



Clerkenwell Ventures PLC
Report and Financial Statements 2005

CLERKENWELL VENTURES PLC

REPORT AND FINANCIAL STATEMENTS

30 September 2005

CLERKENWELL VENTURES PLC
DIRECTORS, OFFICERS AND ADVISERS

DIRECTORS

DM Page

PA Campbell ACA

TK Quigley ACA

Non-executive Chairman

Non-executive Director

Non-executive Director

COMPANY SECRETARY

NCW Wong ACA

REGISTERED IN ENGLAND

Number 5127684

REGISTERED OFFICE

1 Park Row

Leeds LS1 5AB

AUDITORS

RSM Robson Rhodes LLP

186 City Road

London EC1V 2NU

NOMINATED ADVISER

Seymour Pierce Limited

Bucklersbury House

3 Queen Victoria Street

London EC4N 8EL

SOLICITORS

Pinsent Masons

Dashwood House

69 Old Broad Street

London EC2M 1NR

REGISTRARS

Computershare Investor Services PLC

The Pavilions

Bridgwater Road

Bristol BS13 8AE

PRINCIPAL BANKERS

HSBC Bank plc

69 Pall Mall

London SW1Y 5EZ

CLERKENWELL VENTURES PLC

CHAIRMAN'S STATEMENT

It gives me great pleasure to report the results of Clerkenwell Ventures for the period from incorporation to 30 September 2005.

Acquisition strategy

The Company's acquisition strategy, as described in the Company's AIM admission document dated 25 October 2004, is guided by the following criteria:

- The businesses should have the potential for rapid growth and/or above average cashflow and dividend yield;
- Strong operational management, capable of forming the executive board of the Company; and
- A proven business model and attractive returns on capital invested.

The Directors, with their experience and contacts in the corporate finance and leisure sectors, have identified and investigated a number of businesses which could be reversed into the Company. One of these businesses was Intelligent Energy Holdings plc. On 9 November 2005 we announced that we had terminated discussions with its board. We are continuing discussions with several other parties.

Following changes to the AIM rules, with effect from 1 April 2005, where an AIM company is an investing company, shareholder approval for its investing strategy will need to be sought on an annual basis. The Board therefore proposes to seek shareholder approval for the Company to continue its current acquisition strategy at the forthcoming annual general meeting in December 2005. The Board unanimously recommends that shareholders approve the resolution.

Results

The Company announced on 17 June 2005 that the first accounting period had been extended from ending on 31 May 2005 to ending on 30 September 2005.

The Company was incorporated on 13 May 2004 and these preliminary results cover the period from that date to 30 September 2005. Clerkenwell Ventures completed a placing and admission to AIM on 29 October 2004, raising £3.9 million (before flotation expenses) at 7p per share. Flotation expenses of £0.2 million have been charged to the Company's share premium account.

Profit before taxation for the period ended 30 September 2005 was £77,000. As at 30 September 2005, Clerkenwell Ventures' net cash balances amounted to £4.3 million.

Dividends

As described in the Company's AIM admission document dated 25 October 2004, it is the Board's policy that prior to making the first acquisition, no dividends will be paid. Following the first acquisition, subject to the availability of distributable reserves, dividends will be paid to shareholders when the Directors believe it is appropriate and prudent to do so. However, the main focus of the Company will be in delivering capital growth for shareholders.

Outlook

We are currently evaluating several interesting investment opportunities in businesses with high growth or consolidation potential and will update the market when appropriate.

David Page

Non-executive Chairman

25 November 2005

CLERKENWELL VENTURES PLC

BOARD OF DIRECTORS

The Directors and Company Secretary of Clerkenwell Ventures PLC are:

David Page

Non-executive Chairman

David Page was formerly both Chief Executive and Chairman of PizzaExpress plc, having been involved with that company for over 25 years. He was a major shareholder and the managing director of the largest PizzaExpress franchise group prior to its merger with the company-owned restaurants in February 1993. He was Managing Director on flotation of the business, became Chairman in December 1997 and moved to the position of Chief Executive in February 2002. He was particularly involved in site selection and the strategic development of the company. He is currently Executive Chairman of The Clapham House Group PLC.

