



THE WEATHER LOTTERY PLC
PRELIMINARY ANNOUNCEMENT OF AUDITED RESULTS
28 January 2009

PRELIMINARY ANNOUNCEMENT OF AUDITED RESULTS
FOR THE YEAR ENDED 31 JULY 2008
CHIEF EXECUTIVE'S STATEMENT

Operating Review

This period was a further year of consolidation for the lottery

Lottery lines played stayed level at approximately 27,000. Enquiries are still very healthy but the translation of these to playing lines has proved elusive.

The company finances have improved from the year ending 31st July 2007 which showed a loss of £162,000 to the point of a small profit in the second half of 2008 with the overall figures for the year showing a small loss of £21,000.

Financial review

There showed a loss of £21,000 for the year (noting a small profit in the second half of 2008) against a loss of £162,000 in the year ended 31 July 2007.

Strategy and Outlook

The Weather Lottery's objective remains to build and expand its paper based and online entry for Society Lotteries in the fields of Charity, Education and Sport. Whilst considerable progress has been made in establishing these services much has still to be done to improve, expand and enhance them.

A new secondary lottery has been launched which gives the Societies a larger return and it is hoped that this will encourage new Societies to join.

Enquiries are very healthy, and new systems of closing are now in place.

A complete website re-launch has been finalised in October 2008 creating clarity to the navigation and fundraising element. One of the major benefits of the new website is that a client can now register online.

County Seminars will be developed and held on a monthly basis.

It is intended to enhance shareholder value by continued expansion of business both organically and by strategic acquisition if available.

It is our multi-year experience that clients are maintained and we have placed systems in order to maintain growth for all clients.

The Weather Lottery is registered and governed by the Gambling Commission, without which we could not trade, under the new Gaming Act 2005 and we do not

anticipate any changes to the law which would affect our business.

I look forward to 2008/9 being pivotal in the development of your company as it is poised and has in place the facilities to allow it to take opportunities to grow to a higher level.

Proposed Dividend

The directors do not recommend the payment of a dividend (2007: £Nil).

The Current Structure

In the year the Group operated via two trading subsidiaries:

Prize Provision Services Ltd - this holds the lottery licence with the Gambling Commission and is the company through which monies are received from players and payments are made in prizes and to clients;

Lottery Service Providers Ltd - this provides the administration function of the lottery.

After the year end Lottery Service Providers Ltd was placed into a Creditors' Voluntary Liquidation and this function for the Group is now provided through a newly formed company, Prize Logistics Ltd. This will strengthen the groups finances.

Keith Milhench
Chief Executive
28 January 2009

Enquiries:

The Weather Lottery PLC 01777 818036
Keith Milhench, Chief Executive
Website www.theweatherlottery.com

SVS Securities 020 7638 5600
Ian Callaway/Peter Manfield

Blomfield Corporate Finance Ltd 020 7489 4500
Nick Harriss/Peter Trevelyan-Clark

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 JULY 2008

	Year ended 31 July 2008	Year ended 31 July 2007
	£'000	£'000
Revenue	1,448	1,500
Cost of sales	(387)	(530)
Gross profit	1,061	970
Administrative expenses	(1,087)	(1,133)
Finance income	5	1

Finance costs	-	-
Profit before taxation	(21)	(162)
Income tax expense	-	-
Profit for the period	(21)	(162)
	=====	=====
EARNINGS PER SHARE		
Basic and fully diluted profit per ordinary share	(0.03)p	(0.21)p
	=====	=====

All of the loss for the period is attributable to equity holders of the parent company.

CONSOLIDATED BALANCE SHEET AS AT 31 JULY 2008

	2008	2007
	£'000	£'000
ASSETS		
Non current assets		
Goodwill	158	158
Other intangible assets	25	40
Total non current assets	183	198
Current assets		
Trade and other receivables	34	47
Cash and cash equivalents	105	121
Total current assets	139	168
TOTAL ASSETS	322	366
	=====	=====
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	83	83
Share premium account	302	302
Retained earnings	(332)	(311)
Total equity	53	74
Current liabilities		
Trade and other payables	269	292
Current tax payable	-	-
Total current liabilities	269	292
Non-current liabilities		
Deferred tax provision	-	-
Total liabilities	269	292
TOTAL EQUITY AND LIABILITIES	322	366
	=====	=====

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2008

	Called up share capital	Share premium account	Retained Earnings	Total Equity
	£'000	£'000	£'000	£'000
Balance 31 July 2006	73	245	(149)	169
Issue of shares	10	57	-	67
(Loss) for the year	-	-	(162)	(162)
Balance 31 July 2007	83	302	(311)	74
(Loss) for the year	-	-	(21)	(21)
Balance 31 July 2008	83	302	(332)	53

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2008

	Year ended 31 July 2008 £'000	Year ended 31 July 2007 £'000
Net cash from operating activities	(21)	(187)
Cashflow from investing activities		
Interest received	5	1
Net cash from investing activities	5	1
Financing		
Proceeds from issue of shares	-	67
Net cash from financing activities	-	67
Net (decrease) in cash and cash equivalents	(16)	(119)
Cash and cash equivalents at 1 August	121	240
Cash and cash equivalents at 31 July	105	121
Comprising of:		
Cash and cash equivalents per the balance sheet	105	121
Less:		
Bank overdraft	-	-
Cash and cash equivalents for cash flow statement purposes	105	121

Bank overdrafts repayable on demand fluctuate from being positive to overdrawn and are considered an integral part of the Group's cash management for cash flow statement purposes.

There is no material difference between the fair value and the book value of

cash and equivalents.

