

Date: 30 September 2015
On behalf of: Western Selection P.L.C. ("Western" or "the Company")

Western Selection P.L.C.

Preliminary announcement of unaudited results for the year ended 30th June 2015

Western's objective is to generate growth in value for shareholders over the medium to long term and pay a progressive dividend.

Our business model is to take sizeable minority stakes in relatively small companies, usually immediately before or as their shares come to market, and have directors in common through which we can provide advice and support for these growing companies. These may or may not become associated companies. The aim is that these Core Holdings will grow to a stage at which our support is no longer required and our stake can then be sold over time into the market.

Companies that are targeted as Core Holdings will have an experienced management team, a credible business model and also good prospects for growth. Core Holdings may be in any sector where management feels it has specific competence.

Our objective is not to build a diversified portfolio, but to identify a limited number of good opportunities for growth in value. This may well see risk concentrated even further than it has previously been.

To acquire these stakes in new core investment holdings, we need to be able to react quickly, and therefore to have readily available funds to invest. To achieve this we will maintain a Treasury Operation consisting of a mix of cash, debt facilities and liquid investments.

Results for the year

The Company's profit for the year before exceptional items was £159,000 (2014 - £202,000). During the year Mr D. C. Marshall stepped down as a director of Creston. Western subsequently sold its investment in Creston plc for £4,040,000, realising an exceptional gain of £2,615,000. After this exceptional item our profit for the year was £2,774,000 compared to a profit last year after exceptional items of £803,000.

Dividend income from Core Holdings has increased slightly to £238,000 from £229,000 last year. Dividend income from Treasury Operations decreased slightly from £97,000 last year to £85,000. Administrative expenses have increased by 3% reflecting the full year impact of last year's increase in directors' fees.

Shareholders' funds per share have fallen substantially from 102p to 75p primarily due to the fall in value of our investment in Northbridge Industrial Services plc. We continue to believe in the long term prospects for Northbridge Industrial Services plc.

Dividend

The Company paid an interim dividend of 1.05p per share on 27th March 2015.

A final dividend of 1.05p per share is proposed, making 2.1p for the year, compared to 2.0p for 2014. The dividend will be paid on 4th December 2015 to shareholders on the register at the close of business on 20th November 2015.

Core Holdings

Northbridge Industrial Services plc ("Northbridge")

Northbridge hires and sells specialist industrial equipment to a global customer base. It has offices or agents in the U.K., U.S.A., Dubai, Germany, Belgium, France, Australia, Singapore, India, Brazil, Korea and Azerbaijan. Customers include 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. Further information about Northbridge is available on their website: www.northbridgegroup.co.uk.

Northbridge will announce its unaudited interim profits after tax for the six months ended 30th June 2015 on 30th September 2015.

Western acquired a further 25,000 Northbridge shares on 2 June 2015 for £52,000 bringing its holding to 1,900,000 shares. Western's holding is 10.2% of Northbridge's issued share capital. The value of this investment at 30th June 2015 was £3,895,000 (2014 - £9,750,000) being 29% (2014 - 53%) of Western's net assets.

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

Swallowfield plc ("Swallowfield")

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. Further information about Swallowfield is available on their website: www.swallowfield.com.

Swallowfield announced its annual results to 30th June 2015 on 22nd September 2015 and recorded a profit after tax of £746,000 compared to a profit of £157,000 for the comparable period last year. No dividends were received from Swallowfield during the year (2014 – nil). Profits are expected to recover further in the current year and dividends are expected to be resumed shortly.

At the reporting date, Western owned 1,869,149 shares which is 16.5% of Swallowfield's issued share capital. The market value of this investment on 30th June 2015 had increased by 11% to £2,019,000 from the value at June 2014 of £1,813,000. This is 15% (2014 - 10%) of Western's net assets.

Mr E. J. Beale is a non-executive director of Swallowfield.

Bilby Plc ("Bilby")

In July 2015 we invested £1,500,000 in acquiring 1,875,000 shares in Bilby which is 5.5% of their issued share capital.

Bilby is an established, and award winning, provider of gas installation, maintenance and general building services to local authority and housing associations across London and South East England. They have a strategy of growing organically and by acquisition. Further information about Bilby is available on their website: www.bilbyplc.com.

Bilby announced its results for the 14 month period to 31st March 2015 on 23rd June 2015 showing a profit after tax of £1,552,000. It has announced a dividend of 2.32p per share payable in August which will provide us with income of £43,500.

Hartim Limited ("Hartim")

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.

