



Clerkenwell Ventures PLC
Report and Financial Statements 2006

CLERKENWELL VENTURES PLC

REPORT AND FINANCIAL STATEMENTS
30 September 2006

Company Registration No. 5127684

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

30 Finsbury Square

London EC2P 2YU

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 1 NR

Registrars

Computershare Investor Services PLC

The Pavilions

Bridgwater Road

Bristol BS13 8AE

Chairman's Statement

It gives me great pleasure to report the results of Clerkenwell Ventures for the year to 30 September 2006.

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.

Results

Profit before taxation for the year ended 30 September 2006 was £51,000 (2005: £77,000). As at 30 September 2006, Clerkenwell Ventures' net cash balances amounted to £4.3 million (2005: £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 continue to evaluate several interesting investment opportunities in businesses with high growth or consolidation potential and will update the market when appropriate.

David Page

Non-executive Chairman

8 December 2006

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.

Directors' Report

The Directors have pleasure in presenting their report on the affairs of the Company together with the audited financial statements for the year ended 30 September 2006.

Principal activities

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

Review of the business

The results for the year ended 30 September 2006 are set out in the profit and loss account on page 10. Further information about the progress of the business and the Group's corporate activities is given in the Chairman's Statement on page 3.

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.

Principal risks

The Directors consider the following to be the principal risks faced by the Company:

Acquisition strategy

The Company's acquisition strategy is dependent on finding suitable acquisition targets in line with the investment strategy as detailed in the Chairman's Statement on page 3. To mitigate these issues, the Company has an experienced team concentrating on sourcing acquisition targets for the Company.

Risks are formally reviewed by the board and appropriate processes put in place to monitor and mitigate them.

Financial risk management

The Board regularly reviews the financial requirements of the Company and the risks associated therewith. The Company does not use complicated financial instruments, and where financial instruments are used it is for reducing interest rate risk. The Company does not trade in financial instruments. Company operations are primarily financed from equity funds raised, retained earnings and bank borrowings (including overdraft facilities). In addition to the primary financial instruments, the Company also has other financial instruments such as debtors, prepayments, trade creditors and accruals that arise directly from the Company's operations. Further information is provided in note 12 to the financial statements.

Substantial shareholders

Directors' interests in the shares of the Company have been disclosed below. On 8 December 2006, 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:

	of 1p each	Ordinary shares %
Marlborough Fund Managers	9,000,000	13.06%
Framlington	8,458,571	12.27%
Mellon Nominees Limited	7,142,857	10.36%
Close Investment Limited	6,321,429	9.17%
Santoro Holdings Limited	6,280,000	9.11%
Singer & Friedlander Investment Management Limited	4,717,793	6.85%

Directors' Report (continued)

Directors

The following directors have held office since the start of the year:

DM Page
PA Campbell
TK Quigley

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 2006 and 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%

Directors' Remuneration

	Year ended 30 September 2006				Period from 13 May 2004 to 30 September 2005
	Salary or fees £'000	Bonus £'000	Benefits £'000	Total £'000	£'000
<i>Non-executive Directors</i>					
DM Page	5	-	-	5	4.5
PA Campbell	5	-	-	5	4.5
TK Quigley	5	-	-	5	4.5
	15	-	-	15	13.5

Directors' Share Options

The interests of the Directors under the Company's share option schemes as at 30 September 2006 were as follows:

	Options outstanding at the beginning and end of the year	Date granted	Exercise price £	Exercise date
<i>Unapproved</i>				
DM Page	1,000,000	Aug 2004	0.03	20 Aug 2004 to 2014
PA Campbell	1,000,000	Aug 2004	0.03	20 Aug 2004 to 2014
TK Quigley	1,000,000	Aug 2004	0.03	20 Aug 2004 to 2014

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 during the year ranged from £0.0420 to £0.0700 (2005: £0.0625 to £0.0925).

Directors' liability insurance and indemnity

The Company has arranged insurance cover in respect of legal action against its Directors. To the extent permitted by UK law, the Company also indemnifies the Directors.

Employment policy

The Company's policies respect the individual regardless of gender, age, race or religion. Where reasonable and practical under the existing legislation, all persons, including disabled persons, have been treated fairly and consistently, including matters relating to employment, training and career development.

The Company takes a positive view of employee communication and has established systems for employee consultation and communication of developments. The Company operates employee share schemes as a means of further encouraging the involvement of employees in the Company's performance.

Environmental policy

The Company acknowledges the importance of environmental matters within its role in the community. The Board reviews on an ongoing basis the development of initiatives to reduce the impact on the environment from the operations of the Company.

