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LANDROUND PLC: REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JANUARY 2008

Company Registration Number 03372127

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Operating Highlights

- Overall revenue increased by 25% to £6 6million (2006/2007 £5 3million)
- Loss from operations (before exceptional items) reduced by 77% to £0 4million (2006/2007 £1 6million)
- Gross margin increased by 9% from 55% to 60%
- Operating expenses reduced by 5%
- Cashflow of £0 4million generated in the year (2006/2007 outflow of £0 4million)
- Net cash at 31 January 2008 of £1 1million (31 January 2007 £0 7million)
- Revenue growth of 22% in existing buy & fly[1] reward programmes
- Revenue growth of 9% in promotions division
- Three new reward programme contracts signed during the year
- Two existing reward programmes renewed / extended
- Two further new reward programme contracts signed since the year end

Financial Highlights

	2008 £'000	2007 £'000
Revenue	6,568	5,273
Loss from operations +	(377)	(1,644)
Loss before taxation	(1,677)	(1,963)
Loss per share	(12 3p)	(29 3p)
Cash inflow / (outflow) before financing	391	(401)
Net cash	1,116	725

\+ *before exceptional items*

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Chairman's Statement

One year on and I am pleased to report an improvement to both our financial and operational performance Though we continue to report a loss, exacerbated by non-recurring exceptional items, progress has been made and we have achieved external forecasts It is particularly pleasing to report on the cash generated during the course of the year and our position at the end thereof

Our management team has knitted well after the changes of last year I have been able to step back from my previous hands-on involvement and allow Colin Gibson, your Chief Executive, and Tony Pope and Franco Sessini, your two executive plc directors, to focus on developing our business model in line with the strategic objectives set down by your Board

Revenue was £6 6 million for the year compared to £5 3 million in the previous period, while losses before taxation, exceptional charges and interest amounted to £0 4 million compared to a loss of £1 6 million in the year ended 31 January 2007 The loss per share was 12 3 pence (2007 loss per share of 29 3 pence) There will be no dividend for the period

The group has continued to develop its range of promotional offerings during the past year and our move into Fixed Fee activity through the acquisition of Fixed Fee Plus Limited has added an area of the market to which we had little access in the past Your executives have continued to recruit new members to this team, as foreseen in my last report While we seek always to raise the standard of our people in all areas, we are satisfied with the core competence now available to us

In the provision of long-term loyalty reward programmes, we have added to our European contracts with contract wins with Citigroup, though our contract period with Banesto Group has come to an end We have substantially strengthened our international resources and have expectations of an improved performance

In the UK, we await developments arising from the takeover by Barclays of the Goldfish selection of cards, including the former Morgan Stanley buy & fly! card Ireland continues to yield benefits for the group with our relationship with Tesco of particular value

Travel Offers Limited, our consumer-facing hotel programme, operates in a changing market and we have kept this division under review throughout the year and continue to do so

I am glad to be able to reiterate my comments of last year regarding your executive team Colin Gibson has matured considerably as a Chief Executive and has shown an excellent grasp of our business model and its marketing Tony Pope, your Finance Director, has built a strong team around him and provides laudable financial discipline and negotiating skills Franco Sessini continues to contribute at the highest level and it has been pleasing to note the bond that has developed within this triumvirate

My non-executive colleagues, Alan Williamson and Bill Brown, have supplied wisdom and good counsel for which I thank them

Management and staff
It is a pleasure to pay tribute to our people, who have endured some difficult times with great fortitude I thank each and every one

Prospects
We steer our ship through rough seas with financial events far beyond our control However, we continue to work hard and transact business I remain confident of the group's ability to deliver on the promise so long awaited

We remain fully aware of our status as a micro cap stock and I would assure shareholders that your Board considers opportunities to increase shareholder value

Shareholder travel privileges

Our package of shareholder travel privileges continues to be popular with our private shareholders and the intention is to extend the current package

David G Owen, Chairman

D Bryan Owen

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Business Review

General

2007/8 has been a year of solid if not spectacular progress for Landround The management team feel that the turnaround of the business is now well on track and while the result before exceptional charges remains negative, losses are well down on the prior period and lower in the second half than in the first half

There are also a number of factors not yet reflected in the financial results that support increased optimism for 2008/9 In particular, the opening up of new business streams and significant strengthening and broadening of the sales management function bode well as does the impact on commercial decisions of continually improving management information and control

We have a greater breadth of resources across the business with an ability to deliver a wider range of reward and promotion solutions to clients in more territories than ever before This is starting to show itself in an increasing range of higher value opportunities although there is still much potential not yet realised

Reward programmes

Overall reward programme revenues were 38% higher than the prior year total due mainly to strong performances in Sweden, the UK and from the new business, White Label Rewards

Buy & fly!

The buy & fly! reward programme is established in four European countries – Spain, Sweden, the UK and Ireland

In Spain, the Compra y Vuela programme performed steadily at a high level during the year However, since the year end the initial three year term of the contract with our partner Banesto has expired and the bank have elected to pursue a different customer reward strategy rather than renew the programme Our local team is now exploring the possibilities of relaunching the programme with another partner

Although this change was somewhat unexpected, it results in part from a determination on our part to ensure that any renewal of the contract was on commercial terms that were better balanced in our favour Based on three years' experience and the management information now available to us, we do not expect the loss of this programme to have any significant impact on our profitability

Resurs bank in Sweden relaunched their "Supreme Card" with the buy & fly! programme in the last few months of 2006/7 and, supported by focused marketing activities, the programme grew strongly during 2007/8 In the third quarter, based on this success, we renegotiated and extended the original contract and the bank issued a new "Supreme Card Woman" which also carries the buy & fly! reward programme A comprehensive catalogue of rewards including flights, cruises, apartments and leisure rewards has been developed for the programme

In the UK, our buy & fly! card reward programme with Goldfish saw good growth in the first eight months of the year based on a very generous initial incentive being offered to new cardholders When this offer was modified in the autumn, the growth in new cardholders fell away as potential customers pursued other offers Although the programme has a solid core of engaged customers, it is unlikely that many new initiatives will be taken in marketing the programme until the second half of 2008/9 following the acquisition of Goldfish by Barclays

In Ireland, where the buy & fly! programme is a true multi-partner programme, Tesco Ireland remains at its core and the number of Tesco registered members collecting points and the number of points sold has remained fairly constant We are addressing plans in the current year to improve the level of customer engagement further as a basis for a potential expansion of the programme later in the year There have been a number of changes in the other Irish partners in the programme during the year and since the year end and the recruitment of new partners is an area of particular focus in 2008/9

No new country buy & fly! programmes were launched in the year Eastern European countries where credit card use is increasing and travel rewards are at more of a premium probably represent the largest future opportunity for this business but, despite a number of promising prospects, none of these have yet crystallised in the form of contracts

Business Review continued

White Label Rewards Limited

This new subsidiary of the group was set up to focus on a different reward programme offering to the market – those single partner programmes where the client wants to run the programme under their own brand and control all aspects of the programme marketing rather than seek to gain the advantages of a multi-partner approach under the buy & fly! brand Typically such programmes focus on flight rewards and compete directly with frequent flyer co-branded cards

White Label Rewards Limited has now been selected as Citigroup's partner in five countries across Europe, Middle East and Africa regions In three of these countries – Portugal, Belgium and Sweden, programmes have already been launched Contracts have been signed for another two countries with launches expected in the near future With even reasonable levels of success, we expect the contribution to the Landround group's revenue and profitability to grow steadily from these contracts over the coming years

Promotions

Promotions revenue in 2007/8 finished the year slightly ahead of the £1 5 million of revenue achieved in 2006/7 and this represented a disappointing result, particularly for our "traditional" travel promotions business in the UK, Ireland and Spain, where revenues were well down on the prior year and on expectations

Sales staff and management changes have been made in all three territories which we are hopeful will deliver improved results in 2008/9 despite difficult economic conditions in these markets

In the UK market, the year did however see improved revenue within the agency sector, a sales channel where our results had not been good for some time This included a significant holiday prize promotion for a leading ice-cream brand which has been repeated in 2008/9

The launch of a new business line in non-travel based fixed fee promotions was also a feature of the year Although only one deal of this type was achieved (during the launch preparation stage), it was a significant one with a major drinks manufacturer We are finding that having this additional service in our portfolio opens many new doors for us with customers and agencies and in some cases prevents doors being closed with those who have decided that they want a promotion which is not based on travel or leisure There is, however, a long way to go in exploiting the full potential that we see

Promotions sold to other international customers and in some cases to existing credit card reward partners for the promotion of their other card programmes made a significant contribution to promotions revenue in the year based on a small number of higher value deals

Travel Offers

The Travel Offers business appears to us increasingly to be at a crossroads Average responses to adverts placed in its core mail order business are on a generally downward trend Management changes and the bringing in-house of certain functions reduced running costs during the year, but we believe that the business needs to find new sales channels if it is to succeed

A number of changes have already been made to the website, however the *implementation of a significantly* improved web marketing plan is seen as the principle immediate challenge, alongside a recognised need to demonstrate more clearly the value in the core product

Looking forward

Progress in 2007/8 has been slower than we would like but the recovery of the business from the position it was in two years ago was never going to be instant In overall terms, we are broadly on track against revenue and profit expectations set with our bank and with shareholders in the December 2006 fundraising and ahead in terms of cash generation
We have signed some important new reward contracts and have made significant progress in terms of realigning the overheads, management and products of the business with market demands

Our aim of being a more broadly based *international rewards and promotions* business with a strong base of recurring income from blue chip customers thus ensuring consistent profitability is appreciably closer We expect to move much closer to that goal during 2008/9

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Business Review continued

Financial Review

1. Operating results

Revenue for the year at £6 6 million was 25% higher than the restated total of £5 3 million in 2006/7

In view of a number of presentational changes already resulting from the introduction of International Financial Reporting Standards for the first time, the Board has elected also to change the basis on which revenue is recognised to exclude revenue from Landround Travel Limited, the group's travel agency This subsidiary exists to service the delivery of travel rewards and promotions resulting from the sales of other group companies and does not initiate new external sales The Board believes that this presentation will allow a clearer focus on the true revenue performance of the business

Margins at 60% were significantly higher than the 55% achieved in 2006/7 reflecting a much reduced charge for excess redemption costs on prior year revenues Overheads (before exceptional items) were 5 5% lower year on year, despite a requirement for increased investment in outsourced call centres resulting from the expansion into new territories which added £120,000 to costs

Exceptional charges in 2007/8 represent £150,000 of cost linked to settling a long-running legal dispute over fees, commissions and costs with a former sales consultant who left the business in 2004 In addition the Board has reviewed in detail the carrying amount of goodwill relating to the purchase of Travel Offers and has concluded that a £1,130,000 write-down is appropriate

Net interest costs were sharply reduced following the December 2006 fund-raising, with the overall charge of £20,000 largely driven by the requirement to hold non interest bearing foreign currency balances throughout the year

The income tax expense in the year of £42,000 represents a small reduction in the deferred tax asset We expect to start utilising the group's tax losses in 2008/09 as the business returns to profitability

2. Balance sheet and cash flow

Total non current assets are significantly reduced from the prior period due to the exceptional goodwill writedown and the impact of tangible fixed asset depreciation in excess of capital expenditure

Within current assets, trade and other receivables are again much reduced following lower levels of activity in travel booking in the months prior to the year end and good collections Payables, excluding borrowings and provisions are around £0 5 million lower than in the prior year, again linked mainly to lower levels of activity in travel booking in the months prior to the year end

The net cash balance of £1,116,000 compares with £725,000 at the prior year end The improvement arises mainly due to the receipt of a number of larger advance payments for reward points in the second half of 2007/8

Provisions for future redemption costs are 57% higher than at January 2007 linked to a significant increase in rewards revenue and to the relative phasing patterns of promotional voucher validity periods