Western holds 49.5% of Hartim, which has a 31st December year end, and which generated trading profits before tax in the year to 30th June 2015 of £68,000. Turnover in the period was £18,022,000 (2014 - £20,448,000). Western's share of a loss after tax, including a charge for disallowed tax losses, for the twelve months to 30th June 2015 was £5,000 (2014 –profit of £382,000, after exceptional profit on former Australian subsidiary of £337,000) and the book value of the investment at 30th June 2015 was £1,223,000 (2014 - £1,228,000) being 9% (2014 - 7%) of Western's assets.

Western has two nominees on the Board of Hartim: Mr E. J. Beale and Mr L. H. Marshall (a director of City Group P.L.C., Western's company secretary).

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. (Western's largest shareholder) holds 51.4% of City Group P.L.C., which provides head office and company secretarial services to both these and other companies. City Group P.L.C. acts as a shared cost centre for related party clients and sells surplus time to unrelated clients. Mr E. J. Beale is Chief Executive of City Group P.L.C. and Mr D.C. Marshall and Mr J.M. Robotham are directors of City Group P.L.C.

Treasury Operations

Treasury operations comprise bank borrowing facilities of £1,500,000 and liquid investments. At the year end we held cash balances of £3,889,000 (2014 – nil) and liquid investments valued at £2,450,000 (2014 - £2,910,000). We had no debt at 30th June 2015 (2014 - £590,000). Since the year end cash balances have reduced by £1,500,000 due to the investment in Bilby.

Outlook

The outlook for the global equity markets uncertain. In the short term our shareholders funds per share will continue to remain volatile reflecting movements in the market and the non-liquidity of its Core Holdings. We are invested in sensible businesses whose value we expect will shine through in the medium to long term, despite any short term hiccups.

D.C. Marshall

Chairman

Unaudited Statement of Comprehensive Income

For the year ended 30 th June	2015 £000	2014 £000
Income from investments in:		
Listed strategic undertakings	238	229
Other listed undertakings	85	97
	<u>323</u>	<u>326</u>
Administrative expenses	(324)	(314)
Profit on disposal of investment in Creston plc	2,615	-
Profit on disposal of other investments	143	440
Operating profit	2,757	452
Share of (losses)/profits of associated companies before exceptional items	(3)	194
Share of associated company's exceptional item	-	167
Share of (losses)/profits of associated companies	(3)	361
Interest receivable	41	20
Finance costs	(11)	(23)
Profit before taxation	2,784	810
Taxation	(10)	(7)
Profit after taxation attributable to equity shareholders	2,774	803

Other comprehensive income

Items that may be reclassified subsequently to profit and loss :-

Fair value recycled from equity on disposal	(1,885)	(440)
Fair value adjustment on listed undertakings	(5,470)	3,642
Deferred taxation on fair values	137	(137)
Total Other Comprehensive (loss)/profit	<u>(7,218)</u>	<u>3,065</u>
Total Comprehensive (loss)/profit	<u>(4,444)</u>	<u>3,868</u>

Basic and diluted profit per share attributable to ordinary equity holders

15.5p 4.5p

Unaudited Statement of Changes in Equity

	Share capital £000	Share premium account £000	Capital reserve account £000	Unrealised profits on investments £000	Share of undistributed profits/(losses) of associates £000	Realised profits £000	Total £000
Year ended 30 th June 2014							
Balances at 1 st July 2013	7,180	2,654	3	3,666	(610)	1,906	14,799
Profit for the period	-	-	-	-	361	442	803
Items that can be reclassified to the income statements -Other Comprehensive Income – Fair values net of tax	-	-	-	3,065	-	-	3,065
Total Comprehensive Income	-	-	-	3,065	361	442	3,868
Transactions with shareholders							
Final dividend paid in respect of prior year	-	-	-	-	-	(188)	(188)
Interim dividends paid in respect of the year	-	-	-	-	-	(171)	(171)
Total transactions with shareholders	-	-	-	-	-	(359)	(359)
Balances at 30 th June 2014	7,180	2,654	3	6,731	(249)	1,989	18,308

Year ended 30th June 2015

Balances at 1 st July 2014	7,180	2,654	3	6,731	(249)	1,989	18,308
Profit for the period	-	-	-	3,019	(3)	(242)	2,774
Items that can be reclassified to the income statements -Other Comprehensive Income – Fair values net of tax	-	-	-	(7,218)	-	-	(7,218)
Total Comprehensive Loss	-	-	-	(4,199)	(3)	(242)	(4,444)
Transactions with shareholders							
Final dividend paid in respect of prior year	-	-	-	-	-	(188)	(188)
Interim dividends paid in respect of the year	-	-	-	-	-	(189)	(189)
Total transactions with shareholders	-	-	-	-	-	(377)	(377)
Balances at 30 th June 2015	7,180	2,654	3	2,532	(252)	1,370	13,487