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 2006, the Company had an average of 28 days (2005: 64 days) purchases outstanding in trade creditors.

Disclosure of information to auditors

At the date of making this report the company directors, as set out on page 2, confirm the following:

- so far as the directors are aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Going concern

After making reasonable enquiries, the Board consider that the Company has adequate resources and facilities to continue in operational existence for the foreseeable future and therefore the financial statements are prepared on a going concern basis.

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 Services 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

8 December 2006

Directors' Responsibilities in the Preparation of Financial Statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. 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:

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

The directors are responsible for keeping 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.

Independent Auditors' Report

to the Shareholders of Clerkenwell Ventures PLC

We have audited the financial statements on pages 10 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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 Directors' Report and the Chairman's Statement. 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 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 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 as at 30 September 2006 and of the profit for the year then ended;
- 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.

RSM Robson Rhodes LLP

Chartered Accountants and Registered Auditor

London, England

8 December 2006

Profit and Loss Account

for the year ended 30 September 2006

	Notes	Year ended 30 September 2006 £'000	Period from 13 May 2004 to 30 September 2005 £'000
Administrative expenses		(148)	(105)
Operating loss	2	(148)	(105)
Interest receivable		199	182
Profit on ordinary activities before taxation		51	77
Taxation on profit on ordinary activities	4	(17)	(16)
Profit for the year		34	61
Earnings per share			
Basic	5	0.05p	0.13p
Diluted	5	0.05p	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.

Balance Sheet

30 September 2006

	Notes	2006 £'000	2005 £'000
Current assets			
Debtors	6	18	9
Cash at bank and in hand		4,345	4,320
		4,363	4,329
Creditors: amounts falling due within one year			
	7	(80)	(80)
Net current assets		4,283	4,249
Net assets		4,283	4,249
Capital and reserves			
Called-up share capital	8	689	689
Share premium	9	3,499	3,499
Profit and loss account	9	95	61
Equity shareholders' funds		4,283	4,249

These financial statements were approved by the Board of Directors on 8 December 2006.

Signed on behalf of the Board of Directors

David Page
Non-executive Chairman

Cash Flow Statement

for the year ended 30 September 2006

	Notes	Year ended 30 September 2006 £'000	Period from 13 May 2004 to 30 September 2005 £'000
Net cash out flow from operating activities	11a	(145)	(46)
Returns on investments and servicing of finance	11b	192	178
Taxation		(22)	-
Cash inflow before management of liquid resources and financing		25	132
Management of liquid resources	11b	(188)	(4,156)
Financing	11b	-	4,188
(Decrease)/increase in cash in the year		(163)	164

Reconciliation of Net Cash Flow to Movement in Net Funds

	Notes	Year ended 30 September 2006 £'000	Period from 13 May 2004 to 30 September 2005 £'000
(Decrease)/increase in cash in the year		(163)	164
Cash flow from increase in liquid resources		188	4,156
Movement in net funds in the year		25	4,320
Net funds at the beginning of the year		4,320	-
Net funds at end of the year	11c	4,345	4,320

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.

Liquid Resources

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

Notes to the Financial Statements

for the year ended 30 September 2006

1. Profit on Ordinary Activities Before Taxation

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

2. Operating Loss

	Year ended 30 September 2006 £'000	Period from 13 May 2004 to 30 September 2005 £'000

Operating loss is stated after charging:

Auditors' remuneration:

- for audit services	5	5
- for other services relating to taxation	2	2

In the period ended 30 September 2005, fees of £12,000 charged by the Company's auditors in respect of the Company's flotation were written off against the share premium account.

3. Employees

	Year ended 30 September 2006 £'000	Period from 13 May 2004 to 30 September 2005 No.

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

Administration and management	4	4
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	Year ended 30 September 2006 £'000	Period from 13 May 2004 to 30 September 2005 £'000

Staff costs for above persons:

Wages and salaries	27	15
Social security costs	1	-
	28	15

	Year ended 30 September 2006 £'000	Period from 13 May 2004 to 30 September 2005 £'000

Directors' Remuneration

Emoluments	15	14
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No Directors received any pension benefits.

For further information regarding directors share options refer to the Directors' Report on page 6.