Cash generated from operating activities was £389,000 compared with an outflow of £591,000 in the prior period reflecting reduced pre-exceptional operating losses, lower cash exceptional charges, the increase in redemption provisions and continuing disciplined working capital management Cash flows from other sources in net terms were negligible

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Business Review continued

3. Business risks

The major commercial risks the business faces can be seen in relation to its two principal areas of operation in the following terms

(i) Reward programmes

The timing of contract finalisation, initial scale and future growth rates of new reward programmes are a key risk affecting the business' ability to forecast accurately future profitability and funding requirements

The level of expected reward point redemptions is the other key risk, in terms of percentage of points issued which are ultimately redeemed and the cost of delivering travel and other rewards for each point redeemed

(ii) Promotions

Limited visibility in relation to levels of new business is a key risk affecting the business' ability to forecast accurately future profitability and funding requirements

Expected redemption levels for promotional vouchers issued is the other key risk, in terms of the percentage of vouchers ultimately redeemed and the cost of delivering travel and other rewards for each voucher redeemed

4 Key performance indicators

The two principal key performance indicators are operating result (before exceptional items) and earnings / loss per share

Loss from operations before exceptional items

This remains the Board's primary indicator of business performance The loss from operations (before exceptional items) in the current year at £377,000 was 77% lower than in the previous year

Earnings per share

The group has again recorded a loss per share (12 3p versus 29 3p in the prior period) It is clearly our aim, however, to convert in the short term the current losses into profits, delivering positive earnings for our shareholders

Other KPIs

Other financial KPIs relate to rewards and promotions revenue, gross margins after redemption provisions and overhead levels compared with budget Cash flow and compliance with banking covenants are also a key area of focus

Non-financial measures for the reward programmes business include levels of new members registered per week, numbers of points issued, numbers of points redeemed and various call centre performance measures

For the promotions business, the number of vouchers issued and the number of vouchers redeemed are key areas of focus

Colin Gibson

Colin Gibson, Chief Executive

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Directors' Report

The directors present their report and the consolidated financial statements of the group for the year ended 31 January 2008

Principal activities

The principal activity of the group is the design, promotion and distribution of reward programme and promotional voucher incentives There have not been any significant changes in the group's principal activities in the year under review The directors are not aware, at the date of this report, of any likely major changes in the group's activities in the next year

The Chairman's Statement and Business Review contain a commentary on the group's performance during the period and details of current activities and proposed developments

Review of the business

The results for the year and financial position of the group are as shown in the annexed financial statements

Results and dividends

The loss for the year was £1,719,000 (2007 £2,023,000) The directors do not recommend the payment of a final dividend (2007 £Nil)

Directors and their interests

The directors who served during the period and their interests, including their spouses and infant children, in the shares of the company were as follows

	Ordinary shares of 5p each	
	31 January 2008	31 January 2007
David G Owen	104,166	104,166
Franco Sessini	54,167	54,167
Colin J Gibson	65,000	65,000
Alan N Williamson	148,300	148,300
Anthony J Pope	12,500	12,500
William D Brown	-	-

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Directors' Report continued

Future Prospects

A review of future prospects is contained in the Business Review

Corporate Governance

Landround plc, an AIM company, is not required to adopt the Combined Code on Corporate Governance However, the Board is committed to high standards of Corporate Governance and aims to comply with its provisions where appropriate

The Board already complies with many of the new provisions of the Code and periodically reviews those where it does not A description of how the relevant principles of Governance, as set out in the current Combined Code, are applied to the group is given below

There are three continuing departures from the Code Landround plc does not have a Nominations Committee, the Chairman is not fully independent in terms of the Code and the non-executive directors have not been appointed for specific terms

The Board

The Board currently comprises the non-executive chairman, three executive and two non-executive directors Alan Williamson has assumed the role of senior non-executive director and the Board regards Alan Williamson as independent Alan has undertaken certain commercial activity on behalf of the group for which he has been remunerated in the year However, the sums involved are of such a nature that the Board consider that they could, in no way, prejudice his independence William Brown, the other non-executive director, is a partner in Bluehone Investors LLP, currently the company's largest shareholder Despite this, the Board considers William to be independent

The Board met for thirteen formal Board meetings in the year All serving directors attended all Board meetings with the exception of Alan Williamson who did not attend two meetings and Franco Sessini who did not attend one meeting

The Board has established Audit and Remuneration Committees, each of which has its own defined terms of reference William Brown chairs the Audit Committee and Alan Williamson chairs the Remuneration Committee Both committees comprise Alan Williamson, William Brown and David Owen

As the Board is small, the role of a Nomination Committee is carried out by the Board as a whole

The Audit Committee met five times in the year, when all members of the Committee were present with the exception of Alan Williamson who was not present for one of the meetings

The Remuneration Committee met five times in the year, when all members of the Committee were present with the exception of David Owen who was not present for one of the meetings

The Board is responsible for the leadership of the company and the group It delegates day-to-day responsibility to the executive management The balance of the Board is such that no one individual or small group of individuals has unfettered powers of decision The Board is responsible for group strategy, setting and monitoring budgets, acquisition and investment policy and consideration of any other significant financial matters

Clear lines of demarcation between the responsibilities of the Chairman and those of the Chief Executive have been laid down and adhered to

The formal schedule of matters reserved to the Board has been reviewed but not amended during the year

Directors' Report continued

Audit Committee (Chairman William Brown)
The Audit Committee meets not less than twice a year Its function is to review reporting and accounting procedures and policies in the group and the conduct of the audit At least once a year the Committee will meet with the auditors without other board members present Such a meeting has taken place in respect of the audit for the period ended 31 January 2008

Remuneration Committee (Chairman Alan Williamson)
The Remuneration Committee meets, as appropriate, to review and determine policy on the remuneration of the executive directors and specific remuneration packages (in particular any which may include a performance related element)

Details of directors' remuneration are shown in the Report of the Remuneration Committee

Relations with Shareholders
The Board encourages dialogue with all shareholders The Chairman, the Chief Executive and the Finance Director are available for discussions with shareholders throughout the year and particularly at the time of results announcements

The AGM is used to communicate with private shareholders who are encouraged to attend and to participate

Shareholders can gain access to the Annual Accounts, Interim Reports, announcements and other information via the company's website (www landround com)

Internal Control
The directors are responsible for the group's system of internal control and for reviewing its effectiveness Although it is difficult to provide absolute assurance against material misstatement or loss, the group's system is designed to provide reasonable assurance regarding the safeguarding of assets against unauthorised use or disposition, the maintenance of proper accounting records and the reliability of financial information used within the business or for external publication

The directors have implemented an ongoing process for identifying, evaluating and managing the significant risks faced by the group This process is regularly reviewed by the directors

The group has an established organisational structure with clear lines of responsibility, operating procedures and authority levels A budget, approved by the Board, is set annually and actual performance is monitored against the budget Significant variances are examined and remedial action taken where necessary

Going Concern
The directors confirm that they have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future For this reason we continue to adopt the going concern basis for the preparation of the financial statements

The Combined Code
With the exception of the three departures from the Code referred to previously, the directors believe that Landround plc has complied with the provisions of the Combined Code in a manner appropriate to its size and structure

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Directors' Report continued

Report of the Remuneration Committee

The Committee seeks to ensure that remuneration packages provided for executive directors and senior managers are competitive and will attract, retain and motivate within the context of the group's remuneration policy

1. **Membership of the Committee is set out above**

2. **Directors' Remuneration**

	Total 2008	Total 2007
	£'000	£'000
Current directors		
David G Owen (Non-Executive Chairman)	**70**	70
Colin J Gibson (Chief Executive)	**125**	117
Franco Sessini (Executive Director)	**73**	73
Alan N Williamson (Non-Executive Director)	**21**	21
Anthony J Pope (Finance Director)	**81**	10
Former directors		
Andrew D Barrett	-	32
David S Lyne	-	146
John W J Moxon	-	8
	370	477

There were no other benefits arising from employment by the group nor have there been any payments during the year to any group pension scheme

The directors also benefit from the provision of third party indemnity insurance

William Brown, a non-executive director, is a partner of Bluehone Investors LLP, which received fees of £20,000 (2007 £2,000) in respect of services provided to the group during the period

In addition to the above remuneration, Alan Williamson received £5,000 (2007 nil) in respect of consultancy services provided to the group during the year

Directors' Report continued

3. Landround plc Executive Share Option Scheme

The Landround plc Executive Share Option Scheme was adopted by the company on 5 October 2000 Options over ordinary shares in the company have been granted under the scheme to directors, as follows

	Date of grant	Option Price per share	At 1 February 2007	Granted	Lapsed	At 31 January 2008	Exercisable from	Exercisable to
Current directors								
DG Owen	13/10/05	115p	100,000	-	(100,000)	-	-	-
	05/10/07	20p	-	100,000	-	100,000	05/10/10	04/10/17
CJ Gibson	04/08/06	40p	300,000	-	(300,000)	-	-	-
	05/10/07	20p	-	300,000	-	300,000	05/10/10	04/10/17
F Sessini	04/08/06	40p	150,000	-	(150,000)	-	-	-
	05/10//07	20p	-	150,000	-	150,000	05/10/10	04/10/17
AJ Pope	04/12/06	40p	175,000	-	(175,000)	-	-	-
	05/10/07	20p	-	175,000	-	175,000	05/10/10	04/10/17

During the year, the Remuneration Committee elected to restructure the share option awards in place for the senior management of the business in order to provide appropriate incentives which more closely align the interests of the management team with those of shareholders

Options previously granted to Colin Gibson, Anthony Pope, Franco Sessini and David Owen all included an exercise price of 40 pence (115 pence in the case of David Owen) and exercise conditions that were linked to EPS growth

These options have been replaced with an equivalent number of new options which have an exercise price of 20 pence but which will vest only on the following basis

- The first third of the total options awarded will vest provided that the Landround plc share price has exceeded 30 pence for a period of at least 20 consecutive business days
- The next third will vest provided that the Landround plc share price has exceeded 40 pence for a period of at least 20 consecutive business days, and
- The final third will vest provided that the Landround plc share price has exceeded 50 pence for a period of at least 20 consecutive business days

The Committee, which for these purposes excluded David Owen due to the potential conflict of interest, believes that this new structure for options provides realistic incentives linked to share price performance in a way which ensures that management are only rewarded if shareholders are seeing good returns

In total, options have been granted and have not lapsed (within the last ten years) over 1,644,066 ordinary shares, equivalent to 11 7% of the issued share capital

4 Landround plc Employee Share Ownership Plan

We adopted the 'Landround plc Employee Share Ownership Plan' in January 2001 in order to extend share ownership to all of Landround's employees

Capita Registrars, the trustees for the scheme, hold 147,801 shares on behalf of the employees Under the terms of the trust the shares will be gifted to the employees absolutely on completion of three years further service since the date of gifting The company is accepting the costs of the distribution over three years Dividends accrue to the employees

Directors' Report continued

Directors' Responsibilities

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

UK Company law requires the directors to prepare group and company financial statements for each financial year Under that law the directors are required to prepare group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and have elected to prepare the company financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU

The group financial statements are required by law and IFRS adopted by the EU to present fairly the financial position and performance of the group, the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation

The company financial statements are required by law to give a true and fair view of the state of affairs of the company

In preparing each of the group and company financial statements, the directors are required to

a select suitable accounting policies and then apply them consistently,
b make judgements and estimates that are reasonable and prudent,
c state whether they have been prepared in accordance with IFRS adopted by the EU,
d prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business

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

The directors are also responsible for the maintenance and integrity of the Landround plc website

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Substantial Shareholdings

As at 22 May 2008 the following substantial interests (3% or more) in the company's ordinary share capital had been notified to the company