Unaudited Statement of Financial Position

At 30th June	2015	2014
	£000	£000
Non-current Assets		
Investment in Associates	666	669
Investments classified as held for sale	8,364	17,775
Trade and other receivables	660	660
	<u>9,690</u>	<u>19,104</u>
Current Assets		
Trade and other receivables	24	24
Cash and cash equivalents	3,889	-
	<u>3,913</u>	<u>24</u>
Current Liabilities		
Trade and other payables	(116)	(683)
Net Current Assets/ (Liabilities)	<u>3,797</u>	<u>(659)</u>
Non-current Liabilities		
Deferred taxation	<u>-</u>	<u>(137)</u>
Net Assets	<u>13,487</u>	<u>18,308</u>

Equity		
Share capital	7,180	7,180
Share premium account	2,654	2,654
Capital reserve account	3	3
Unrealised profits on investments	2,532	6,731
Share of undistributed losses of associates	(252)	(249)
Realised profits	1,370	1,989
Shareholders' Funds	<u>13,487</u>	<u>18,308</u>

Unaudited Statement of Cash Flow

For the year ended 30th June	2015	2015	2014	2014
	£000	£000	£000	£000
Profit before taxation		2,784		810
Profit on sale of Creston plc		(2,615)		-
Profit on sale of investments		(143)		(440)
Share of results of associates		3		(361)
Net interest (receivable)/payable		(30)		3
Changes in working capital				
(Increase) in trade and other receivables		-		(2)
Increase/(decrease) in trade and other payables		22		(3)
Cash generated by operations		<u>21</u>		<u>7</u>
Taxation paid		(10)		(7)
Net interest received/(paid)		30		(3)
Net cash generated/(absorbed) by operations		<u>41</u>		<u>(3)</u>
Cash flow from investment activities				
Loan to associated company		<u>-</u>		<u>(660)</u>
Proceeds on disposal of financial instruments		931		168
Purchase of financial instruments		(104)		(173)

	<u>827</u>	<u>(5)</u>	
Purchase of Core Holdings	(52)	-	
Disposal of Core Holdings	<u>4,040</u>	<u>566</u>	
	<u>4,815</u>	<u>561</u>	
Net cash generated by investment activities	4,815		(99)
Financing activities			
Equity dividend paid	<u>(377)</u>	<u>(359)</u>	
Net cash outflow from financing activities	<u>(377)</u>		<u>(359)</u>
Movement in cash and cash equivalents	4,479		(461)
Net cash and cash equivalents at start of year	<u>(590)</u>		<u>(129)</u>
Net cash and cash equivalents at end of year	(a) <u>3,889</u>		<u>(590)</u>

Note (a) Analysis of cash and cash equivalents

	At start of year £000	Cash Flow £000	At end of year £000
2014/2015			
Cash and cash equivalents	-	3,889	3,889
Bank borrowings	<u>(590)</u>	<u>590</u>	-
Total cash and equivalents	<u>(590)</u>	<u>4,479</u>	<u>3,889</u>
2013/2014			
Bank borrowings	<u>(129)</u>	<u>(461)</u>	<u>(590)</u>
Total net debt	<u>(129)</u>	<u>(461)</u>	<u>(590)</u>

Notes:-

- Earnings per share are based on the profit on ordinary activities after taxation and on 17,949,872 (2014 - 17,949,872) being the weighted average number of shares in issue during the period.
- The net assets per share are calculated taking investments at market value. The Company has estimated Corporation Tax losses which cover the potential liability on the unrealised gains on investments.
- The financial information contained in this preliminary announcement of results has been prepared under the recognition and measurement principles of International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board as adopted by the European Union ('IFRSs'). The financial information does not give sufficient information to comply with IFRSs which will be contained in the statutory accounts sent to shareholders.
- The financial information in this preliminary announcement does not constitute the company's statutory accounts for the years ended 30th June 2015 or 30th June 2014 but is derived from those accounts. The financial statements for both years have been prepared in accordance with IFRSs as adopted by the EU. The statutory accounts for 2014 have been delivered to the Registrar of Companies and those for 2015 will be delivered following the Company's annual general meeting. The auditors reports on the accounts for both years were unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and did not contain statements under the Companies Act 2006, sections 498 (2) or (3).

Copies of this notification are held at the Company's office, 6 Middle Street, London, EC1A 7JA (tel. 020 7796 9060) and are available for a period of 14 days from the date of this announcement.

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