Paul Campbell ACA

Non-executive Director

Paul Campbell qualified as a chartered accountant with Price Waterhouse, before joining The Capita Group plc where he was Managing Director of Capita Corporate Finance. He was subsequently Chief Executive of Relaxion Group plc, a leisure management company which operated more than 100 leisure, sports and health and fitness centres throughout the UK and also a director of Kunick Plc, a listed company which purchased Relaxion. He joined PizzaExpress plc as Group Finance Director in March 2002. He is currently Chief Executive of The Clapham House Group PLC.

Tom Quigley ACA

Non-executive Director

Tom Quigley qualified as a chartered accountant with Price Waterhouse and has many years of corporate finance experience at Schroders, Hill Samuel and Close Brothers Corporate Finance where he became a director in 1997 and a managing director in 1999. Tom has acted on a number of high profile leisure sector transactions including the sale of My Kinda Town plc to Capital Radio plc, advising Punch Taverns and Whitbread plc on the sale of First Quench Retailing to Nomura Principal Finance Group and advising TDR Capital on the successful contested take-private of PizzaExpress plc.

Nicholas Wong ACA

Company Secretary

Nick Wong qualified as a chartered accountant with Baker Tilly. He has spent the majority of his career to date specialising in corporate finance, having worked on due diligence, flotation and acquisition assignments, transactions within the property and leisure industries. He is currently Group Finance Director and Company Secretary of The Clapham House Group PLC.

CLERKENWELL VENTURES PLC

DIRECTORS' REPORT

The Directors have pleasure in presenting their report on the affairs of the Company together with the audited financial statements for the period ended 30 September 2005.

Principal activities

The principal activities of the Company are the acquisition, development and operation of leisure businesses.

Review of the business

Clerkenwell Ventures PLC was incorporated on 13 May 2004 and completed a placing and admission to AIM on 29 October 2004, raising £3.9 million (before flotation expenses) at 7p per share. Flotation expenses of £0.2 million have been charged to the Company's share premium account.

The Company was issued with a certificate pursuant to section 117 of the Act (allowing it to carry on business and to exercise its borrowing powers) on 6 October 2004.

The results for the period ended 30 September 2005 are set out in the profit and loss account on page 10.

Dividends

As described in the Company's AIM admission document dated 25 October 2004, it is the Board's policy that prior to making the first acquisition, no dividends will be paid. Following the first acquisition, subject to the availability of distributable reserves, dividends will be paid to shareholders when the Directors believe it is appropriate and prudent to do so. However, the main focus of the Company will be in delivering capital growth for shareholders.

Substantial shareholders

Directors' interests in the shares of the Company have been disclosed below. On 23 November 2005, the Directors had been notified, in accordance with sections 198 to 208 of the Companies Act 1985, of the following notifiable interests representing 3 per cent or more of the issued share capital of the Company:

	Ordinary shares of 1p each	%
Marlborough Fund Managers	9,000,000	13.06
Mellon Nominees Limited	7,142,857	10.36
Santoro Holdings Limited	6,280,000	9.11
Close Investment Limited	6,321,429	9.17

Directors

The following directors have held office since incorporation:

DM Page	(appointed 12 June 2004)
PA Campbell	(appointed 12 June 2004)
TK Quigley	(appointed 11 August 2004)
Pinsents Director Limited	(appointed 13 May 2004 and resigned 12 June 2004)
Pinsents Company Services Limited	(appointed 13 May 2004 and resigned 12 June 2004)

The names of the Directors at the date of this report, together with their biographical details, are set out on page 4.

