



Clerkenwell Ventures PLC
Report and Financial Statements 2007

CLERKENWELL VENTURES PLC

REPORT AND FINANCIAL STATEMENTS
30 September 2007

Company Registration No. 5127684

Directors, Officers and Advisers

Directors

DM Page
PA Campbell ACA
SL Borson

Non-executive Chairman
Non-executive Director
Corporate Development Director

Company Secretary

NCW Wong ACA

Registered in England

Number 5127684

Registered Office

1 Park Row
Leeds
LS1 5AB

Auditors

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

Nominated Adviser

Seymour Pierce Limited
20 Old Bailey
London
EC4M 7EN

Solicitors

Pinsent Masons
CityPoint
One Ropemaker Street
London EC2Y 9AH

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 2007.

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:

- Businesses should have potential for rapid growth and/or above average cash flow;
- Strong operational management; and
- Proven business model and attractive returns on invested capital.

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 acquired by the Company.

Results

The Company's loss before the Financial Reporting Standard 20 ("FRS 20") charge and taxation in the year was £56,000 (2006: Profit of £51,000). For the first time we are reporting our results net of a share based payments charge, in accordance with FRS 20, following its adoption in the year. The FRS 20 charge during the year was £22,000 (2006: £Nil), an accounting charge that does not impact Clerkenwell Ventures' underlying cash flow. Loss before taxation for the year ended 30 September 2007 was £78,000 (2006: Profit of £51,000). During the year, we incurred £156,000 in abortive costs relating to the evaluation of possible acquisitions.

As at 30 September 2007, Clerkenwell Ventures' net cash balances amounted to £29.2 million (2006: £4.3 million). Our current net cash balance is £29.6 million.

Corporate activity

At the beginning of September 2007 we completed a placing and subscription of 341,325,000 ordinary shares of 1 pence each at 7.5 pence per share raising a total of £25,599,000, before issue costs of £831,000 to improve deal flow and also to enable the Company to resource deal search and execution of the Company's strategy.

On 11 September 2007, every 5 ordinary shares of 1 pence each in the Company were consolidated into 1 new ordinary share of 5 pence each in the Company.

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

In line with the rationale for the Company's fundraising in September 2007, deal flow and opportunities have increased and the Company has evaluated a number of possible investments and acquisitions since September 2007. Valuations across the leisure sector have been substantially impacted and vendor expectations are adjusting to the more challenging market context. Consequently, we have been more selective in the transactions we are pursuing and this has led to the Company withdrawing from several negotiations where valuations were considered unrealistic.

We believe that the next year will present interesting opportunities to acquire quality businesses with high growth potential at attractive prices. We also believe that the trading environment is likely to lead to the opportunity to make follow-on acquisitions.

Accordingly, the Directors recommend that you vote in favour of the Ordinary Resolution proposed at the AGM of the Company to continue the investing strategy of the Company of seeking to acquire leisure businesses.

David Page

Non-executive Chairman

31 March 2008

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 now also 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.

Stefan Borson

Corporate Development Director

Following qualification as a Solicitor in 2000 with Addleshaw Goddard, Stefan, spent over seven years in Corporate Finance at Investec Investment Bank specialising in the leisure and retail sectors. At Investec, he advised both private and public companies (including The Clapham House Group plc, Manchester City plc, PartyGaming plc, Sportingbet plc and Sportech plc) on a wide range of transactions, including acquisitions, takeovers, IPOs, pre-IPOs and debt and equity fundraisings. Stefan joined Clerkenwell Ventures in August 2007 and was appointed to the board in September 2007.

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 2007.

Principal activities

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

Review of the business

The results for the year ended 30 September 2007 are set out in the profit and loss account on page 11. 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 13 to the financial statements.