	No of shares	Percentage
Bluehone Investors LLP	3,901,000	27 8%
Legal & General	2,021,803	14 4%
Quester Capital Management	1,250,000	8 9%
Fidelity Investments	1,048,002	7 5%
John Moxon	654,000	4 7%
Close Investments	600,000	4 3%
ISIS Equity Partners	468,207	3 3%

Supplier Payment Policy

The group makes every effort to adhere to the payment terms that have been agreed with a supplier Where payment terms have not been specifically agreed, it is the group's policy to settle invoices close to the end of the month following the month of invoicing Adherence to these terms is dependent upon suppliers sending accurate and adequately detailed invoices to the correct address on a timely basis

The group's trade creditor days at the year end were 50

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Directors' Report continued

Annual General Meeting

A notice convening the Annual General Meeting to be held on 18 June at 2pm at The Steam Mill, Steam Mill Street, Chester, Cheshire CH3 5AN has been distributed to shareholders together with a summary Annual Report outlining the performance in the year

Auditors

Baker Tilly UK Audit LLP has indicated its willingness to continue in office, and a resolution concerning its appointment will be proposed at the Annual General Meeting

Statement as to disclosure of information to auditors

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors

By order of the Board

David G Owen
Chairman
22 May 2008

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Independent Auditors Report to the members of Landround plc

We have audited the group and parent company financial statements on pages 15 to 62

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union ("EU") are set out in the Statement of Directors' Responsibilities

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 whether the financial statements have been 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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements The other information comprises only the Operating Highlights, Financial Highlights, Chairman's Statement, Business Review and Directors' Report We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements Our responsibilities do not extend to any other information

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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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

Opinion

In our opinion

- the group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, as applied in accordance with the provisions of the Companies Act 1985, of the state of the group's affairs as at 31 January 2008 and of its loss for the year then ended,
- the parent company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent company's affairs as at 31 January 2008,
- 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

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP

Registered Auditor
Chartered Accountants
Number One Old Hall Street, Liverpool L3 9SX
22 May 2008

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Consolidated Income Statement for the year ended 31 January 2008

	Note	2008 £'000	2007 £'000
Revenue	2	**6,568**	5,273
Cost of sales		**(2,659)**	(2,382)
Gross profit		**3,909**	2,891
Administration expenses			
- Operating expenses		**(4,286)**	(4,535)
- Exceptional items	4	**(1,280)**	(250)
		(5,566)	(4,785)
Loss from operations	3	**(1,657)**	(1,894)
Analysed as.			
Loss from operations before exceptional items		**(377)**	(1,644)
Exceptional items	4	**(1,280)**	(250)
Loss from operations		**(1,657)**	(1,894)
Net finance expense	6	**(20)**	(69)
Loss before taxation	2	**(1,677)**	(1,963)
Income tax expense	7	**(42)**	(60)
Loss for the year attributable to equity holders of the parent		**(1,719)**	(2,023)
Loss per share (basic and diluted)	9	**(12.3p)**	**(29.3p)**

Statement of Recognised Income and Expense for the year ended 31 January 2008

	Note	2008 £'000	2007 £'000
Loss for the financial year		**(1,719)**	(2,023)
Exchange differences on the retranslation of overseas undertakings	23	**1**	-
Total recognised income and expense attributable to equity holders of the parent		**(1,718)**	(2,023)

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Consolidated Balance Sheet as at 31 January 2008

	Note	2008 £'000	2007 £'000
Non current assets			
Goodwill	10	362	1,480
Property, plant and equipment	11	276	449
Deferred tax asset	16	571	613
		1,209	2,542
Current assets			
Inventories	12	46	68
Trade and other receivables	13	773	1,017
Cash and cash equivalents		1,255	725
Current tax asset		-	45
		2,074	1,855
Total assets		3,283	4,397
Current liabilities			
Financial liabilities	14	(139)	-
Trade and other payables	15	(1,099)	(1,525)
Provisions	17	(1,539)	(950)
		(2,777)	(2,475)
Non current liabilities			
Provisions	17	(857)	(580)
		(857)	(580)
Total liabilities		(3,634)	(3,055)
Net (liabilities) / assets		(351)	1,342
Equity			
Share capital	18	701	701
Share based payment reserve	20	48	23
Share premium	20	4,055	4,055
Capital redemption reserve	20	10	10
Translation reserve	20	1	-
Retained earnings	20	(5,166)	(3,447)
Equity attributable to the equity holders of the parent		(351)	1,342

The consolidated financial statements on pages 15 to 50 and on page 62 were approved by the Board of Directors and authorised for issue on 22 May 2008 and were signed on its behalf by

Colin J Gibson
Director

Anthony J Pope
Director

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Consolidated Cashflow Statement for the year ended 31 January 2008

	Note	2008 £'000	2007 £'000
Operating activities			
Cash generated from / (used in) operations	22	389	(591)
Income taxes received		45	285
Interest paid		(37)	(76)
Net cash from / (used in) operating activities		397	(382)
Investing activities			
Interest received		17	11
Purchases of property plant and equipment (net of proceeds)		(12)	(30)
Acquisition of subsidiaries		(92)	-
Cash acquired with subsidiaries		80	-
Net cash used in investing activities		(7)	(19)
Financing activities			
Finance lease payments		-	(12)
Proceeds from issue of shares (net of expenses)		-	1,582
Net cash from financing activities		-	1,570
Net increase in cash and cash equivalents		390	1,169
Cash and cash equivalents at the beginning of the period		725	(444)
Effect of exchange rate movements		1	-
Cash and cash equivalents at the end of the period	24	1,116	725

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Notes to the Consolidated Financial Statements for the year ended 31 January 2008

1. Accounting policies

Landround plc is a company incorporated in England and Wales under the Companies Act 1985 and domiciled in the UK The registered office is The Quadrant, Sealand Road, Chester, CH1 4QR

Basis of preparation
These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretation Committee ("IFRIC") interpretations adopted by the European Union (EU) and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS The results for the year ended 31 January 2008 therefore represent the group's first annual report prepared in accordance with its accounting policies under IFRS

The financial statements have been prepared on the historical cost basis, except for equity settled share based payments where grant date fair value is used

Previously the group has reported using UK Generally Accepted Accounting Principles ("UK GAAP")

Reconciliations between UK GAAP and IFRS are presented as note 28

Basis of consolidation
The consolidated financial statements include the financial statements of the company and all of the subsidiary entities controlled by the group Control exists when the group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain the benefits from its activities

The results of the subsidiaries acquired during the year are included in the consolidated income statement from the effective date control of the entity passes

In preparing the consolidated financial statements, any intra-group balances, unrealised gains and losses or income and expenses arising from intra-group trading are eliminated Where accounting policies used in individual financial statements of a subsidiary company differ from group policies, adjustments are made to bring these policies in line with group policies

Transition to adopted IFRSs
An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the group is provided in note 28

In addition, IFRS 1 'First-time Adoption of International Financial Reporting Standards' grants certain exemptions from the full requirements of IFRS as at transition date (1 February 2006) The following exemptions have been taken in these consolidated financial statements

- Business combinations that took place prior to 1 February 2006 have not been revisited under IFRS 3 'Business Combinations' IFRS 3 has been applied prospectively since the date of transition
- The carrying amount of capitalised goodwill at 31 January 2006 that arose on business combinations accounted for using the acquisition method under UK GAAP was frozen at this amount and tested for impairment at 1 February 2006
- Cumulative translation differences at the date of transition have been stated at zero at 1 February 2006
- IFRS 2 'Share based payments' has not been applied to share-based payments granted before 7 November 2002 nor those granted after 7 November 2002 that had vested prior to 1 February 2006

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Notes to the Consolidated Financial Statements continued

1 Accounting policies (continued)

New accounting standards
IFRS 7 'Financial Instruments Disclosures' and amendments to IAS 1 'Presentation of Financial Statements – Capital Disclosures' was issued in August 2005 and is effective for accounting periods beginning on or after 1 January 2007 This standard has been adopted by the group for the first time and has had no effect on the results or assets in the current or previous periods

Capital management
Since the fundraising in December 2006 (see prior year financial statements for further information), the group has had net funds with minimal borrowings Capital is managed by aiming to maximise retained profits / minimise retained losses Working capital is managed in order to optimise conversion of these profits/losses into cash and cash equivalents

Capital includes share capital, share premium, capital redemption reserve, share based payment reserve, translation reserve and retained earnings reserve

The group has externally imposed capital requirements in the form of banking covenants agreed with our main bankers HSBC The latest facility review was carried out in November 2007 and since that date all covenants have been complied with

Foreign currency
Transactions
The presentational currency of the group is pounds sterling Transactions in currencies other than the functional currency are recorded at the month end rates prevailing according to date of transaction

The functional currencies by group company are as follows

Company	Functional currency
Landround plc	Sterling
Landround Marketing Limited	Sterling
Landround Travel Limited	Sterling
Travel Offers Limited	Sterling
Fixed Fee Plus Limited (acquired 19th July 2007)	Sterling
Buy and fly! Limited	Sterling
White Label Rewards Limited	Sterling
Travel Rewards AB Limited	Swedish Krona
Compra y Vuela SL	Euro
Landround Deutschland GmbH	Euro

At each balance sheet date, monetary assets and liabilities that are denominated in foreign currency are retranslated at exchange rates prevailing on the balance sheet date

Non monetary assets are held at historic rate except for those that are remeasured to fair value, which are retranslated using the exchange rates prevailing at the date of the latest valuation

Gains and losses arising on retranslation and settlements are included in the income statement for the period, except for exchange differences arising on non monetary assets and liabilities where the changes in fair value are recognised directly in equity

Consolidation
On consolidation, the assets and liabilities of overseas operations are translated at exchange rates prevailing on the balance sheet date Income and expense items are translated at the average exchange rates of the period unless exchange rates fluctuate significantly In this instance, spot rate is used Exchange differences arising, if any, are classified as equity and transferred to the group's translation reserve and recycled to the income statement on disposal of the overseas operation

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Notes to the Consolidated Financial Statements continued

1. Accounting policies (continued)

Segmental reporting
A business segment is a group of assets and operations which provides a distinct product or service which is subject to risks and returns that are different from other business segments A geographic segment is a group of assets and operations which provides a product or service within a particular economic environment which is subject to risks and returns that are different from segments operating in different economic environments
IFRS 8 has not been adopted early by the group – IAS14 has been used

Revenue recognition
Revenue is recognised according to business segment as follows

Rewards
The group runs and manages reward programmes on behalf of predominantly large blue-chip organisations in the financial services sector

Essentially this involves issuing reward / loyalty points to the group's clients, who then in turn issue them to their customers (the end consumer) in exchange for retail spending or spend on credit cards
The end consumer accumulates points (which have a finite life of between two and five years) and may redeem "live" points for travel and other leisure items according to the latest points pricing published in redemption catalogues or the relevant website This redemption process is conducted directly between the group and the end consumer

For new contracts, revenues are recognised on contract signature to the value of the initial tranche of points to be invoiced

For ongoing contracts, revenues are recognised at the point of invoicing the client for the next tranche of points

For rewards income where there is no formal contract in place, revenue is recognised on invoicing of points following receipt of a valid, unconditional order

As the client is legally committed to the purchase of the points (which are non-returnable) on signature of the contract or order, this is the point at which the significant risks and rewards are transferred and hence the point at which revenue is recognised

The directors have reviewed the provisions of IFRIC 13 (Customer Loyalty Programmes), which would be mandatory for the group for the year ended 31 January 2010 and have concluded it does not apply to the group as it addresses the accounting treatment to be adopted by entities that award loyalty credits direct to their customers It does not apply to external providers of loyalty programmes

Promotions
The group also offers short term tactical promotions to companies in all industry sectors