Directors' interests in shares

Directors' interests in the shares of the Company, including family interests, as at 30 September 2005 were as follows:

Director	Ordinary shares of 1p each	%
DM Page	3,083,433	4.47
PA Campbell	2,100,100	3.05
TK Quigley	1,600,000	2.32

CLERKENWELL VENTURES PLC

DIRECTORS' REPORT

Directors' Remuneration

Non-executive Directors	Period from 13 May 2004 to 30 September 2005			
	Salary or fees £'000	Bonus £'000	Benefits £'000	Total £'000
DM Page	4.5	–	–	4.5
PA Campbell	4.5	–	–	4.5
TK Quigley	4.5	–	–	4.5
	<hr/>	<hr/>	<hr/>	<hr/>
	13.5	–	–	13.5
	<hr/>	<hr/>	<hr/>	<hr/>

Directors' Share Options

The interests of the Directors under the Company's share option schemes as at 30 September 2005 were as follows:

Unapproved	Options granted during period and outstanding	Date granted	Exercise price £	Exercise date
DM Page	1,000,000	Aug 2004	0.03	20 Aug 2004 to 2011
PA Campbell	1,000,000	Aug 2004	0.03	20 Aug 2004 to 2011
TK Quigley	1,000,000	Aug 2004	0.03	20 Aug 2004 to 2011
	<hr/>	<hr/>	<hr/>	<hr/>

All share options have been issued at the market price of the ordinary shares at the date of grant. The market price of ordinary shares in the Company ranged from £0.0625 to £0.0925 between 29 October 2004 and 30 September 2005.

Employment policy

The Company's policies respect the individual regardless of gender, race or religion. Full and fair consideration is given to applications for employment from disabled people.

Political and charitable contributions

During the period the Company made no political or charitable contributions.

Supplier payment policy

The Company's policy is that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, provided that all trading terms and conditions have been complied with. At 30 September 2005, the Company had an average of 64 days purchases outstanding in trade creditors.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in the financial statements.

CLERKENWELL VENTURES PLC

DIRECTORS' REPORT

Corporate Governance

As an AIM-listed Company, Clerkenwell Ventures is not required to follow the provisions of the Combined Code, as set out in the Financial Service Authority's Listing Rules. However, the Directors recognise the importance and support the principles of good governance as contained within Section 1 of the Combined Code (the "Code").

Auditors

A resolution to reappoint RSM Robson Rhodes LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board

Nicholas Wong ACA

Company Secretary

25 November 2005

CLERKENWELL VENTURES PLC

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law in the United Kingdom requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates which are reasonable and prudent;
- c. state whether applicable accounting standards in the United Kingdom have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CLERKENWELL VENTURES PLC
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CLERKENWELL VENTURES PLC

We have audited the financial statements on pages 10 to 19.

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 auditors' 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 opinion 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 United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises the Chairman's Statement and the 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 opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 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 financial statements give a true and fair view of the state of affairs of the company at 30 September 2005 and of its profit for the period then ended.

RSM Robson Rhodes LLP

Chartered Accountants and Registered Auditor
London

25 November 2005

CLERKENWELL VENTURES PLC
PROFIT AND LOSS ACCOUNT
for the period ended 30 September 2005

	Notes	Period from 13 May 2004 to 30 September 2005 £'000
Administrative expenses		(105)
Operating loss	2	(105)
Interest receivable		182
Profit on ordinary activities before taxation		77
Taxation	4	(16)
Profit for the period		61
Earnings per share		
Basic	5	0.13p
Diluted	5	0.12p

All the Company's activities derive from continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

CLERKENWELL VENTURES PLC
BALANCE SHEET
30 September 2005

	Notes	2005 £'000
Current assets		
Debtors	6	9
Cash at bank and in hand		4,320
		<hr/>
		4,329
Creditors: amounts falling due within one year	7	(80)
		<hr/>
Net current assets		4,249
		<hr/>
Net assets		4,249
		<hr/>
Capital and reserves		
Called up share capital	8	689
Share premium	9	3,499
Profit and loss account	9	61
		<hr/>
Equity shareholders' funds	10	4,249
		<hr/>

These financial statements were approved by the Board of Directors on 25 November 2005.