Substantial shareholders

Directors' interests in the shares of the Company have been disclosed below. On 27 March 2008, 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 5p each	Ordinary shares %
Schroder plc	9,095,565	11.03%
Hargreave Hale Limited	8,275,273	10.04%
Aviva plc	5,695,333	6.91%
Eaglet Investment Trust PLC	3,633,333	4.41%
AXA S.A.	2,666,666	3.23%

Directors' Report (continued)

Directors

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

DM Page	
PA Campbell	
TK Quigley	(resigned 25 June 2007)
SL Borson	(appointed 18 September 2007)

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 2007 and 30 September 2006 were as follows:

Director	Year ended 30 September 2007		Year ended 30 September 2006	
	Ordinary shares of 5p each	%	Ordinary shares of 1p each	%
DM Page	1,136,687	1.38%	3,083,433	4.47%
PA Campbell	940,020	1.14%	2,100,100	3.05%
TK Quigley	320,000	0.39%	1,600,000	2.32%
SL Borson	-	-%	-	-%

Directors' Remuneration

	Year ended 30 September 2007				Year ended 30 September 2006 £'000
	Salary or fees £'000	Bonus £'000	Benefits £'000	Total £'000	
<i>Executive Director</i>					
SL Borson	12	-	-	12	-
<i>Non-executive Directors</i>					
DM Page	6	-	-	6	5
PA Campbell	6	-	-	6	5
TK Quigley	4	-	-	4	5
	28	-	-	28	15

Directors' Share Options

The interests of the Directors under the Company's share based payment schemes as at 30 September 2007 were as follows:

	Outstanding at 30 September 2006 No.	Granted during the year No.	Exercised during the year No.	Outstanding at 30 September 2007 No.	Exercise price £	Exercise date	Expiry date
<i>2004 Option Plan</i>							
DM Page	1,000,000	-	(1,000,000)*	-	0.03*	20 Aug 2004	20 Aug 2014
PA Campbell	1,000,000	-	(1,000,000)*	-	0.03*	20 Aug 2004	20 Aug 2014
TK Quigley	1,000,000**	-	-	1,000,000**	0.15	20 Aug 2004	20 Aug 2014

* The exercise of these share options took place before the consolidation of the issued share capital on 11 September 2007 and therefore was exercised at 3 pence per share. Following the consolidation of the issued share capital on 11 September 2007, the shares allotted were consolidated in a ratio of 5 to 1.

** On 11 September 2007 in accordance with the rules of the 2004 Option Plan on consolidation of the issued share capital, the share options over 1,000,000 ordinary shares of 1 pence each were converted into share options over 1,000,000 shares of 5 pence each.

2007 Option Plan

DM Page	-	3,090,638	-	3,090,638	0.375	3 Sep 2010	3 Sep 2017
PA Campbell	-	3,090,638	-	3,090,638	0.375	3 Sep 2010	3 Sep 2017
SL Borson	-	666,667	-	666,667	0.375	3 Sep 2010	3 Sep 2017

	Granted during the year No.	Outstanding at 30 September 2007 No.	Test dates
<i>LTIP</i>			
DM Page	3,000	3,000	3 Sep 2009 to 2012
PA Campbell	3,000	3,000	3 Sep 2009 to 2012
SL Borson	450	450	3 Sep 2009 to 2012

Details of performance conditions attached to the grants of LTIP during the year are disclosed in note 10 on pages 19 and 20.

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 £0.250 to £0.495 (2006: £0.225 to £0.363).

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.

Directors' Report (continued)

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 2007, the Company had an average of 113 days (2006: 28 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").

Annual General Meeting

On pages 25 to 26 is a notice convening the annual general meeting of the Company for 30 April 2008 and the notice sets out the resolutions to be voted at that meeting. The Board believes that the proposed resolutions to be put to the annual general meeting to be held on 30 April 2008 are in the best interests of shareholders and, accordingly, recommends that shareholders vote in favour of the resolutions.

Auditors

The directors, having been notified of the cessation of the partnership known as RSM Robson Rhodes LLP, resolved that Grant Thornton UK LLP be appointed successor auditor with effect from 9 July 2007, in accordance with the provisions of the Companies Act 1989, s26(5). Grant Thornton UK LLP has indicated its willingness to continue in office.

By order of the Board

Nicholas Wong ACA
Company Secretary

31 March 2008

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.

They are responsible for ensuring that the annual report includes information required by the AIM Rules. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors' Report

to the Shareholders of Clerkenwell Ventures PLC

We have audited the financial statements of Clerkenwell Ventures Plc for the year ended 30 September 2007 which comprise the principal accounting policies, the profit and loss account, the balance sheet, the cash flow statement and notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

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 United Kingdom law and 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 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 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2007 and of its loss 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.