This involves the sale of promotional vouchers, which may be redeemed against travel and other leisure items, or the sale of a fixed fee promotion, whereby the client has the benefit of a fixed marketing cost, regardless of the success of the promotion

Revenues are recognised either on contract signature or receipt of a valid, unconditional order The majority of contracts / orders include either a fixed fee for the promotion as a whole, or a fixed unit price per voucher together with a fixed quantity of vouchers and therefore the amount of revenue can be measured reliably Where this is not the case – for example if the contract / order is signed on a "call-off" basis – revenues are measured according to when vouchers are called off resulting in an invoiced amount the client is legally committed to honour

As the client is legally committed to the promotion on signature of the contract or order, this is the point at which the significant risks and rewards are transferred and hence the point at which revenue is recognised

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Notes to the Consolidated Financial Statements continued

1. Accounting policies (continued)

Revenue recognition (continued)

Hotel Catalogues
A further revenue stream for the group is the sale of hotel catalogues to consumers Purchase of the catalogue gives the consumer free accommodation in selected hotels, provided they use the hotel to purchase their breakfast and / or evening meal

The catalogues are despatched to consumers on receipt of payment, which is non-refundable, and as such revenue is recognised on cash receipt as this is the point at which the significant risks and rewards are transferred

Revenues for all three business segments are measured at the fair value of consideration received or receivable net of VAT

Landround Travel
Revenues derived from Landround Travel (the group's UK and Irish travel agency) are no longer recognised as revenue on consolidation

Landround Travel is now very much viewed as an "after-sale" service segment for Landround Marketing, the subsidiary company which is primarily responsible for generating the group's core reward programme and promotions income The revenues disclosed in Landround Travel's own statutory accounts are wholly dependent on revenues generated from Landround Marketing Landround Travel in isolation does not have the capacity to generate external revenues

The revised presentation provides a more meaningful insight into overall group performance, both in terms of revenues and gross profitability The impact has been to reduce revenue and cost of sales by £2,264,000 in the year (2007 £4,457,000) There is no impact whatsoever on profit / loss or equity

This change has been included within the IFRS reconciliations in note 28, and has been analysed as an amendment to previously reported UK GAAP figures

Cost of sales

Cost of sales primarily comprises a provision for the potential future cost of running reward programmes and promotions where the cost can be measured reliably (generally based on past experience) and the associated revenues have been recognised in the income statement

Cost of sales also includes sales commission earned by employees and the actual costs of producing reward programme catalogues, promotional vouchers and hotel catalogues

Exceptional items

Exceptional items are those significant items which are separately disclosed by virtue of their size or incidence to facilitate a better understanding of the group's financial performance

Finance income and finance costs

The measurement of finance costs on short-term borrowings, such as a bank overdraft, reflects the interest cost paid or accrued during the period using the effective interest method Similarly, finance income represents the interest received or accrued during the period using the effective interest method

Notes to the Consolidated Financial Statements continued

1. Accounting policies (continued)

Taxation
The income tax expense represents the sum of the current tax expense and the deferred tax expense

The current tax expense is based on taxable profit for the year Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible The group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon tax rates that have been enacted or substantively enacted by the balance sheet date Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity

Goodwill
Goodwill arising on consolidation represents the excess of the cost of the business combination over the group's interests in the fair value of the identifiable assets and liabilities acquired

Goodwill arising from the acquisition of subsidiary undertakings is recognised separately as an intangible asset in the consolidated balance sheet and is subject to an annual impairment review Any excess of the fair value of identifiable assets and liabilities over the fair value of the consideration offered is recognised in the income statement immediately

Impairment of non current assets
Goodwill
Goodwill is tested for impairment at each reporting date, with any impairment being recognised in the income statement

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units (CGUs) to which goodwill has been allocated The value in use calculation involves an estimation of the future cash flows of CGUs over a defined period and also the selection of appropriate discount rates to calculate present values

Other non current assets
The carrying amounts of other non current assets are reviewed where there is any indication of impairment If any such indication exists then the asset's recoverable amount is estimated

Recoverable amount is the higher of fair value less costs to sell and value in use In assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset

Notes to the Consolidated Financial Statements continued

1. Accounting policies (continued)

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses

Depreciation is charged to the income statement on a straight line basis over the estimated useful lives of each asset based on the costs less estimated residual value at the following annual rates

Fixtures and fittings	15%
Plant and machinery	10/20/33%
Land and buildings	Unexpired term of lease

Estimated useful lives and residual values are reviewed at each reporting date

Any gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement

Inventories
Inventories are stated at the lower of cost and net realisable value Cost is based on the first-in first-out principle and includes any expenditure in bringing the inventories to their present location and condition
The cost of inventory is recognised as an expense when the inventory is sold
Provision is made where necessary for obsolete or slow moving inventory where it is deemed that the costs incurred may not be recoverable

Financial instruments
Financial instruments are recognised when the group becomes a party to the contractual provisions of the instrument in question

The following valuation methods are used in measuring the group's financial instruments

Trade and other receivables
Trade and other receivables are initially recorded at their fair value and subsequently measured at their amortised cost They are tested for impairment when there is objective evidence of impairment An impairment exists when the carrying value of the receivable exceeds the present value of the future cashflows discounted using the effective rate of interest Impairment losses are recognised by way of an allowance account and the cost recognised in the income statement

Cash and cash equivalents
Cash and cash equivalents comprise cash and overdraft balances with bank and call deposits with a maturity of three months or less

Where there is no legal right of set off and where intended settlement is not on a net basis, bank overdrafts are disclosed as financial liabilities For the purposes of the consolidated cashflow statement, the overdraft balances have been included as cash and cash equivalents as they are considered to be an integral part of the group's operational cash management process

Trade and other payables
Trade and other payables are not interest bearing and are stated at amortised cost

Equity instruments
Equity instruments are stated at par value Premiums on issue are taken to the share premium reserve

Finance payments associated with financial instruments that are classified as equity are dividends and are recorded directly in equity Finance payments associated with financial liabilities (non equity) are dealt with as part of finance costs

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Notes to the Consolidated Financial Statements continued

1. Accounting policies (continued)

Provisions

Provisions for future reward programme redemptions and promotion redemptions are recognised when the group has a present legal or constructive obligation as a result of past events This is where, in management's view, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated

Provision is established on a contract by contract basis and the likely redemption levels are regularly reappraised in the light of historic and current trends

See note 17 for additional information on the methodology used to calculate year end provisions

Business combinations

The acquisitions of subsidiaries are accounted for using the purchase method

Goodwill arising on acquisition is recognised as an asset and is initially measured at cost, being the excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired

The cost of the acquisition is measured at the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and the equity instruments issued by the group in exchange for control of the acquired business, plus any directly attributable acquisition costs

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 'Business Combinations' are recognised at their fair value at the acquisition date

Employee benefits

Employee benefits are recognised in the group's financial statements on the following basis

- a liability when an employee has provided a service in exchange for employee benefits to be paid in the future, and,
- an expense when the entity consumes the economic benefit arising from the service provided by an employee in exchange for employee benefits

Employee benefits included in the financial statements of the group comprise wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses, share based payment transactions and non monetary benefits such as medical care and the provision of company cars

The company operates a stakeholder pension scheme with nil participants (2007 nil)

No other post retirement benefits are offered by the company

Share based payment transactions

The company issues equity settled share based payment transactions to certain employees A fair value for the equity settled share awards is measured at the date of grant The company measures the fair value using a variant of the Black-Scholes model

The fair value of each award is recognised as an expense over the vesting period on a straight-line basis The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations

Where relevant, the value of the option has also been adjusted to take account of market conditions applicable to the option

Where options are subject to performance conditions, an assessment is performed of the likelihood of achieving the conditions as part of the overall calculation of the charge

When replacement options are issued, these are accounted for in the same way as if they were a modification of the original grant

Notes to the Consolidated Financial Statements continued

1. Accounting policies (continued)

Leasing

Where the group 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 at its fair value in the balance sheet as property, plant and equipment and is depreciated over its estimated useful life or the term of the lease, whichever is shorter Future instalments under such leases, net of finance charges, are included within liabilities Rentals payable are apportioned between the finance element, which is charged to the income statement, and the capital element, which reduces the outstanding obligation for future instalments

All other leases are accounted for as 'operating leases' and the rental charges are charged to the income statement on a straight line basis over the life of the lease

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Notes to the Consolidated Financial Statements continued

2 Segmental analysis

For management purposes, the group is currently organised into three operating divisions – long term strategic reward programmes, short term tactical promotions and the sale of hotel catalogues These divisions are the basis on which the group reports its primary segment information

Segmental analysis of these divisions is presented below

Income statement	**2008 £'000**		2007 £'000	
	Revenue	**Profits / (losses)**	Revenue	Profits / (losses)
Rewards	**4,536**	**2,603**	3,281	1,507
Promotions	**1,645**	**962**	1,513	938
Hotel catalogues	**387**	**(1,120)**	479	34
Central	**-**	**(3,952)**	-	(4,123)
Exceptional	**-**	**(150)**	-	(250)
Total	**6,568**	**(1,657)**	5,273	(1,894)
Net finance expense		**(20)**		(69)
Loss before taxation		**(1,677)**		(1,963)

All the above revenues are derived from external customers

Balance sheet	**2008 £'000**		2007 £'000	
	Total assets	**Total liabilities**	Total assets	Total liabilities
Rewards	**157**	**(2,063)**	199	(1,397)
Promotions	**281**	**(795)**	110	(877)
Hotel catalogues	**710**	**(15)**	2,868	(40)
Central	**2,135**	**(761)**	1,220	(741)
Net assets	**3,283**	**(3,634)**	4,397	(3,055)

	2008	2007
Other		
Capital expenditure (central)	**(12)**	(37)
Depreciation (central)	**(185)**	(201)
Goodwill impairment (hotel catalogues)	**(1,130)**	-
Other non cash expenses (central)	**(25)**	(23)

Other non cash expenses comprise the share based payment charge

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Notes to the Consolidated Financial Statements continued

2. Segmental analysis (continued)

The group's secondary reporting format for reporting segmental information is geographic segments according to customer location, as analysed below

Revenue by location

	2008 £'000	2007 £'000
UK	**2,536**	2,540
Sweden	**1,524**	316
Ireland	**809**	975
Spain	**801**	1,287
Other	**898**	155
	6,568	5,273

No balance sheet segmentation analysis is provided as the vast majority (over 90%) of the group's assets are located in the UK

Similarly, all capital expenditure incurred in both years related to assets purchased in the UK

3. Loss from operations

Group loss from operations has been arrived at after charging / (crediting)

	2008 £'000	2007 £'000
Depreciation,		
Owned assets	**185**	201
Operating lease rentals,		
Vehicles	**18**	18
Other	**164**	149
Net foreign exchange losses / (gains)	**25**	(72)

	2008 £'000	2007 £'000
Amounts payable to Baker Tilly UK Audit LLP and their associates·		
Audit services		
Statutory audit of the parent's separate and consolidated financial statements	**36**	29
Audit of the company's subsidiary undertakings, pursuant to legislation	**12**	12
Taxation services		
Tax compliance	**9**	12
Tax advisory	**-**	4
Other services, pursuant to legislation	**18**	19
Total auditor remuneration	**75**	76

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Notes to the Consolidated Financial Statements continued

4. Exceptional items

The exceptional items disclosed in the year ended 31 January 2008 comprise a write down of goodwill (£1,130,000) and a litigation settlement (£150,000)

The goodwill write down represents the impairment value resulting from a significant reduction in estimated forward cashflows associated with the group's non-core subsidiary, Travel Offers Limited See note 10 for further information

The litigation settlement, which is now concluded, represents additional costs in excess of previous provisions in respect of a dispute with a former sales consultant There is no further ongoing litigation within the group

Prior year exceptional items of £250,000 related to restructuring costs, primarily redundancy expenses