4. Taxation

	Year ended 30 September 2006 £'000	Period from 13 May 2004 to 30 September 2005 £'000
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Based on the result for the year:

UK corporation tax at 19% (2005: 19%)	11	16
Under provision in earlier years	6	-
Total current tax	17	16

Deferred taxation:

Origination and reversal of timing differences	-	-
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Taxation payable	17	16
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Factors affecting tax charge for year:

	Year ended 30 September 2006 £'000	Period from 13 May 2004 to 30 September 2005 £'000
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Profit on ordinary activities before tax	51	77
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Profit on ordinary activities multiplied by standard rate of 19% (2005: 19%)	10	15
Expenses not deductible for tax purposes	1	1

Current tax charge for year	11	16
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5. Earnings Per Share

Basic earnings per ordinary share is based on the profit for the period of £34,000 (2005: £61,000) and on 68,911,145 (2005: 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 £34,000 (2005: £61,000) and on 70,504,065 (2005: 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

	2006 £'000	2005 £'000
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Due within one year:

Prepayments and accrued income	18	9
	18	9

Notes to the Financial Statements (continued)

for the year ended 30 September 2006

7. Creditors: Amounts falling due within one year

	2006 £'000	2005 £'000
Trade creditors	10	12
Corporation tax	11	16
Other taxation and social security	-	2
Accruals and deferred income	59	50
	<u>80</u>	<u>80</u>

8. Share Capital

	2006 £'000	2005 £'000
Authorised:		
325,000,000 ordinary shares of 1p each	3,250	3,250
	<u>3,250</u>	<u>3,250</u>
Allotted, issued, called-up and fully paid:		
68,911,145 ordinary shares of 1p each	689	689
	<u>689</u>	<u>689</u>

Share options

The Company operates one share option scheme. Outstanding share options to acquire ordinary shares of 1 pence each as at 30 September 2006 and 2005 are as follows:

	Outstanding	Date granted	Exercise price £	Exercise date
Unapproved	3,000,000	Aug 2004	0.03	20 Aug 2004 to 2014

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

9. Reserves

	Share premium £'000	Profit and loss £'000
1 October 2005	3,499	61
Profit for the year	-	34
30 September 2006	<u>3,499</u>	<u>95</u>

10. Reconciliation of Movement in Shareholders' Funds

	2006 £'000	2005 £'000
Ordinary shares issued (net of flotation expenses)	-	4,188
Profit for the financial period	34	61
Net addition to shareholders' funds	34	4,249
Opening shareholders' funds	4,249	-
Closing shareholders' funds	4,283	4,249

11 Cash Flows

	Year ended 30 September 2006 £'000	Period from 13 May 2004 to 30 September 2005 £'000
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a Reconciliation of operating loss to net cash outflow from operating activities

Operating loss	(148)	(105)
Increase in debtors	(2)	(5)
Increase in creditors	5	64
Net cash outflow from operating activities	(145)	(46)

b Analysis of cash flows for headings netted in the cash flow**Returns on investments and servicing of finance**

Interest received	192	178
Net cash inflow from returns on investments and servicing of finance	192	178

Management of liquid resources

Increase in short term deposits	(188)	(4,156)
Net cash outflow from management of liquid resources	(188)	(4,156)

Financing

Gross proceeds of ordinary shares issued	-	4,373
Issue costs	-	(185)
Net cash inflow from financing	-	4,188

Notes to the Financial Statements (continued)

for the year ended 30 September 2006

c Cash Flows (continued)

Analysis of net funds

	At 1 October 2005 £'000	Cash flow £'000	At 30 September 2006 £'000
Cash in hand, at bank	164	(163)	1
Short term deposit	4,156	188	4,344
Total net funds	4,320	25	4,345

12. 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 price, foreign exchange, 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 year.

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 4.58% (2005: 4.69%) and the average amount of time for which interest rates are fixed on short-term deposits were thirty three days. The Company has had no borrowings during the year but when seeking borrowings the Directors will 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 2006 was £4,345,000 (2005: £4,320,000) and their fair value was the same as the carrying value.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Clerkenwell Ventures PLC ("the Company") will be held at 09:30am on 30 March 2007 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 year ended 30 September 2006.
2. 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.
3. 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 4 will be proposed as an ordinary resolution and resolution 5 will be proposed as a special resolution:

4. 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 2008 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.
5. that subject to the passing of resolution number 4, 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 2008 to allot equity securities (within the meaning of section 94 of the Act) for cash pursuant to the authority conferred by resolution number 4 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.

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

6 March 2007

Notice of Annual General Meeting (continued)

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 5 p.m. on Wednesday 28 March 2007 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 the Company's investment strategy are given on page 3 of the Report and Financial Statements.



Clerkenwell Ventures PLC

1 Park Row, Leeds, LS1 5AB