Grant Thornton UK LLP

Registered Auditor
Chartered Accountants

31 March 2008

Profit and Loss Account

for the year ended 30 September 2007

	Notes	Year ended 30 September 2007 £'000	Year ended 30 September 2006 £'000
Administrative expenses		(399)	(148)
Operating loss	1	(399)	(148)
Interest receivable		321	199
(Loss)/profit on ordinary activities before taxation	2	(78)	51
Taxation on (loss)/profit on ordinary activities	4	-	(17)
(Loss)/profit for the year		(78)	34
(Loss)/earnings per share			
Basic	5	(0.4p)	0.2p
Diluted	5	(0.4p)	0.2p

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 2007

	Notes	2007 £'000	2006 £'000
Fixed assets			
Tangible assets	6	4	-
Current assets			
Debtors	7	59	18
Cash at bank and in hand		29,245	4,345
		29,304	4,363
Creditors: amounts falling due within one year	8	(253)	(80)
Net current assets		29,051	4,283
Net assets		29,055	4,283
Capital and reserves			
Called-up share capital	9	4,122	689
Share premium	11	24,894	3,499
Profit and loss account	11	39	95
Equity shareholders' funds	11	29,055	4,283

These financial statements were approved by the Board of Directors on 31 March 2008.

Signed on behalf of the Board of Directors

David Page

Non-executive Chairman

Cash Flow Statement

for the year ended 30 September 2007

	Notes	Year ended 30 September 2007 £'000	Year ended 30 September 2006 £'000
Net cash out flow from operating activities	12a	(226)	(145)
Returns on investments and servicing of finance	12b	280	192
Taxation		(11)	(22)
Capital expenditure and financial instruments	12b	(4)	-
Cash inflow before management of liquid resources and financing		39	25
Management of liquid resources	12b	(24,898)	(188)
Financing	12b	24,861	-
Increase/(decrease) in cash in the year		2	(163)

Reconciliation of Net Cash Flow to Movement in Net Funds

	Notes	Year ended 30 September 2007 £'000	Year ended 30 September 2006 £'000
Increase/(decrease) in cash in the year		2	(163)
Cash flow from increase in liquid resources		24,898	188
Movement in net funds in the year		24,900	25
Net funds at the beginning of the year		4,345	4,320
Net funds at end of the year	12c	29,245	4,345

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 and United Kingdom Generally Accepted Accounting Practice.

Change in Accounting Policy

Share based payments

The Company has adopted FRS 20 Share Based Payments in the current year. FRS 20 requires the recognition of a charge for share based payment transactions which include for example share options or restricted shares granted to employees that require a certain length of service before vesting. The adoption of FRS 20 also requires a prior year adjustment to be made. However there was no charge arising on the 2004 Option Plan therefore no prior year adjustment is required.

Tangible Fixed Assets

Fixed assets are stated at historical cost less depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Plant and equipment	20% to 33% straight line
Furniture, fixtures and fittings	10% straight line

Depreciation is charged from the date when the asset is brought into use.

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 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.

Turnover

Turnover represents the value, net of Value Added Tax, of goods sold and services provided to customers outside the Company after deducting discounts. Turnover is recognised when the significant risks and rewards of ownership are transferred.

Notes to the Financial Statements

for the year ended 30 September 2007

1. Operating Loss

	Year ended 30 September 2007 £'000	Year ended 30 September 2006 £'000
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Operating loss is stated after charging:

Abortive costs on possible acquisitions	137	-
Share based payments	22	-

Amounts payable to the auditors and their associates in respect of both audit and non-audit services:

	Year ended 30 September 2007 £'000	Year ended 30 September 2006 £'000
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Audit services

- Statutory audit	7	5
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Taxation services

- Compliance services	2	2
- Advisory services	10	-

Corporate finance transaction services

- Acquisition due diligence services	3	-
- Advisory services	11	12
	33	19

During the year, fees of £23,000 (2006: £12,000) charged by the Company's auditors in respect of the Company's fund raising were written off against the share premium account.

2. (Loss)/Profit on Ordinary Activities Before Taxation

The (loss)/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.

3. Employees

	Year ended 30 September 2007 £'000	Year ended 30 September 2006 £'000
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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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Notes to the Financial Statements (continued)

for the year ended 30 September 2007

3. Employees (continued)

	Year ended 30 September 2007 £'000	Year ended 30 September 2006 £'000
Staff costs for above persons:		
Wages and salaries	32	27
Social security costs	13	1
Share based payments	22	-
Social security costs on share based payments	1	-
	68	28
<i>Directors' Remuneration</i>		
Emoluments	28	15

No Directors received any pension benefits.