Signed on behalf of the Board of Directors

David Page
Non-executive Chairman

CLERKENWELL VENTURES PLC
 CASH FLOW STATEMENT
 for the period ended 30 September 2005

	Notes	Period from 13 May 2004 to 30 September 2005 £'000
Net cash flow from operating activities	11a	(46)
Returns on investments and servicing of finance	11b	178
		<hr/>
Cash inflow before use of liquid resources and financing		132
Management of liquid resources	11b	(4,156)
Financing	11b	4,188
		<hr/>
Increase in cash in the period		164
		<hr/>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Notes	Period from 13 May 2004 to 30 September 2005 £'000
Increase in cash in the period		164
Cash flow from increase in liquid resources		4,156
		<hr/>
Net funds at end of the period	11c	4,320
		<hr/>

CLERKENWELL VENTURES PLC

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

Rent free periods or other incentives received for entering into a lease are accounted for over the period of the lease so as to spread the benefit received over the period to first rent review.

LIQUID RESOURCES

Liquid resources are confined to current asset investments that cannot be disposed of within one month without incurring a penalty sum.

CLERKENWELL VENTURES PLC
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 September 2005

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit on ordinary activities before taxation for the period are attributable to the principal activities of the Company, which are carried on entirely within the United Kingdom.

2 OPERATING LOSS

Period from
13 May 2004 to
30 September 2005
£'000

Operating loss is stated after charging:

Auditors' remuneration:

– for audit services

5

Fees of £12,000 charged by the Company's auditors in respect of the Company's flotation have been written off against the share premium account.

3 EMPLOYEES

Period from
13 May 2004 to
30 September 2005
No.

The average monthly number of persons (including Directors) employed by the Company during the period was:

Administration and management

4

Period from
13 May 2004 to
30 September 2005
£'000

Staff costs for above persons:

Wages and salaries

15

Social security costs

–

15

Period from
13 May 2004 to
30 September 2005
£'000

DIRECTORS' REMUNERATION

Emoluments

14

No Directors received any pension benefits.

For further information regarding directors share options refer to the Directors' Report on pages 5 to 7.

CLERKENWELL VENTURES PLC
 NOTES TO THE FINANCIAL STATEMENTS
 for the period ended 30 September 2005

4 TAXATION

	Period from 13 May 2004 to 30 September 2005 £'000
Based on the result for the period:	
UK corporation tax at 19%	16
	<hr/>
Total current tax	16
Deferred taxation:	
Origination and reversal of timing differences	–
	<hr/>
Taxation payable	16
	<hr/>
Factors affecting tax charge for period:	
	Period from 13 May 2004 to 30 September 2005 £'000
Profit on ordinary activities before tax	77
	<hr/>
Profit on ordinary activities multiplied by standard rate of 19%	15
Expenses not deductible for tax purposes	1
	<hr/>
Current tax charge for period	16
	<hr/>

5 EARNINGS PER SHARE

Basic earnings per ordinary share is based on the profit for the period of £61,000 and on 47,815,224 ordinary shares of 1p each being the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is based on the profit for the period of £61,000 and on 50,227,106 shares of 1p each being the weighted average number of shares in issue during the period after allowing for the dilutive effect of the conversion into ordinary shares of options outstanding during the period.

6 DEBTORS

	2005 £'000
Due within one year:	
Prepayments and accrued income	9
	<hr/>
	9
	<hr/>

CLERKENWELL VENTURES PLC
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 September 2005

7 CREDITORS: Amounts falling due within one year

	2005 £'000
Trade creditors	12
Corporation tax	16
Other taxation and social security	2
Accruals and deferred income	50
	<hr/>
	80
	<hr/>

8 SHARE CAPITAL

	2005 £'000
Authorised: 325,000,000 ordinary shares of 1p each	3,250
	<hr/>
	3,250
	<hr/>
Allotted, issued called up and fully paid: 68,911,145 ordinary shares of 10p each	689
	<hr/>
	689
	<hr/>

The Company was incorporated with an authorised share capital of £50,000 divided into 50,000 ordinary shares of £1 each of which two were issued nil paid.