5. Staff costs

	2008	2007
	£'000	£'000
Wages and salaries	**1,846**	2,032
Social security costs	**207**	215
Equity-settled share based payments	**25**	23
	2,078	2,270

The average number of employees (including directors) during the year was as follows	**2008**	2007
	No	No
Management and administration	**64**	73

Directors' emoluments totalled £370,000 (2007 £477,000)

The highest paid director received £125,000 (2007 £146,000)

The group's equity-settled share based payments are in relation to the Executive Share Option Scheme

Key management
The key management of the group comprises the group directors and senior members of the management team Their aggregate compensation is shown below

	2008	2007
	£'000	£'000
Salaries and short term employee benefits	**656**	614
Termination benefits	**25**	97
Equity-settled share based payments	**25**	23
	706	734

Notes to the Consolidated Financial Statements continued

6. Net finance expense

	2008	2007
	£'000	£'000
Finance income		
Bank interest receivable	**17**	11
Finance expense		
Bank interest payable	**(37)**	(80)
Net finance expense	**(20)**	(69)

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Notes to the Consolidated Financial Statements continued

7. Tax expense

Analysis of charge / (credit) for the period

	2008 £'000	2007 £'000
Current tax		
UK corporation tax on the profit for the year	-	-
Adjustments in respect of prior years	-	(2)
	-	(2)
Deferred tax		
Current year movement	21	-
Adjustments in respect of prior years	21	62
	42	62
Total income tax expense	42	60

UK corporation tax is calculated at 30% (2007 30%) of the estimated taxable profit for the year As all UK companies are grouped for tax purposes and have generated an overall taxable loss in the year no tax is payable

The current tax payable of nil represents the amount of income taxes payable in respect of current and prior year periods

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions, as appropriate No tax is payable relating to these jurisdictions

The total charge for the year can be reconciled to the loss in the income statement as follows

	2008 £'000	2007 £'000
Loss before tax	(1,677)	(1,963)
Tax at standard rate of UK corporation tax of 30% (2007 30%)	(503)	(589)
Tax effect of expenses that are not deductible in determining taxable profit	58	42
Non current asset impairment	339	-
Effect of change in tax rate on deferred tax asset	21	-
Effect of reduction in future taxable profits on deferred tax asset	21	62
Trading losses carried forward	106	545
Total income tax expense	42	60

There are no other tax charges other than those detailed above

8. Dividends

No dividends were paid during the year (2007 £nil)

Notes to the Consolidated Financial Statements continued

9. Loss per share

The calculation of loss per share is based on the weighted average number of shares in issue during the period of 14,024,136 (2007 6,911,993) and on the loss for the period of £1,719,000 (2007 £2,023,000)

Diluted loss per share is equal to the basic loss per share, as a consequence of the loss after taxation and the fact that the outstanding share options at the balance sheet have anti-diluted qualities

10. Goodwill

	£'000
Cost	
Acquisition of Travel Offers Limited	1,480
At 1 February 2006 and 31 January 2007	**1,480**
Arising on acquisition of Fixed Fee Plus Limited	12
Impairment of Travel Offers Limited	(1,130)
At 31 January 2008	**362**

Impairment reviews were carried out on the carrying amount of goodwill as at each reporting date and as at date of transition to IFRS (1 February 2006) As a result of the impairment review conducted as at 31 January 2008, an impairment loss of £1,130,000 has been recognised in respect of goodwill arising from the acquisition of Travel Offers Limited in January 2000 The goodwill valuation has been reduced to £350,000

The recoverable amount of £350,000 represents the estimated value in use by applying a discount rate of 6% to the estimated cashflows which are expected to be generated over the estimated remaining useful economic life of Travel Offers The remaining useful economic life has been re-evaluated at five years

These cashflows have been projected for the financial year 2008/2009 based on the detailed budget prepared for both operational and financial purposes For the four subsequent years a growth rate of nil has been applied to this budget The key assumptions underpinning the budget are the level of advertising spend, the ratio of advertising spend to new business gained and the renewal rate for existing business The last two of these assumptions have been based on historic actuals and the first one has been based on the assumption that the level of advertising spend will continue to decline at the current run rate

The previous estimate of value in use as at 31 January 2007 was £1,480,000 This estimate was based on significantly higher forward cashflows (linked to higher budget expectations), a longer useful economic life and a higher discount rate

Within the segmental balance sheet analysis (note 2), £12,000 (31 January 2007 nil) of the goodwill balance is analysed within the promotions segment and the remaining £350,000 (31 January 2007 £1,480,000) within the hotel catalogues segment

For further information relating to the £12,000 goodwill arising from the acquisition of Fixed Fee Plus Limited in July 2007 see note 21 This goodwill has not been impaired

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Notes to the Consolidated Financial Statements continued

11. Property, plant and equipment

The group has granted a fixed and floating charge over all its assets (including all property, plant and equipment) to its primary banker to secure banking facilities

2008 Asset tables	**Land and buildings £'000**	**Plant and machinery £'000**	**Fixtures and fittings £'000**	**Total £'000**
Cost or valuation				
At 1 February 2007	86	1,222	197	1,505
Additions	-	12	-	12
At 31 January 2008	**86**	**1,234**	**197**	**1,517**
Accumulated depreciation				
At 1 February 2007	25	871	160	1,056
Charge for the year	4	157	24	185
At 31 January 2008	**29**	**1,028**	**184**	**1,241**
Net book amount				
At 31 January 2008	**57**	**206**	**13**	**276**
At 31 January 2007	61	351	37	449

2007 Asset tables	**Land and buildings £'000**	**Plant and machinery £'000**	**Fixtures and fittings £'000**	**Total £'000**
Cost or valuation				
At 1 February 2006	86	1,205	194	1,485
Additions	-	34	3	37
Disposals	-	(17)	-	(17)
At 31 January 2007	**86**	**1,222**	**197**	**1,505**
Accumulated depreciation				
At 1 February 2006	21	712	132	865
Charge for the year	4	169	28	201
Disposals	-	(10)	-	(10)
At 31 January 2007	**25**	**871**	**160**	**1,056**
Net book amount				
At 31 January 2007	**61**	**351**	**37**	**449**
At 31 January 2006	**65**	**493**	**62**	**620**

Notes to the Consolidated Financial Statements continued

12. Inventories

	2008 £'000	2007 £'000
Catalogues and vouchers	**46**	68

Inventories of £185,000 (2007 £216,000) were expensed in the year

The group has granted a fixed and floating charge over all its assets, which includes all inventories, to its primary banker (HSBC Bank) to secure banking facilities

There are no inventory impairment provisions at the end of the period (2007 nil)

13. Trade and other receivables

	2008 £'000	2007 £'000
Trade receivables	**378**	257
Other taxation and social security	**84**	23
Other receivables	**11**	60
Prepayments	**300**	677
	773	1,017

Credit risk with respect to trade receivables is negligible as evidenced by post year end cash collections and negligible impairment losses in the year See also note 24

14. Financial liabilities

	2008 £'000	2007 £'000
Bank overdraft	**139**	-

15. Trade and other payables

	2008 £'000	2007 £'000
Payments received on account	**227**	488
Trade payables	**382**	695
Other taxation and social security payable	**124**	-
Other payables	**17**	42
Accruals	**349**	300
	1,099	1,525

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Notes to the Consolidated Financial Statements continued

16 Deferred tax asset

	2008 £'000	2007 £'000
Analysis for financial reporting purposes		
Deferred tax liabilities	-	-
Deferred tax assets	**571**	613
Net position at 31 January	**571**	613

The movement in the year in the group's net deferred tax position was as follows

	2008 £'000	2007 £'000
At 1 February	**613**	675
Charge to income for the year	**(42)**	(62)
At 31 January	**571**	613

The elements of the deferred tax asset are as follows

	2008 £'000	2007 £'000
Trading losses carried forward	**571**	613
	571	613
Recoverable in under one year	127	5
Recoverable in over one year	444	608
	571	613

A deferred tax asset of £571,000 (2007 £613,000) has been recognised which is the extent to which recoverability can be seen with reasonable probability This expectation is based on management forecasts which demonstrate the group returning to profitability in each of the three years to 31 January 2011

The forecasts have been rigorously prepared and are underpinned by continuing growth within the rewards division and a successful turnaround of the promotions division Recently, the group has demonstrated an ability to deliver on its forecasts which are consistently prepared on a realistic and achievable basis

Estimated tax losses carried forward at the year end were £5,340,000 (2007 £5,000,000), of which £2,184,000 (2007 £2,188,000) were expected to be utilised over the next 3 years This equated to an asset of £571,000 (2007 £613,000), leaving £825,000 (2007 £644,000) not recognised Management expects the asset to be fully recovered in the coming years as the group becomes more profitable

Notes to the Consolidated Financial Statements continued

17. Provisions

The methodology used to calculate the redemption provision is explained below There has been no change to this methodology in the year The maximum period over which the provision is expected to be utilised is five years

Rewards provision
The methodology employed to ascertain the provision for future costs of redemption for rewards programmes is based on evaluation of historic data, specifically reward points' lives (these vary contract-by-contract), the percentage of points expected to be redeemed and the average cost per point redeemed

For contracts in their infancy, there is a higher degree of subjectivity as the redemption behaviour relating to those contracts is not yet known, and as such the percentage of points redeemed used in the calculation is likely to be subject to ongoing revision until the contracts are mature

Promotions provision
The methodology employed to ascertain the provision for future costs of redemption for promotions is based on evaluation of historic data, together with an assessment of the specific terms embodied in individual contracts

For larger contracts / deals, an initial provision is set up based on behaviour of similar historic promotions and this provision is then constantly reviewed throughout the redemption period and amended as appropriate

Smaller promotions tend to be grouped by type with provision rates being reviewed on a half yearly basis

Bespoke / new promotion types are assessed according to the terms of the deal and are then tracked separately

Notes to the Consolidated Financial Statements continued

17. Provisions (continued)

	Rewards	Promotions	Total
	£'000	£'000	£'000
As at 1 February 2006	865	303	1,168
Established during the year	1,213	442	1,655
Utilised during the year	(898)	(395)	(1,293)
As at 31 January 2007	**1,180**	**350**	**1,530**
Established during the year	1,648	630	2,278
Utilised during the year	(1,131)	(422)	(1,553)
Exchange rate movement	101	40	141
As at 31 January 2008	**1,798**	**598**	**2,396**

Analysed as	**2008**	2007
	£000	£000
Current liabilities		
Rewards	**1,047**	650
Promotions	**492**	300
	1,539	950
Non current liabilities		
Rewards	**751**	530
Promotions	**106**	50
	857	580
	2,396	1,530

18. Share capital

	2008	2007
	£'000	£'000
Ordinary shares of 5p each Authorised 25,000,000 (2007 25,000,000)	**1,250**	1,250
Issued and fully paid 14,024,136 (2007 14,024,136)	**701**	701

Ordinary shares confer upon the holder the right to vote at company meetings and the right to receive any dividends payable

Notes to the Consolidated Financial Statements continued

19. Executive share option scheme

Under the terms of the Executive Share Option Scheme, adopted on 5 October 2000, the Board may offer options to purchase ordinary shares in Landround Plc to directors and senior employees at or above the market price on a date to be determined prior to the date of the offer

A reconciliation of option movements during the year is shown below

	2008 Number	**2008 Weighted average exercise price**	2007 Number	2007 Weighted average exercise price
Outstanding at start of period	**855,000**	**49p**	**668,161**	**189p**
Granted	**1,365,000**	**20p**	**755,000**	**40p**
Forfeited	**(855,000)**	**49p**	**(568,161)**	**202p**
Exercised	-	-	-	-
Outstanding at 31 January	**1,365,000**	**20p**	**855,000**	**49p**
Exercisable at 31 January	-	-	-	-