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

4. Taxation

	Year ended 30 September 2007 £'000	Year ended 30 September 2006 £'000
Based on the result for the year:		
UK corporation tax at 19% (2006: 19%)	-	11
Under provision in earlier years	-	6
Total current tax	-	17
Deferred taxation:		
Origination and reversal of timing differences	-	-
Taxation payable	-	17

Factors affecting tax charge for year:

	Year ended 30 September 2007 £'000	Year ended 30 September 2006 £'000
(Loss)/profit on ordinary activities before tax	(78)	51
(Loss)/profit on ordinary activities multiplied by standard rate of 19% (2006: 19%)	(15)	10
Losses not utilised	8	-
Expenses not deductible for tax purposes	7	1
Current tax charge for year	-	11

5. Earnings Per Share

	Year ended 30 September 2007 £'000	Year ended 30 September 2006 £'000
(Loss)/profit on ordinary activities after taxation	(78)	34
Share based payments	22	-
Headline (loss)/earnings	(56)	34
Weighted average number of shares in issue	18,596,574	13,782,229
Dilutive effect of share options	-	318,584
Weighted average number of shares in issue after allowing for dilutive potential ordinary shares	18,596,574	14,100,813
(Loss)/earnings per share:		
Basic	(0.4p)	0.2p
Diluted	(0.4p)	0.2p
Headline Basic	(0.3p)	0.2p
Headline Diluted	(0.3p)	0.2p

On 11 September 2007, every 5 ordinary shares of 1 pence each in the Company were consolidated into 1 new ordinary share of 5 pence each in the Company. The weighted average number of shares in issue for the year ended 30 September 2006 above has therefore been restated assuming that the consolidation had taken place.

For the year ended 30 September 2007, basic and diluted earnings per share were the same as there are no potential ordinary shares that would increase net loss per share from continuing operations in the year.

6. Tangible Fixed Assets

	Plant and equipment £'000	Furniture, fixtures and fittings £'000	Total £'000
Cost			
1 October 2006	-	-	-
Additions	3	1	4
30 September 2007	3	1	4
Accumulated depreciation			
1 October 2006 and 30 September 2007	-	-	-
Net book value			
30 September 2007	3	1	4
30 September 2006	-	-	-

Notes to the Financial Statements (continued)

for the year ended 30 September 2007

7. Debtors

	2007 £'000	2006 £'000
Due within one year:		
Prepayments and accrued income	59	18
	59	18

8. Creditors: Amounts falling due within one year

	2007 £'000	2006 £'000
Trade creditors	167	10
Corporation tax	-	11
Other taxation and social security	7	-
Accruals and deferred income	79	59
	253	80

9. Share Capital

	2007 £'000	2006 £'000
Authorised:		
133,265,000 (2006: Nil) ordinary shares of 5p each	6,663	-
Nil (2006: 325,000,000) ordinary shares of 1p each	-	3,250
	6,663	3,250
Allotted, issued, called-up and fully paid:		
82,447,229 (2006: Nil) ordinary shares of 5p each	4,122	-
Nil (2006: 68,911,145) ordinary shares of 1p each	-	689
	4,122	689

On 3 September 2007, the Company increased its authorised share capital from 325,000,000 ordinary shares of 1 pence each to 666,325,000 ordinary shares of 1 pence each by the creation of 341,325,000 new ordinary shares of 1 pence each. On the same day, the Company issued 2,000,000 ordinary shares of 1 pence each at 3 pence each on the exercise of share options and issued 33,824,999 ordinary shares of 1 pence each at £0.075 by way of a placing.

On 4 September 2007, the Company issued 107,333,334 ordinary shares of 1 pence each at £0.075 by way of a placing.

On 5 September 2007, the Company issued 200,166,667 ordinary shares of 1 pence each at £0.075 by way of a placing.

On 11 September 2007, every 5 ordinary shares of 1 pence each in the Company were consolidated into 1 new ordinary share of 5 pence each in the Company.

10. Share Based Payments

The Company currently uses a number of equity settled share plans to grant options and shares to its Directors and employees.