NOTES

1. Nature of Financial Information; Emphasis of matter - Going concern

The financial information contained in this preliminary results announcement does not constitute statutory accounts within the meaning of Section 434 Companies Act 2006 (the 'Act'). It has been extracted from the statutory accounts for the year ended 31 July 2008 which have not yet been delivered to the registrar of companies and upon which the auditors reported without qualification and with no statement under Section 498(2) or 498(3) of the Act.

The auditors, in forming their opinion on the financial statements of both the Group and the Parent Company, which is not qualified, considered the adequacy of the disclosure made in note 28 to the consolidated financial statements concerning events after the balance sheet date (reproduced as note 7 below) and the ability to continue as a going concern. The Group incurred another loss in the year of £21,000 in addition to losses made in the previous two years. The Parent Company incurred a net loss of £284,000 during the year ended 31 July 2008 and, at that date, had liabilities of £7,000, as a result of providing against amounts owed to it from a subsidiary undertaking. That subsidiary was placed into Creditors' Voluntary Liquidation after the year end. These conditions, along with matters explained in note 28 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group and Parent Company's ability to continue as going concerns. The financial statements do not include the adjustments that would result if the Group and Parent Company were unable to continue as going concerns.

2. Adoption of new and revised International Financial Reporting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 April 2007. The adoption of the following IFRSs has not impacted the audited financial statements.

IFRIC 10 - Interim Financial Reporting and Impairment

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

IFRS 8 - Operating Segments

IAS 23 - Borrowing Costs

IFRIC 11- Group and Treasury Share Transactions

IFRIC 12 - Service Concession Arrangements

These Standards and Interpretations are not expected to have any significant impact on the Group's Financial Statements, in their periods of initial application, except for the additional disclosures on operating segments when the relevant standard comes into effect for periods commencing on or after 1 January 2009.

Basis of Accounting

The Financial Statements, upon which this financial information is based, have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS). The disclosures required by IFRS 1 concerning the transition from UK GAAP to IFRS are given below.

3. Explanation of transition to IFRS

The Group has applied IFRS1 'First Time Adoption of International Financial Reporting Standards' as a starting point for reporting under IFRS. The Group's date of transition is 1 August 2006 and comparative information has been restated to reflect the Group's adoption of IFRS except where otherwise required or IFRS1 requires an entity to comply with each IFRS and IAS effective at the reporting date for its first financial statements prepared under IFRS. As a general rule IFRS1 requires such standards to be applied retrospectively. However, the standard allows several optional exemptions from full retrospective application.

The Group has elected to take advantage of the following exemption. Business combinations made prior to 1 August 2006 will not be accounted for under IFRS3 'Business Combinations' and as such the value of goodwill in the balance sheet at that date will be the same amount under IFRS as that recorded in the UK GAAP financial statements, subject to the completion of an annual impairment review.

The reconciliations of equity at 1 August 2006 (date of transition to IFRS) and at 31 July 2007 (date of last UK GAAP financial statements) and the reconciliation of profit for 2006 and 2007, as required by IFRS1, are set out below.

Reconciliation of Profit from UK GAAP to IFRS

	31 July 2006 £'000	31 July 2007 £'000
UK GAAP (loss) for the financial period	(82)	(170)
Amortisation of goodwill	-	8
(Loss) from continuing operations - IFRS	(82)	(162)

Reconciliation of Net Assets from UK GAAP to IFRS

	31 July 2006 £'000	31 July 2007 £'000
Net assets per UK GAAP	169	66
Amortisation of goodwill	-	8
Net assets - IFRS	169	74

International Financial Reporting Standards require goodwill to be frozen as at the date of transition to IFRS, 1 August 2006, and to be subject to review for impairment rather than regular amortisation. Previously amortised amounts in the UK GAAP accounts for the year ended 31 July 2007 of £8,000 have been reversed in the IFRS income statement. The effect of

the transition on the balance sheet is shown above.

4. Earnings per share

The calculation is based on the earnings attributable to ordinary shareholders divided by the weighted average number of Ordinary Shares in issue during the period as follows:

	2008	2007
Numerator: earnings attributable to equity (£'000)	(21)	(162)
Denominator: weighted average number of equity shares (No.)	83,304,730	77,254,052
	=====	=====

The basic and diluted calculations are the same as there are no share options in place that would have a dilutive effect.

5. Dividend

The Directors do not recommend the payment of a dividend (2007: fnil).

6. Goodwill

	£'000
Cost	
At 31 July 2006 and 31 July 2007	158
Additions	-
At 31 July 2008	158
	=====

Goodwill is stated as at the date of transition to IFRS, being 1 August 2006. The Directors consider there to be no impairment to this value.

7. Events after the balance sheet date

The Group made a loss for the year of £21,000 . As a result, subsequent to the year end the subsidiary Lottery Service Providers Limited was placed into Creditors' Voluntary Liquidation. The administration function of the Group was taken up by a new subsidiary, Prize Logistics Limited. Inter-group loans between Lottery Service Providers Limited, its parent company and its fellow subsidiary were waived prior to the Liquidation. This had no impact on the Group as a whole at the year end but has been provided for in each respective company's own financial statements. Whilst this has resulted in the parent company, The Weather Lottery plc, having net liabilities at the year end, the Directors consider that the Group continues to be a going concern and they forecast that changes to the cost structure of the Group will enable its continuance.

8. Publication of Accounts

Copies of the directors' report and accounts for the year ended 31 July 2008 are today being posted to shareholders and are available from the company's website at

www.theweatherlottery.com/categories/corporate/investors.php