subject to the Company’s Articles of Association and section 701 of the Companies Act 2006, the Company be and is hereby generally and unconditionally authorised to make one or more market purchases of its own ordinary shares on such terms, provided that:

(a) the maximum aggregate number of ordinary shares hereby authorised to be acquired is 1,790,000 (9.99%) of the present issued share capital of the Company;

(b) the maximum price which may be paid for each ordinary share is no more than 5% above the average of the price of the ordinary shares of the Company (derived from the ISDX website) for the five business days prior to the date of purchase and the minimum price per ordinary share is 10p in each case exclusive of any expenses payable by the Company; and

(c) the authority hereby given shall expire at the conclusion of the next Annual General Meeting of the Company save that the Company may make a purchase of ordinary shares after expiry of such authority in execution of a contract of purchase that was made under and before the expiry of such authority.

By Order of the Board,

CITY GROUP P.L.C.
Secretaries

30 City Road
London EC1Y 2AG

18th October 2013

Notes

A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, to vote on his behalf. A proxy need not be a member of the Company.

A form of proxy is enclosed. To be valid it should be completed and returned so as to reach the registered office of the Company not less than 48 hours before the time fixed for the meeting. Completion of a form of proxy does not preclude a member from subsequently attending and voting in person.

The register of directors’ interests will be available, for inspection by members, at the registered office of the Company during usual business hours on any weekday (Saturday and public holidays excepted), from the date of this notice until the date of the Annual General Meeting and at the place of the meeting, from 9.30 a.m. until the conclusion thereof. No director has a service contract with the Company.

Change of address: Members are requested to advise the Registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA of any change of address.

Perivan Financial Print 230035

Western Selection P.L.C.

FORM OF PROXY

I/We ....

of ....

....
being (a) member(s) of the above-named Company hereby appoint the chairman of the meeting, failing whom

....
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 28th November 2013 and at any adjournment thereof.

I/We hereby authorise and instruct my/our proxy to vote as indicated below on the resolutions to be proposed at such meeting. Unless otherwise directed the proxy will vote or abstain from voting as he thinks fit.

RESOLUTIONS	**For**	**Against**	**Abstain**
1. To adopt the reports and accounts.			
2. To declare a dividend.			
3. To re-elect Mr. J.M. Robotham as a Director.			
4. To re-appoint the auditors and to authorise the Directors to fix their remuneration.			
SPECIAL BUSINESS			
Ordinary Resolution 5. To authorise the Directors to allot securities.			
Special Resolution 6. To authorise the directors to allot securities (subject to limitation) as if pre-emption rights did not apply.			
Special Resolution 7. To authorise the Directors to make market purchases of the Company's shares.			

Dated ....2013 Signature...

Notes

1. This proxy must be lodged at the Company's registered office, Western Selection P.L.C., 30 City Road, London EC1Y 2AG not later than 48 hours before the time of the meeting together, if appropriate, with the power of attorney or other authority under which it is signed or a notarially certified copy of such power of authority.
2. In the case of a corporation this proxy should be given under its Common Seal or, if none, should be signed by the attorney or officer duly authorised.
3. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority is determined by the order in which the names stand in the register of Shareholders in respect of the joint holding.
4. If it is desired to appoint a proxy any person other than the chairman of the meeting, the name and address of such person should be inserted in the relevant place, reference to the chairman deleted, and the alteration initialled.
5. A proxy need not be a shareholder.