The Company operates three share based payments schemes:

- The Clerkenwell Ventures Share Option Plan ("2004 Option Plan")
- The Clerkenwell Ventures plc 2007 Share Option Plan ("2007 Option Plan")
- The Clerkenwell Ventures plc 2007 Long-Term Incentive Plan ("LTIP")

2004 Option Plan and 2007 Option Plan

The Group's share option plans provide for a grant price equal to the average quoted market price of the Group shares on the date of grant. The vesting periods on the 2004 Option Plan and the 2007 Option Plan are immediately and 3 years respectively with an expiration date 10 years from the date of grant. Furthermore, share options are forfeited if the employee leaves the Group before the options vest.

Outstanding share options to acquire ordinary shares of 5 pence each as at 30 September 2007 and 2006 are as follows:

	2007 Option Plan		2004 Option Plan	
	2007	2006	2007	2006
Weighted average exercise price	£	£	£	£
1 October 2006	-	-	0.03	0.03
Granted during the year	0.375	-	-	-
Exercised during the year	-	-	0.03	-
30 September 2007	0.375	-	0.15	0.03

The weighted average share price for options exercised over the year was £0.075 (2006: N/A).

Range of exercise prices	Options outstanding			Options exercisable		
	Number of shares '000	Weighted Average Exercise Price £	Remaining Contractual life months	Number of shares '000	Weighted Average Exercise Price £	Remaining Contractual life months
2004 Option Plan						
£0.15	1,000*	0.15	82	1,000	0.15	82
2007 Option Plan						
£0.375	6,988	0.375	119	-	-	-

* On 11 September 2007, the share capital was consolidated as described in note 9 and therefore in accordance with the rules, the share options outstanding at that date over 1,000,000 ordinary shares of 1 pence were converted into share options over 1,000,000 ordinary shares of 5 pence each with a exercise price of 15 pence each.

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

No cash was used to settle equity instruments granted under share based payment schemes.

During the year ended 30 September 2007, the market price of ordinary shares in the Company ranged from £0.250 to £0.495 (2006 restated: £0.225 to £0.363). The share price as at 30 September 2007 was £0.309 (2006: £0.292).

Notes to the Financial Statements (continued)

for the year ended 30 September 2007

10. Share Based Payments (continued)

The fair value of the options is estimated at the date of grant using a Black-Scholes valuation model that uses the assumptions noted below:

	2007	2006
Expected life of options (years)	3	3
Expected share price volatility (180 days over period from incorporation to the date of grant)	19.0% - 34.0%	16.6% - 32.8%
Dividend yield	0%	0%
Risk free rate (Bank of England base interest rate)	5.75%	5.75%
Exercise price	£0.150 - £0.375	£0.150
Share price at date of grant	£0.150 - £0.375	£0.150

The weighted average fair value of options granted during the year ended 30 September 2007 was £0.10 (2006: £Nil). During 2007 the Group recognised total share-based payment expenses (FRS20) of £22,000 (2006 - £Nil) of which all related to equity-settled share-based payment transactions.

The following table summarises the main terms of the 2007 Option Plan:-

Nature of the Grant	A market priced option.
Participants	Directors of the Company and other selected members of the Senior Management.
New Joiners	The exercise price for any subsequent option grants will be set at the Company's share price on the relevant date of grant.
Holding Period	In normal circumstances options will not be exercisable until the third anniversary of the date of grant and subject to continued employment over this period.
Life of the Plan	Ten years from the first date of grant of options.
Performance Conditions	There will be no additional corporate performance conditions that have to be satisfied for options to vest.
Dilution	10% in ten years. The Board will monitor the issue of new shares to ensure a balanced policy.
Change of Control	On a change of control all options will vest and become exercisable.
Variation of Share Capital	Standard adjustments to the number of shares and/or exercise price.
Cessation of Employment	On a participant's cessation of employment as a good leaver the number of options exercisable will be proportionate to the amount of the holding period completed on the date of cessation. If the participant is a normal leaver the award will lapse. A participant is a good leaver if his or her cessation of employment with the Company is for one of the following reasons, retirement, death, injury, disability, redundancy, or sale of part of the business.