At 31 January 2008, options over 1,365,000 ordinary shares were outstanding under the Executive Share Option Scheme Details of outstanding share options, which are subject to certain performance conditions as detailed in the directors' remuneration report, are detailed below

Date of grant	Option Price per share	At 31 January 2008	Exercisable from	Exercisable to	Weighted average remaining contractual life
05/10/2007	0 20	1,365,000	05/10/10	05/10/17	9 7 years

The fair values of options granted during the year have been calculated using a variant of the Black-Scholes model assuming the inputs shown below

Grant date	05/10/2007
Share price at grant date	18 5p
Exercise price	20p
Option life in years	3
Risk free rate	4 7%
Expected volatility	16 1%
Fair value of option	3 6p
Expected dividend yield	Nil

Volatility has been estimated by taking the historical volatility in the company's share price over a one year period The resulting fair value is expensed over the service period of three years

Notes to the Consolidated Financial Statements continued

20. Statement of changes in equity

	Share capital £'000	Share based payment reserve £'000	Share premium £'000	Capital redemption reserve £'000	Translation reserve £'000	Retained earnings £'000	Total £'000
Balance at 31 January 2006	286	-	2,888	10	-	(1,424)	1,760
Total recognised income and expense	-	-	-	-	-	(2,023)	(2,023)
Shares issued in year	415	-	1,245	-	-	-	1,660
Share issue costs	-	-	(78)	-	-	-	(78)
Share-based payment charge	-	23	-	-	-	-	23
Balance at 31 January 2007	**701**	**23**	**4,055**	**10**	**-**	**(3,447)**	**1,342**
Total recognised income and expense	-	-	-	-	1	(1,719)	(1,718)
Share-based payment charge	-	25	-	-	-	-	25
Balance at 31 January 2008	**701**	**48**	**4,055**	**10**	**1**	**(5,166)**	**(351)**

Share capital represents the nominal value of equity shares

The share based payment reserve represents equity-settled share-based employee remuneration

Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue

The capital redemption reserve represents a fund into which profits are allocated for the purpose of redeeming or buying back shares in the company

Retained earnings represents the accumulated profits / (losses) available for distribution

The translation reserve represents the movement as a result of retranslation of foreign subsidiaries upon consolidation See also note 23

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Notes to the Consolidated Financial Statements continued

21 Acquisition of a subsidiary

On 19 July 2007, Landround plc acquired 100 per cent of the issued share capital of Fixed Fee Plus Limited for a cash consideration of £90,000 incurring directly attributable costs of £2,000 This transaction has been accounted for using the purchase method of accounting

	Fair value £'000	Acquiree's carrying amount £'000
Net assets acquired		
Cash and cash equivalents	80	80
Goodwill	12	
Total consideration including direct costs	92	
Satisfied by		
Cash	92	
Net cash outflow arising on acquisition		
Cash consideration		(92)
Bank balances and cash acquired		80
		(12)

Fixed Fee Plus Limited contributed £1,000 of revenue and £44,000 of net loss for the period between the date of acquisition and the balance sheet date If this acquisition had occurred on 1 February 2007 both group revenue and net loss would have been unchanged

The goodwill is attributable to the brand name and trading history of Fixed Fee Plus which we expect to give rise to synergistic benefits over the next financial year due to the previous customer base and trading reputation

The value of the resulting goodwill was not recognised as a separate intangible asset on the basis that it could not easily be separated from the value generated from the business as a whole

Notes to the Consolidated Financial Statements continued

22. Reconciliation of loss before taxation to cash generated from operations

	2008 £'000	2007 £'000
Loss before taxation	**(1,677)**	(1,963)
Depreciation	**185**	201
Goodwill impairment	**1,130**	-
Decrease in inventories	**22**	22
Decrease in receivables	**244**	973
Decrease in payables	**(426)**	(278)
Increase in provisions	**866**	362
Share based payments	**25**	23
Finance income	**(17)**	(11)
Finance costs	**37**	80
Cash generated from / (used in) operations	**389**	(591)

23. Foreign exchange translation reserve.

The group currently trades in three currencies which are Sterling, Euro and Swedish Krona ("SEK")

Analysis of translation differences	**2008 £'000**	2007 £'000
Translation of Euro balances	5	-
Translation of SEK balances	(4)	-
	1	-

Notes to the Consolidated Financial Statements continued

24. Financial instruments

Fair value of financial instruments

Financial instruments principally comprise short term trade receivables and payables and short term cash and cash equivalents and as such there is no difference between the fair and book values of the group's financial instruments as at 31 January 2008 and 31 January 2007

Financial risks

Exposure to liquidity, foreign exchange, credit and interest rate risk arises in the normal course of the group's business

Activities to manage and mitigate these risks are managed on a group basis under policies and procedures approved and monitored by the Board

Liquidity Risk
Liquidity risk is the principal risk facing the group Cashflows are reviewed daily and rigorous cashflow forecasts are prepared on a monthly basis which would highlight any liquidity issues before they arose

The historic age profile of trade payables for the group at the year end was as follows

	2008 £'000	2007 £'000
Trade payables		
0-30 days	**80**	217
31-60 days	**153**	151
61-90 days	**115**	160
90+ days	**34**	167
	382	695

Generally the group will aim to settle trade payables close to the end of the month following date of invoice which on average equates to creditor days of 45 However extended terms have been negotiated with a number of suppliers and in addition at any one time there are always a number of invoices in dispute

The trade payable ageing analysis is reviewed by the Board on a monthly basis, in conjunction with the cashflow forecast This process highlights at an early stage any liquidity risk relating to trade payables

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Notes to the Consolidated Financial Statements continued

24. Financial instruments (continued)

Foreign currency risk

Fluctuations in exchange rate represent a significant financial risk facing the group as a reasonably significant proportion of its revenues are denominated in foreign currency

The group reduces its exposure to exchange risk primarily by attempting to match as far as practicable the amount and currency of net assets with that of borrowings and liabilities

There were no hedging or foreign currency contracts entered into the year or the previous year, although the Board continually monitors this alternative for cost effectiveness

An analysis of trade and other receivables by currency is as follows

	2008 £'000	2007 £'000
Sterling	166	27
Euro	299	313
Swedish Krona	8	-
	473	340

An analysis of trade and other payables by currency is as follows

	2008 £'000	2007 £'000
Sterling	543	1,109
Euro	439	416
Swedish Krona	117	-
	1,099	1,525

An analysis of cash and cash equivalents by currency is as follows

	2008 £'000	2007 £'000
Sterling	(234)	(61)
Euro	994	640
Swedish Krona	356	146
	1,116	725

The Board regularly reviews both the group's foreign currency profile and exchange rate market movements in order to evaluate whether to hedge any significant risk via a financial instrument

The closing exchange rates prevailing at the balance sheet dates were as follows

	2008 Closing rate	2007 Closing rate
Euro	0.7429	0 6800
Swedish Krona	0.0793	0 0725

Both the Euro and the Swedish Krona have strengthened against the pound by approximately 10% during the course of the year which is a significant movement

In terms of sensitivity, if there had been no exchange rate movement in the year in either currency the loss for the year would have increased by approximately £19,000 and equity would have decreased by approximately £20,000

Notes to the Consolidated Financial Statements continued

24. Financial instruments (continued)

Interest rate risk
The group has a small overdraft facility of £350,000 which is rarely utilised to its full extent, but its primary exposure to interest rate risk stems from its net sterling overdraft at times where large foreign currency cash balances are being held The risk is however small in overall terms and again this is regularly monitored and reviewed by the Board

The interest rate exposure of the group in relation to bank balances is as follows

	2008 £'000	2007 £'000
Fixed rate	**-**	-
Floating rate	**945**	217
Non interest bearing	**171**	508
	1,116	725

Due to the relatively small overdraft facility available and the fact that every attempt is made to maximise the overall interest position, the directors do not believe that interest rate risk is significant In terms of sensitivity if LIBOR had been 1% higher on average over the course of the year to 31 January 2008, the overall finance expense would have increased only marginally by approximately £3,000

Credit risk
Credit risk relates to trade customers and cash balances held on deposit

As disclosed in note 13 credit risk relating to trade customers is negligible The majority of the group's major customers are major blue chip organisations and smaller customers are vetted as appropriate prior to entering into agreements
There is no business requirement for credit insurance

The age profile of trade receivables for the group was as follows

	2008 £'000	2007 £'000
Trade receivables		
0-30 days	**376**	163
31-60 days	**-**	58
61-90 days	**-**	29
90+ days	**2**	7
	378	257

The group operates strict payment terms of between 7 and 30 days to which the majority of customers comply

Notes to the Consolidated Financial Statements continued

24 Financial instruments (continued)

Credit risk (continued)

Analysis of cash balances	2008 £'000	2007 £'000
Cash balances held (excluding overdrafts)		
HSBC (UK)	-	291
Barclays (UK)	4	38
Anglo Irish (UK)	641	301
Banesto (Spain)	452	27
Bank of Ireland (Ireland)	145	62
Other	13	6
	1,255	725

The group has a policy of only depositing cash with large financial institutions

Cash and cash equivalents
Cash held on deposit has a maturity of less than three months, analysed as follows

	2008 £'000	2007 £'000
Cash held in current accounts	(139)	387
Short term investments	1,255	338
	1,116	725

Short term investments consist of funds held on deposit only with major banks

Borrowing facilities
The group has a £350,000 bank overdraft with HSBC bank repayable on demand and secured by a fixed and floating charge over the group's financial assets The facility is due for renewal in November 2008

As at 31 January 2008 £139,000 of this facility was being utilised (31 January 2007 nil)

Notes to the Consolidated Financial Statements continued

25 Commitments

Operating lease arrangements

The minimum lease payments under non-cancellable operating lease rentals are in aggregate as follows

Amounts due	2008 £'000	2007 £'000
Within one year	**158**	188
Between one and five years	**499**	519
After five years	**29**	153
	686	860

Operating lease payments primarily represent rentals payable by the group for certain of its office properties Leases are negotiated for an average term of sixteen years and rentals are fixed for an average of five years

The group also has three operating leases for vehicles There are no obligations to renew or purchase these vehicles after the leases expire in 1-3 years
All contingent rents payable by the group are determined by the supplier

Capital commitments

The group did not have any capital commitments as at 31 January 2008 (31 January 2007 nil)

26. Related party transactions

Information regarding key management is disclosed in note 5

As disclosed in the Directors Report

- Bluehone Investors LLP received fees of £20,000 (2007 £2,000) in respect of services provided to the group during the period William Brown, a non-executive director, is the senior partner within Bluehone
- Alan Williamson, another non-executive director, received fees of £5,000 (2007 nil) in addition to his normal emoluments in respect of consultancy services provided to the group during the year

Notes to the Consolidated Financial Statements continued

27. Accounting estimates and judgements

Some assets and liabilities reported in the financial statements are based on management estimates and assumptions There is therefore a risk of significant changes to the carrying amounts for these assets and liabilities within the next financial year The estimates and assumptions are made on the basis of information and conditions that exist at the time of the valuation

Share based payment
The calculation of the charge to the income statement in relation to options and incentive plans is based on a variant of the Black-Scholes valuation model The calculation used requires a number of assumptions to be made including those in relation to share price volatility, risk free rate, dividend yields, staff behavioural patterns and the likelihood of applicable performance conditions being met

Impairment provisions
An impairment provision of £1,130,000 against the carrying value of goodwill relating to the Travel Offers acquisition in January 2000 has been made in the year as detailed in note 4
The impairment tests require a number of assumptions and judgements to be made An explanation of these judgements and estimations are detailed in the accounting policies note and also in note 10

Redemption provision
The amounts provided for future redemptions are subject to a number of assumptions and estimates Further information on the methodology used to calculate the provision is provided in the accounting policies note and also in note 17