On 12 June 2004, the authorised share capital was altered by subdividing the existing 50,000 ordinary shares of £1 each into 5,000,000 ordinary shares of 1p each. Also on 12 June 2004, the authorised share capital was increased from £50,000 to £3,250,000 by the creation of 320,000,000 ordinary shares of 1p each, ranking equally with the existing ordinary shares of 1p each.

On 28 June 2004, 5,500,000 ordinary shares of 1p each were issued for cash at par.

On 11 August 2004, 1,483,334 ordinary shares of 1p each were issued for cash at 3p per ordinary share.

On 20 August 2004, the Company issued 3,000,000 share options at an exercise price of 3p per share to the directors.

On 27 September 2004, 6,213,325 ordinary shares of 1p each were issued for cash at 6p per ordinary share.

On 29 October 2004, 55,714,286 ordinary shares of 1p each were issued for cash at 7p per ordinary share.

CLERKENWELL VENTURES PLC
 NOTES TO THE FINANCIAL STATEMENTS
 for the period ended 30 September 2005

8 SHARE CAPITAL (continued)

Share options

The Company has two share option schemes. Outstanding share options to acquire ordinary shares of 11 pence each as at 30 September 2005 are as follows:

	Outstanding	Date granted	Exercise price £	Exercise date
Unapproved	3,000,000	Aug 2004	0.03	20 Aug 2004 to 2011

All share options were issued at market value on the date of grant.

9 RESERVES

	Share premium £'000	Profit and loss £'000
Premium on shares issued	3,684	–
Costs of share issue	(185)	–
Profit for the period	–	61
At 30 September 2005	<u>3,499</u>	<u>61</u>

10 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2005 £'000
Ordinary shares issued (net of flotation expenses)	4,188
Profit for the financial period	61
Net addition to shareholders' funds	<u>4,249</u>
Opening shareholders' funds	–
Closing shareholders' funds	<u>4,249</u>

CLERKENWELL VENTURES PLC
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 September 2005

11 CASH FLOWS

	Period from 13 May 2004 to 30 September 2005 £'000		
a	Reconciliation of operating loss to net cash outflow from operating activities		
	Operating loss		(105)
	Increase in debtors		(5)
	Increase in creditors		64
			<hr/>
	Net cash outflow from operating activities		(46)
			<hr/>
	Period from 13 May 2004 to 30 September 2005 £'000		
b	Analysis of cash flows for headings netted in the cash flow		
	Returns on investments and servicing of finance		
	Interest received		178
			<hr/>
	Net cash inflow from returns on investments and servicing of finance		178
			<hr/>
	Management of liquid resources		
	Increase in short term deposits		4,156
			<hr/>
	Net cash outflow from management of liquid resources		4,156
			<hr/>
	Financing		
	Gross proceeds of ordinary shares issued		4,373
	Issue costs		(185)
			<hr/>
	Net cash inflow from financing		4,188
			<hr/>
c	Analysis of net funds		
	On incorporation		At
	13 May		30 September
	2004	Cash flow	2005
	£'000	£'000	£'000
	Cash in hand, at bank	–	164
	Short term deposit	–	4,156
		<hr/>	<hr/>
	Total net funds	–	4,320
		<hr/>	<hr/>

12 COMMITMENTS UNDER OPERATING LEASES

The Company had no annual commitments under non-cancellable operating leases.

13 FINANCIAL INSTRUMENTS

The Company's financial instruments comprise cash balances and items such as trade creditors which arise directly from its operations. Financial instruments such as creditors have been excluded from the disclosure below. The Company has little exposure to credit and cash flow risk. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are interest rate and liquidity risk. The policy for managing these risks is summarised below and has been applied through the period.