LTIP

Outstanding LTIP units as at 30 September 2007 and 2006 are as follows:

	2007 '000	2006 '000
1 October 2006	-	-
Granted during the year	6,450	-
30 September 2007	6,450	-

The performance targets for the LTIP units granted during the year are based on the share price of the ordinary shares of 5 pence each in the company as follows:

Measurement Dates Anniversary of the date of grant	Threshold Price £
Second	£0.54
Third	£0.65
Fourth	£0.78
Five	£0.93

The fair value of the LTIP units is estimated at the date of grant using a Monte-Carlo projection valuation model that uses the assumptions noted below:

	2007	2006
Expected life of LTIP units (years)	5	-
Expected share price volatility (180 days over period from incorporation to the date of grant)	26.1%	-
Dividend yield	0%	-
Risk free rate (Bank of England base interest rate)	5.75%	-
Share price at date of grant	£0.375	-

The main features of the proposed operation of the LTIP are:-

Units – Units have no value on their grant but will give participants the opportunity of receiving part of the value of the Incentive Pool. The number of units is capped at 9,000.

Incentive Pool – the following definitions apply for calculating the value of the Incentive Pool:-

Term	Definition
Contribution Percentage	20%.
Date of Grant	The date of the placing of the shares.
Distributed Value	The amount of the Total Incentive Value paid to participants in Company Shares.
Measurement Date	Any date when the value of the Incentive Pool is calculated.
First Measurement Date	24 months after the date of grant.
Second Measurement Date	36 months after the date of grant.
Third Measurement Date	48 months after the date of grant.
Final Measurement Date	60 months after the date of grant.
Measurement Price	The average closing price of a share for a 30 day period finishing on the relevant Measurement Date.
Performance Period	Five years from the Date of Grant.
Threshold Price	The initial price per share of £0.375 increased by 20% p.a. over the Performance Period.

Notes to the Financial Statements (continued)

for the year ended 30 September 2007

The value of the Incentive Pool at the relevant Measurement Date will be established by:-

- calculating the difference between the Measurement Price and the Threshold Price at the relevant Measurement Date. It should be noted that the Measurement Price used shall be the higher of:-
 - the Measurement Price for the current Measurement Date; and
 - the Measurement Price established for a previous Measurement Date;
 the resulting value calculated is then multiplied by the Contribution Percentage; the result of this calculation is known as the "**Incentive Value**";
- the Incentive Value will then be multiplied by the issued share capital of the Company at the relevant Measurement Date. The result of this calculation is known as the "**Total Incentive Value**" at that Measurement Date;
- the Distributed Value at the relevant Measurement Date will be calculated by deducting the aggregate of the previous amounts of Distributed Value from the Total Incentive Value at that Measurement Date;
- the value of a Unit will be calculated at the relevant Measurement Date by dividing the Distributed Value by the number of Units issued;
- the number of Company shares represented by a Unit will be calculated by dividing the value of a Unit by the Measurement Price at the relevant Measurement Date;
- participants will be entitled to receive at the relevant Measurement Date the number of Company shares calculated in accordance with paragraphs above multiplied by the number of Units they have been granted.

Main Terms & Conditions of the LTIP

The following table summarises the main terms of the LTIP:-

Element	Description
Nature of the Award	The grant of a number of Units which subject to the satisfaction of certain conditions give a number of entitlements to receive Company shares.
Participants	Directors of the Company and other selected members of the Senior Management.
New Joiners	The starting Threshold Price for new joiners will be the Measurement Price at the Measurement Date nearest to their commencement of employment with the Company.
Life of the Plan	Five years.
Performance Conditions	No value will be earned by participants in the LTIP until the minimum annual share price growth exceeds 20% p.a. compound.
Change of Control	On a change of control the Measurement Date will be deemed to be the date of the change of control and the Measurement Price will be the offer price for the Company's shares. The value of the Units held by each participant and therefore the number of Company shares to which they are entitled will be calculated as at any other Measurement Date (see above).
Variation of Share Capital	If there is a variation of the share capital of the Company (for example rights issue, subdivision, consolidation) the starting share price used for calculating the Threshold Price will be adjusted accordingly. For the avoidance of doubt there will be no adjustment to the Threshold Price as a result of the issue of shares in consideration for any corporate transaction.
New Placement of Shares	If there is a further round of funding the number of shares issued for this fund raising will form a distinct pot for the calculation of a separate Total Incentive Value with the Threshold Price based on the placing price for this fund raising.

Cessation of Employment

On a participant's cessation of employment with the Company the Measurement Date will be deemed to be the date of cessation. The value of the Units held by each participant and therefore the number of Company shares to which they are entitled will be calculated as at any other Measurement Date (see above). If the participant is a normal leaver the award will lapse. A participant is a good leaver if his or her cessation of employment with the Company is for one of the following reasons, retirement, death, injury / disability, redundancy, or sale of part of the business.