Deferred tax asset
The recognition of the deferred tax asset is based on an expectation of the group returning to profitability in the year to January 2009 This expectation is itself based on profit forecasts which the directors are confident are realistic and achievable Achieving these forecasts is dependent on a continued improvement in business performance, albeit to a lesser degree than that achieved in the year to 31 January 2008

Notes to the Consolidated Financial Statements continued

28. IFRS transition / UK GAAP amendments

Reconciliations of the impact of the adoption of IFRS and amendments made to UK GAAP are set out below, together with explanatory comments

Income statement reconciliation for the year ended 31 January 2007

	UK GAAP as reported £'000	Revenue Recognition £'000	UK GAAP restated £'000	Goodwill £'000	Deferred Tax £'000	IFRS £'000
Revenue	9,730	(4,457)	5,273	-	-	5,273
Cost of sales	(6,839)	4,457	(2,382)	-	-	(2,382)
Gross Profit	**2,891**	-	**2,891**	-	-	**2,891**
Administration expenses	(4,893)	-	(4,893)	108	-	(4,785)
Loss from operations	**(2,002)**	-	**(2,002)**	**108**	-	**(1,894)**
Net finance expense	(69)	-	(69)	-	-	(69)
Loss before taxation	**(2,071)**	-	**(2,071)**	**108**	-	**(1,963)**
Income tax expense	(75)	-	(75)	-	15	(60)
Loss for the period	**(2,146)**	-	**(2,146)**	**108**	**15**	**(2,023)**

Notes to the Consolidated Financial Statements continued

28. IFRS transition / UK GAAP amendments (continued)

Balance sheet reconciliation as at 1 February 2006 (IFRS transition date)

	UK GAAP as reported	Deferred Tax	Reclassifications	IFRS
	£'000	£'000	£'000	£'000
Non current assets				
Goodwill	1,480	-	-	1,480
Property, plant and equipment	620	-	-	620
Deferred tax asset	437	97	141	675
	2,537	97	141	2,775
Current assets				
Inventories	90	-	-	90
Trade and other receivables	1,990	-	-	1,990
Cash and cash equivalents	617	-	-	617
Current tax asset	472	-	(141)	331
	3,169	-	(141)	3,028
Total assets	5,706	97	-	5,803
Current liabilities				
Financial liabilities	(1,073)	-	-	(1,073)
Trade and other payables	(1,799)	-	-	(1,799)
Current tax	(3)	-	-	(3)
Provisions	-	-	(726)	(726)
	(2,875)	-	(726)	(3,601)
Non current liabilities				
Provisions	(1,168)	-	726	(442)
	(1,168)	-	726	(442)
Total liabilities	(4,043)	-	-	(4,043)
Net assets	**1,663**	**97**	**-**	**1,760**
Equity				
Share capital	286	-	-	286
Share premium	2,888	-	-	2,888
Capital redemption reserve	10	-	-	10
Retained earnings	(1,521)	97	-	(1,424)
Total equity	**1,663**	**97**	**-**	**1,760**

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Notes to the Consolidated Financial Statements continued

28. IFRS transition / UK GAAP amendments (continued)

Balance sheet reconciliation as at 31 January 2007

	UK GAAP as reported £'000	Goodwill £'000	Deferred Tax £'000	Reclassifications £'000	IFRS £'000
Non current assets					
Goodwill	1,372	108	-	-	1,480
Property, plant and equipment	449	-	-	-	449
Deferred tax asset	496	-	112	5	613
	2,317	108	112	5	2,542
Current assets					
Inventories	68	-	-	-	68
Trade and other receivables	1,017	-	-	-	1,017
Cash and cash equivalents	725	-	-	-	725
Current tax asset	50	-	-	(5)	45
	1,860	-	-	(5)	1,855
Total assets	**4,177**	**108**	**112**	**-**	**4,397**
Current liabilities					
Trade and other payables	(1,525)	-	-	-	(1,525)
Provisions	-	-	-	(950)	(950)
	(1,525)	-	-	(950)	(2,475)
Non current liabilities					
Provisions	(1,530)	-	-	950	(580)
	(1,530)	-	-	950	(580)
Total liabilities	**(3,055)**	**-**	**-**	**-**	**(3,055)**
Net assets	**1,122**	**108**	**112**	**-**	**1,342**
Equity					
Share capital	701	-	-	-	701
Share based payment reserve	23	-	-	-	23
Share premium	4,055	-	-	-	4,055
Capital redemption reserve	10	-	-	-	10
Retained earnings	(3,667)	108	112	-	(3,447)
Total equity	**1,122**	**108**	**112**	**-**	**1,342**

Notes to the Consolidated Financial Statements continued

28. IFRS transition / UK GAAP amendments (continued)

Explanatory Comments

In preparing this annual report, the group has elected to apply the following transitional arrangements permitted by IFRS1 'First time adoption of International Financial Reporting Standards'

- Business combinations effected before 1 February 2006 have not been restated
- The carrying amount of capitalised goodwill at 31 January 2006 that arose on business combinations accounted for using the acquisition method under UK GAAP was frozen at this amount and tested for impairment at 1 February 2006
- Cumulative translation differences at the date of transition have been stated at zero at 1 February 2006
- IFRS 2 'Share based payments' has not been applied to share-based payments granted before 7 November 2002 nor those granted after 7 November 2002 that had vested prior to 1 February 2006

The reconciling items – both those arising as a result of implementing IFRS as well as those arising as a result of adjustments made under UK GAAP - are explained below

Goodwill
- Amortisation charged from 1 February 2006 has been removed, reducing the level of administration expenses in both restated periods

Deferred taxation
- Deferred taxation is now recognised in accordance with IAS 12 'Income taxes' The only material difference to UK GAAP is that deferred tax assets are no longer discounted, hence the discount element of the asset under UK GAAP has been reversed

Revenue Recognition
- In order to facilitate better understanding of the restatements, the impact of the revenue recognition policy referred to in note 1 has been included within the reconciliations, disclosed as an amendment to revenues reported under UK GAAP

Reclassifications
- Under UK GAAP, the provision for estimated future redemption costs was classified within provisions for liabilities and charges Under IFRS, provisions are required to be split between current and non current liabilities This change has been presented within the IFRS balance sheet reconciliations, again for the sake of clarity
- Under UK GAAP, deferred tax assets were split between debtors falling due within one year and debtors falling due after more than one year Under IFRS, deferred tax assets are presented in non current assets in their entirety

Translation reserve
- The directors deem the translation reserve to be zero at IFRS transition date This year's movements are reconciled in note 23

Cashflow
- The impact of IFRS on the cashflow statement is restricted to changes in presentation and classification, the overall net cashflows in all periods are unchanged

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Company Balance Sheet as at 31 January 2008

	Note	2008 £'000	2007 £'000
Non current assets			
Investments	2	336	230
		336	230
Current assets			
Trade and other receivables	4	23	4,801
Cash and cash equivalents		-	1,575
		23	6,376
Total assets		359	6,606
Current liabilities			
Financial liabilities	5	(16)	-
Trade and other payables	6	(26)	(15)
		(42)	(15)
Non current liabilities			
		-	-
		-	-
Total liabilities		(42)	(15)
Net assets		317	6,591
Equity			
Share capital	7	701	701
Share premium	8	4,055	4,055
Share option reserve	8	48	23
Capital redemption reserve	8	10	10
Retained earnings	8	(4,497)	1,802
Total equity		317	6,591

The company financial statements on pages 51 to 62 were approved by the Board of Directors and authorised for issue on 22 May 2008 and were signed on its behalf by

Colin J Gibson
Director

Anthony J Pope
Director

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Company Cashflow Statement for the year ended 31 January 2008

	Note	2008 £'000	2007 £'000
Operating activities			
Cash used in operations	11	(1,490)	(8)
Net cash used in operating activities		(1,490)	(8)
Investing activities			
Interest received		1	-
Acquisition of subsidiaries		(92)	-
Investments in subsidiaries		(10)	-
Net cash used in investing activities		(101)	-
Financing activities			
Proceeds from issue of shares (net of expenses)		-	1,582
Net cash from financing activities		-	1,582
Net (decrease) / increase in cash and cash equivalents		(1,591)	1,574
Cash and cash equivalents at the beginning of the period		1,575	1
Cash and cash equivalents at the end of the period		(16)	1,575

Notes to the Company Financial Statements for the year ended 31 January 2008

1. Accounting policies

Landround plc is a company incorporated in England and Wales under the Companies Act 1985 and domiciled in the UK The registered office is The Quadrant, Sealand Road, Chester, CH1 4QR

Basis of preparation
The separate financial statements of Landround plc have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretation Committee (IFRIC) interpretations adopted by the European Union (EU) and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS

The financial statements have been prepared on the historical cost basis, except for equity settled share based payments where grant date fair value is used

Previously the company has reported using UK Generally Accepted Accounting Principles ('UK GAAP')

Transition to adopted IFRSs
There was no impact on the company's results as a result of the transition to IFRS

New accounting standards
IFRS 7 'Financial Instruments Disclosures' and amendments to IAS 1 'Presentation of Financial Statements – Capital Disclosures' was issued in August 2005 and is effective for accounting periods beginning on or after 1 January 2007 This standard has been adopted by the company for the first time and has had no effect on the results or assets in the current or previous periods

Foreign currency
Transactions
The presentational currency of the company is pounds sterling Transactions in currencies other than the functional currency are recorded at the month end rates prevailing according to date of transaction

At each balance sheet date, monetary assets and liabilities that are denominated in foreign currency are retranslated at exchange rates prevailing on the balance sheet date

Non monetary assets are held at historic rate except for those that are remeasured to fair value, which are retranslated using the exchange rates prevailing at the date of the latest valuation

Gains and losses arising on retranslation and settlements are included in the income statement for the period, except for exchange differences arising on non monetary assets and liabilities where the changes in fair value are recognised directly in equity

Impairment of non current assets
The carrying amounts of the company's non current assets are reviewed where there is any indication of impairment If any such indication exists then the asset's recoverable amount is estimated

Recoverable amount is the higher of fair value less costs to sell and value in use In assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, for which the estimates of future cash flows have not been adjusted

Notes to the Company Financial Statements continued

1. Accounting policies (continued)

Financial instruments
Financial instruments are recognised when the company becomes a party to the contractual provisions of the instrument in question

The following valuation methods are used in measuring the company's financial instruments

Trade and other receivables
Trade and other receivables are initially recorded at their fair value and subsequently measured at their amortised cost They are tested for impairment when there is objective evidence of impairment An impairment exists when the carrying value of the receivable exceeds the present value of the future cashflows discounted using the effective rate of interest Impairment losses are recognised by way of an allowance account and the cost recognised in the income statement

Cash and cash equivalents
Cash and cash equivalents comprise cash and overdraft balances with bank and call deposits with a maturity of three months or less

Where there is no legal right of set off and where intended settlement is not on a net basis, bank overdrafts are disclosed as financial liabilities For the purposes of the cashflow statement, the overdraft balances have been included as cash and cash equivalents as they are considered to be an integral part of the group's operational cash management process

Trade and other payables
Trade and other payables are not interest bearing and are stated at amortised cost

Equity instruments
Equity instruments are stated at par value Premiums on issue are taken to the share premium reserve

Finance payments associated with financial instruments that are classified as equity are dividends and are recorded directly in equity Finance payments associated with financial liabilities (non equity) are dealt with as part of finance costs

Investments in subsidiaries
Investments in subsidiary undertakings are initially recorded at cost and only subsequently written down to their recoverable amount when there is objective evidence of impairment Impairment losses arise when the carrying value of the investment exceeds the recoverable amount and are recognised in profit or loss in the period in which they arise

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Notes to the Company Financial Statements continued