Cash balances are placed so as to maximise interest earned while maintaining liquidity requirements of the business. The Directors regularly review the placing of cash balances. The weighted average interest rate of the short-term deposits utilised during the period was 4.69% and the average amount of time for which interest rates are fixed on short-term deposits were thirty three days. When seeking borrowings the Directors consider the commercial terms available and, in consultation with their advisers, consider whether such terms should be fixed or variable and are appropriate to the business. Any surplus cash balances, during the period, were placed on short-term interest bearing accounts at standard bank interest rates. The cash at bank and in hand as at 30 September 2005 was £4,320,000 and their fair value was the same as the carrying value.

CLERKENWELL VENTURES PLC

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the first Annual General meeting of the Company will be held at 09:30am on 20 December 2005 at 85 Clerkenwell Road, London, EC1R 5AR for the following purposes:

Ordinary business

To consider and if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

1. to receive and adopt the report of the directors, the financial statements and the report of the auditors for the period ended 30 September 2005.
2. to re-appoint Mr David Michael Page who was appointed a director of the Company during the period.
3. to re-appoint Mr Paul Adam Campbell who was appointed a director of the Company during the period.
4. to re-appoint Mr Thomas Kelly Quigley who was appointed a director of the Company during the period.
5. that the directors of the Company and the Company be and are hereby approved to continue the investing strategy of the Company in respect of seeking to acquire leisure businesses.
6. to re-appoint RSM Robson Rhodes LLP as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which financial statements are laid before the Company and to authorise the directors to determine their remuneration.

Special business

To consider and, if thought fit, pass the following resolutions of which resolution 7 will be proposed as an ordinary resolution and resolution 8 will be proposed as a special resolution:

7. that in substitution for all existing authorities, the Directors be and they are hereby generally and unconditionally authorised to allot relevant securities pursuant to section 80 of the Companies Act 1985 ("the Act") up to the amount of the authorised but unissued share capital for the period expiring at the conclusion of the annual general meeting of the Company to be held in 2006 but the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority conferred hereby has expired.
8. that subject to the passing of resolution number 7, the Directors be and they are hereby empowered pursuant to section 95 of the Act for a period expiring at the conclusion of the annual general meeting of the Company to be held in 2006 to allot equity securities (within the meaning of section 94 of the Act) for cash pursuant to the authority conferred by resolution number 7 referred to above as if section 89(1) of the Act did not apply to any such allotment provided that the power is limited to:
 - a. the allotment of equity securities by way of rights issue, open offer or otherwise generally available to all shareholders of the Company in proportion (as nearly as practicable) of their holdings of ordinary shares but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and
 - b. the allotment of equity securities for cash or as whole or part of the consideration for the acquisition of the entire issued share capital of any company or in relation to the acquisition of a business, up to the amount of the authorised but unissued share capital.

CLERKENWELL VENTURES PLC

NOTICE OF ANNUAL GENERAL MEETING

but the Company may before the expiry of the authority conferred on them by this resolution make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority conferred hereby has expired.

By order of the Board

Nicholas Wong ACA

Company Secretary
85 Clerkenwell Road
London EC1R 5AR

25 November 2005

Notes

1. A shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him or her. A proxy need not be a shareholder of the Company.
2. A form of proxy is enclosed with this Notice. It must be deposited at the office of the company's registrars Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received not later than 48 hours before the time and date appointed for holding the annual general meeting. Completion of the proxy does not preclude a member from attending and voting at the meeting in person if he or she so wishes.
3. The time by which a person must be entered on the Company's Register of Members in order to attend or vote at the meeting is 5pm on Sunday 18 December 2005 or, if the meeting is adjourned, shareholders entered on the Company's register of members not later than 48 hours before the time and date fixed for the adjourned meeting shall be entitled to attend and vote at the meeting.
4. Details of those directors seeking re-appointment are given on page 4 of the Report and Financial Statements.
5. Details of the Company's investing strategy are given on page 3 of the Report and Financial Statements.



Clerkenwell Ventures PLC

1 Park Row, Leeds, LS1 5AB