Tax Settlement Alternative on Release

Immediately prior to exercise, the Board may in its absolute discretion and if requested by a participant, deliver cash in lieu of a number of released shares save that the number of shares replaced by such cash amount shall be restricted to the number of shares which have an aggregate market value equal to the participant's tax liability on release and such cash amount shall be paid directly to the participant's employing company.

11. Reserves

	Share capital £'000	Share premium £'000	Retained earnings £'000	Shareholders Funds £'000
At 1 October 2005	689	3,499	61	4,249
Profit for the financial year	-	-	34	34
At 1 October 2006	689	3,499	95	4,283
Ordinary shares issued (net of expenses)	3,433	21,395	-	24,828
Share based payments	-	-	22	22
Loss for the financial year	-	-	(78)	(78)
At 30 September 2007	4,122	24,894	39	29,055

12. Cash Flows**a Reconciliation of operating loss to net cash outflow from operating activities**

	Year ended 30 September 2007 £'000	Year ended 30 September 2006 £'000
Operating loss	(399)	(148)
Share based payments	22	-
Increase in debtors	-	(2)
Increase in creditors	151	5
Net cash outflow from operating activities	(226)	(145)

Notes to the Financial Statements (continued)

for the year ended 30 September 2007

12. Cash Flows (continued)

b Analysis of cash flows for headings netted in the cash flow

	Year ended 30 September 2007 £'000	Year ended 30 September 2006 £'000
Returns on investments and servicing of finance		
Interest received	280	192
Net cash inflow from returns on investments and servicing of finance	280	192
Capital expenditure and financial investments		
Purchase of tangible fixed assets	(4)	-
Net cash outflow from capital expenditure and financial investments	(4)	-
Management of liquid resources		
Increase in short term deposits	(24,898)	(188)
Net cash outflow from management of liquid resources	(24,898)	(188)
Financing		
Gross proceeds of ordinary shares issued	25,659	-
Issue costs	(798)	-
Net cash inflow from financing	24,861	-

c. Analysis of net funds

	At 1 October 2006 £'000	Cash flow £'000	At 30 September 2007 £'000
Cash in hand, at bank	1	2	3
Short term deposit	4,344	24,898	29,242
Total net funds	4,345	24,900	29,245

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 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% (2006: 4.58%) and the average amount of time for which interest rates are fixed on short-term deposits were 16 days (2006: 33 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 and short term deposits as at 30 September 2007 was £29,245,000 (2006: £4,345,000) and their fair value was the same as the carrying value.

14. Related Parties Transactions

During the year, the company rented desk space and serviced office facilities from The Clapham House Group Plc, a company in which DM Page and PA Campbell are directors and shareholders. The amount charged during the year was £50,000 (2006: £Nil). The balance owed to The Clapham House Group Plc at 30 September 2007 was £50,000 (2006: £Nil).

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Company will be held at 10am on Wednesday 30 April 2008 at Suite D, 2nd Floor, 1 Lindsey Street, London, EC1A 9HP 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 2007.
2. To re-appoint Mr Stefan Borson as a director of the Company who has been appointed a director since the last Annual General Meeting.
3. That the directors of the Company and the Company be and are hereby approved to continue the investing and acquisition strategy of the Company in respect of seeking to acquire leisure businesses.
4. To re-appoint Grant Thornton UK 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 5 will be proposed as an ordinary resolution and resolutions 6 and 7 will be proposed as special resolutions:

ORDINARY RESOLUTIONS

5. 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 2009 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.

SPECIAL RESOLUTIONS

6. THAT subject to the passing of resolution number 5, 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 2009 to allot equity securities (within the meaning of section 94 of the Act) for cash pursuant to the authority conferred by resolution number 5 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.