1. Accounting policies (continued)

Share based payment transactions
The company issues equity settled share based payment transactions to certain employees A fair value for the equity settled share awards is measured at the date of grant The company measures the fair value using a variant of the Black-Scholes model

The fair value of each award is recognised as an expense over the vesting period on a straight-line basis The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations

Where relevant, the value of the option has also been adjusted to take account of market conditions applicable to the option

Where options are subject to market performance conditions, an assessment is performed of the likelihood of achieving the conditions as part of the overall calculation of the charge

When replacement options are issued, these are accounted for in the same way as if they were a modification of the original grant

2. Investments in subsidiary undertakings

	£'000
Balance as at 31 January 2007 and 31 January 2006	**230**
Fixed Fee Plus Limited (acquired 19 July 2007)	92
Travel Rewards AB	7
Compra y Vuela SL	3
Landround Marketing Limited	4
Balance as at 31 January 2008	**336**

Fixed Fee Plus was acquired on 19th July 2007 – see note 9 for further information

The investments relating to Travel Rewards AB and Compra y Vuela SL relate to the initial capitalisations of those companies on incorporation

The investment in Landround Marketing Limited in the year comprises the element of the share based payment charge which relates to employees of Landround Marketing Limited

Notes to the Company Financial Statements continued

3. Subsidiary undertakings

Details of the company's subsidiaries at 31 January 2008 are as follows

Subsidiary undertakings	Country of incorporation	Ownership	Type of business
Landround Marketing Limited	UK	100%	Sale of marketing products
Landround Travel Limited	UK	100%	Travel agent & tour operator
Travel Offers Limited	UK	100%	Sale of hotel directories
Fixed Fee Plus Limited (acquired 19th July 2007)	UK	100%	Sale of marketing products
buy and fly! Limited	UK	100%	Dormant
White Label Rewards Limited	UK	100%	Sale of marketing products
Travel Rewards AB Limited	Sweden	100%	Dormant
Compra y Vuela SL	Spain	100%	Sale of marketing products
Landround Deutschland GmbH	Germany	100%	Dormant

All investments in subsidiary companies are held directly by the company, with the exception of buy and fly! Limited which is owned by Travel Offers Limited

Landround Deutschland GmbH ceased trading at the end of December 2007 and is now dormant

4. Trade and other receivables

	2008	2007
	£'000	£'000
Other taxation and social security	1	17
Intercompany	-	4,707
Prepayments	22	77
	23	4,801

A provision of £6,288,000 against the intercompany balance with Landround Marketing Limited was made in the year

5. Financial liabilities

	2008	2007
	£'000	£'000
Bank Overdraft	16	-
	16	-

Notes to the Company Financial Statements continued

6. Trade and other payables

	2008 £'000	2007 £'000
Trade payables	**11**	10
Accruals	**15**	5
	26	15

7 Share capital

	2008 £'000	2007 £'000
Ordinary shares of 5p each Authorised 25,000,000 (2007 25,000,000)	**1,250**	1,250
Issued and fully paid 14,024,136 (2007 14,024,136)	**701**	701

Ordinary shares confer upon the holder the right to vote at company meetings and the right to receive any dividends payable

8. Statement of changes in equity

	Share capital £'000	Share based payment reserve £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
Balance at 31 January 2006	286	-	2,888	10	1,813	4,997
Total recognised income and expense	-	-	-	-	(11)	(11)
Shares issued in year	415	-	1,245	-	-	1,660
Share issue costs	-	-	(78)	-	-	(78)
Share-based payment charge	-	23	-	-	-	23
Balance at 31 January 2007	**701**	**23**	**4,055**	**10**	**1,802**	**6,591**
Total recognised income and expense	-	-	-	-	(6,299)	(6,299)
Share-based payment charge	-	25	-	-	-	25
Balance at 31 January 2008	**701**	**48**	**4,055**	**10**	**(4,497)**	**317**

Notes to the Company Financial Statements continued

9. Acquisition of a subsidiary

The company acquired one subsidiary in the year to 31 January 2008, Fixed Fee Plus Limited See note 21 of the consolidated financial statements for information relating to this acquisition

10 Loss recorded by the company

As permitted by s230 Companies Act 1985, the company has not presented its own income statement The loss attributable to shareholders of the parent company is £6,299,000 (2007 £11,000) There were no other recognised gains or losses in either year

Landround plc has taken the exemption permitted by SI 2005 2417 Reg 5 to omit information about it's individual accounts

11. Reconciliation of loss before taxation to cash used in operations

	2008 **£'000**	2007 £'000
Loss before taxation	**(6,299)**	(11)
Decrease / (increase) in receivables	**4,778**	(35)
Increase in payables	**11**	15
Share based payments	**21**	23
Finance income	**(1)**	-
Cash used in operations	**(1,490)**	(8)

Notes to the Company Financial Statements continued

12. Financial instruments

Fair value of financial instruments

Financial instruments principally comprise short term trade receivables and payables and short term cash and cash equivalents and as such there is no difference between the fair and book values of the company's financial instruments as at 31 January 2008 and 31 January 2007

Financial risks

Exposure to liquidity, foreign exchange, credit and interest rate risk arises in the normal course of the group's business

Activities to manage and mitigate these risks are managed on a group basis under policies and procedures approved and monitored by the Board

Liquidity Risk
Liquidity risk is the principal risk facing the company and is managed on a group wide basis as detailed in note 24 of the consolidated financial statements

The historic age profile of trade payables for the company at the year end was as follows

	2008 £'000	2007 £'000
Trade payables		
0-30 days	**2**	-
31-60 days	**1**	10
61-90 days	**-**	-
90+ days	**8**	-
	11	10

Foreign currency risk
Although fluctuations in exchange rate represent a significant financial risk facing the group, the company is unaffected as all its transactions are denominated in sterling

Interest rate risk
Interest rate risk is managed on a group wide basis as detailed in note 24 of the consolidated financial statements

Credit risk
The company does not generate revenues and as such there is no external credit risk attached to external trade customers

The company does have on occasion receivables due from other group companies which are repayable on demand However, as financial risk is managed on a group wide basis, it is extremely unlikely that repayment of these balances will be demanded The company has made a provision in the year of £6,288,000 against the full value of its intercompany receivable due from Landround Marketing Limited

The company did not have any cash balances on deposit at the year end At 31 January 2007 the company had £1,575,000 in its account with HSBC but as this was set off against other group HSBC accounts there was no credit risk attached

Notes to the Company Financial Statements continued

12. Financial instruments (continued)

Cash and cash equivalents
Cash held on deposit has a maturity of less than three months, analysed as follows

	2008 £'000	2007 £'000
Cash held in current accounts at HSBC	**(16)**	1,575
	(16)	1,575

Cash held by the company carries is offset for interest purposes against cash balances held by other group companies

Borrowing facilities
Banking facilities are managed on a group basis, as detailed in note 24 of the consolidated financial statements

13. Commitments

The company did not have any operating or capital commitments as at 31 January 2008 or 31 January 2007

14. Related party transactions

Key management comprises the directors and relevant information is disclosed in the Directors' Report within the consolidated report and financial statements

In addition (also as disclosed in the Directors' Report)

- Bluehone Investors LLP received fees of £20,000 (2007 £2,000) in respect of services provided to the group during the period William Brown, a non-executive director, is the senior partner within Bluehone
- Alan Williamson, another non-executive director, received fees of £5,000 (2007 nil) in addition to his normal emoluments in respect of consultancy services provided to the group during the year

The company has also transacted with some of its subsidiary companies for the purposes of group cash management There were no trading activities or transfers of any other kind with any related party during either period

Intercompany receivables disclosed in note 4 are analysed by subsidiary company as follows

	2008 £'000	2007 £'000
Landround Marketing Limited	-	4,707
	-	4,707

All intercompany financing balances are repayable on demand, although in practice such demands are very unlikely to materialise as cash balances are managed on a group wide basis in order to maximise the overall group position

A provision of £6,288,000 was made in the year against the balance with Landround Marketing Limited

Notes to the Company Financial Statements continued

15. Accounting estimates and judgements

Some assets and liabilities reported in the financial statements are based on management estimates and assumptions There is therefore a risk of significant changes to the carrying amounts for these assets and liabilities within the next financial year The estimates and assumptions are made on the basis of information and conditions that exist at the time of the valuation

Share based payment
The calculation of the charge to the income statement in relation to options and incentive plans is based on a variant of the Black-Scholes valuation model The calculation used requires a number of assumptions to be made including those in relation to share price volatility, movement in risk free rate, dividend yields, staff behavioural patterns and the likelihood of applicable market performance conditions being met

16. IFRS transition

The adoption of IFRS has had no impact on the result, balance sheets or cashflows of the company and as such no reconciliations are presented

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Recent accounting developments

The following standards, amendments and interpretations have been reviewed by the directors to establish the impact on the group and parent company financial statements

• IFRIC 11 'Scope of IFRS 2 – group and treasury share based payment transactions' gives guidance on the accounting treatment of share based payment transactions within a group and is effective for periods beginning on or after 1 March 2007 As the adoption will require intra-group transfers which will be eliminated on consolidation, there will be no effect on the results or net assets of the group

• IFRIC 12 'Service concession arrangements' gives guidance on the accounting treatment relating to service arrangements over public infrastructures and is effective for periods beginning on or after 1 January 2008 As the group does not enter into such arrangements, the adoption will have no impact upon the results or net assets of the group

• IFRIC 13 – 'Customer loyalty programmes' gives guidance on the treatment of the grant of award credits under a customer loyalty programme and is effective for periods beginning on or after 1 July 2008 The directors have concluded that it will have no impact on the group, as the guidance addresses the accounting treatment to be adopted by entities that award loyalty credits to their customers and does not apply to external providers of loyalty programmes

• IFRIC 14 'Scope of IAS19 - 'The limit on a defined benefit asset, minimum funding requirements and their interaction' gives guidance on accounting for a pension surplus and is effective for periods beginning on or after 1 January 2008 As the group does not operate a defined benefit scheme, the adoption will have no impact upon the results or net assets of the group

• IAS 27 'Consolidated and separate financial statements' – Revision The revision is part of the second phase of the business combinations project between the International Accounting Standards Board and the US Financial Accounting Standards Board The main amendments relate to the accounting for minority interests and the loss of control of a subsidiary The revision is effective for periods commencing on or after 1 July 2009 The directors do not believe the adoption of this revision will have any impact on the business

• IFRS 8 'Operating segments' was issued in November 2006 and is effective for periods beginning on or after 1 January 2009 This will affect the disclosure in the notes only and therefore the adoption will have no impact on the results or net assets of the group

The following standards, amendments and interpretations - which are not yet effective - are still under review as to their potential effect on the group and parent company financial statements

• IAS 1 'Presentation of financial statements' – Revision This revision aims to assist users in their ability to analyse and compare the information given in the financial statements Changes include amendments to some of the titles of the financial statements and to the components of financial statements The revision is effective for periods commencing on or after 1 January 2009

• IAS 23 'Borrowing costs' – Revision This revision eliminates the option to expense borrowing costs to the income statement as incurred and is effective for periods commencing on or after 1 January 2009

• IFRS 3 'Business combinations' – Revision The revision is part of the second phase of the business combinations project between the International Accounting Standards Board and the US Financial Accounting Standards Board The main changes include the scope, accounting for costs and post acquisition changes to contingent consideration, accounting for goodwill and accounting for business combinations achieved in stages There is additional guidance on recognition and measurement of fair values and on determining the component parts of the business combination transaction There are also a number of changes to disclosure requirements The revision is effective for periods beginning on or after 1 January 2009

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Investor Information

Directors

Non-Executive Chairman	David G Owen
Chief Executive	Colin J Gibson
Finance Director	Anthony J Pope
Travel Director	Franco Sessini
Non-Executive Director	William D Brown
Non-Executive Director	Alan N Williamson

Secretary
Anthony J Pope

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