Notice of Annual General Meeting (continued)

7. THAT the Company be and is hereby generally and unconditionally authorised for the purposes of section 166 of the Act to make market purchases (within the meaning of section 163(3) of the Act) of Ordinary Shares of 5 pence each in the Company provided that:
- (a) the maximum number of Ordinary Shares which may be purchased is 8,244,723 (representing 10 per cent of the Company's issued ordinary share capital as at the date hereof);
 - (b) the minimum price (exclusive of expenses) which may be paid for each Ordinary Share 5 pence;
 - (c) the maximum price (exclusive of expenses) which may be paid for each Ordinary share is an amount equal to the higher of (i) 105 per cent of the average of the middle market quotations of an Ordinary Share of the Company taken from the AIM appendix to the Stock Exchange Daily List for the five business days immediately preceding the day on which the share is contracted to be purchased and (ii) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share of the Company taken from the AIM appendix to the Stock Exchange Daily List at the time the purchase is carried out;
 - (d) this authority shall expire within 12 months from the date of passing this resolution (unless previously renewed, varied or revoked by the Company in general meeting); and
 - (e) the Company may, before such expiry, enter into one or more contracts to purchase Ordinary Shares under which such purchases may be completed or executed wholly or partly after the expiry of this authority and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts.

By order of the Board

Registered office:

1 Park Row
Leeds
LS1 5AB

Nicholas Wong ACA
Company Secretary

31 March 2008

Notes:

1. A member entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his behalf. A proxy need not be a shareholder of the Company.
2. To be effective, the instrument appointing a proxy and any authority under which it is executed (or a notarially certified copy of such authority) must be deposited at the Company's registrars, Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road, Bristol, BS99 7NH not less than 48 hours before the time for holding the Meeting. A form of proxy is enclosed with this notice. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Meeting.
3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the relevant register of members of the Company at 10.00 a.m. on 28 April 2008 shall be entitled to attend and vote at the Extraordinary General Meeting or, if the Meeting is adjourned, close of business on such date being not more than two days prior to the date fixed for the adjourned meeting. Changes to entries on the register of members after 10.00 a.m. on 28 April 2008 shall be disregarded in determining the right of any person to attend or vote at the Meeting.
4. Details of those Directors seeking re-election are given on page 4 of the Report and Financial Statements.
5. Details of the Company's acquisition strategy are given on page 3 of the Report and Financial Statements.

Clerkenwell Ventures PLC

Annual General Meeting Form of Proxy

Before completing this form please read the explanatory notes below.

Please complete in BLOCK CAPITALS

I/We _____

of _____

being (a) member(s) of Clerkenwell Ventures PLC hereby appoint the Chairman of the Meeting*

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday 30 April 2008 at 10:00 a.m. and at any adjournment thereof and direct my/our proxy to vote as follows:

ORDINARY BUSINESS

RESOLUTIONS

	FOR	AGAINST
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 2007		
2. To re-appoint Mr Stefan Borson as a director of the Company		
3. To approve the continuance of the investing and acquisition strategy of the Company in respect of seeking to acquire leisure businesses		
4. To re-appoint Grant Thornton UK LLP as auditors of the Company to hold office from the conclusion of the annual general 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

ORDINARY RESOLUTION

	FOR	AGAINST
5. To authorise directors to exercise all powers of the Company to allot relevant securities (within the meaning of section 94 of the Companies Act 1985 (the "Act")).		

SPECIAL RESOLUTIONS

6. To empower the directors to allot equity securities (within the meaning of section 94 of the Act) as if section 89(1) of the Act did not apply.		
7. To authorise the Company to make market purchases of its own shares for the purposes of section 166 of the Act.		

Signature	Date
-----------	------

* If a member wishes to appoint any other person as proxy, strike out "the Chairman of the meeting" above and insert the name of the proxy you wish to appoint in the space provided.

Explanatory Notes

- Please indicate how you wish your proxy to vote by placing a tick in the appropriate box overleaf. Unless otherwise indicated the proxy will vote or abstain at his/her discretion.
- In the case of joint holders the vote of the senior who tenders a vote will be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding.
- In the case of a corporation this form of proxy should be executed under its common seal or by two directors, a director and secretary or a duly authorised officer.
- To be valid this form of proxy and the authority (if any) under which it is executed or a certified copy of such authority must be lodged with the Company's registrars, Computershare Investor Services PLC not later than 48 hours before the time and date of the Annual General Meeting or any adjournment of it.

Please complete and return to: Computershare Investor Services PLC at the address overleaf.



Second Fold

BUSINESS LICENCE No.
SWB 1002



Computershare Investor Services PLC
PO Box 1075
The Pavilions
Bridgwater Road
Bristol
BS99 3FA

First Fold

Third fold and tuck in.



Clerkenwell Ventures PLC

1 Park Row, Leeds, LS1 5AB