



## **Clerkenwell Ventures PLC – Unaudited Interim Results**

**27 June 2008**

### **Unaudited Interim Results for the period ended 31 March 2008**

Clerkenwell Ventures PLC (“Clerkenwell Ventures” or “the Company”) announces its interim results for the period ended 31 March 2008.

#### **Highlights :**

- Net cash as at 31 March 2008 of £29.7 million (2007: £4.4 million)
- Profit before taxation for the period ended 31 March 2008 of £345,000 (2007: loss of £31,000)
- Net assets per share as at 31 March 2008 of 35.7p (2007: 30.8p)
- Net cash today of £29.9 million

David Page, Chairman, commented:

"We have continued to evaluate possible acquisitions although in several cases vendor price expectations have been unrealistic. We remain confident that the next year will present interesting opportunities to acquire quality businesses with high growth potential at attractive prices."

#### **Enquiries**

Clerkenwell Ventures PLC  
David Page, Non-executive Chairman  
Stefan Borson, Corporate Development Director

Telephone: 07836 346934  
07824 638 553

Seymour Pierce Limited  
Parimal Kumar/Nicola Marrin

Telephone: 020 7107 8000

**Clerkenwell Ventures PLC**  
**Unaudited Interim Results**  
**for the period ended 31 March 2008**

**Chairman's Statement**

It gives me pleasure to report the interim results of Clerkenwell Ventures for the six months ended 31 March 2008.

*Acquisition strategy*

Following shareholders' approval for the Company to continue its stated acquisition strategy at the Company's AGM on 30 April 2008, we have continued to evaluate a number of businesses which could be reversed into the Company. We are continuing discussions with several parties and will update the market when appropriate.

*Results*

Profit after taxation for the six months ended 31 March 2008 was £182,000 (2007: loss of £31,000). As at 31 March 2008, Clerkenwell Ventures' net cash balances amounted to £29.7 million (2007: £4.4 million).

*Impact of the adoption of International Financial Reporting Standards*

The financial information shown in this interim statement is presented for the first time in accordance with the recognition and measurement principles of International Financial Reporting Standards ("IFRS"). The comparative information for the six months ended 31 March 2007 and the year ended 30 September 2007 has been restated under these standards.

There was no impact on the Company's income statement for the six months ended 31 March 2008 as a result of the change from UKGAAP to IFRS.

*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 Company's 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.

David Page  
Non-executive Chairman  
27 June 2008

**Clerkenwell Ventures PLC**  
**Unaudited Income Statement**  
**for the period ended 31 March 2008**

	Notes	Six months ended 31 March 2008 Unaudited £'000	Six months ended 31 March 2007 Unaudited £'000	Year ended 30 September 2007 Unaudited £'000
Administrative expenses		(330)	(145)	(377)
<b>Operating loss before share based payments</b>		(330)	(145)	(377)
Share based payments		(153)	-	(22)
<b>Operating loss</b>		(483)	(145)	(399)
Finance income		828	114	321
<b>Profit/(loss) on ordinary activities before taxation</b>		345	(31)	(78)
Taxation	4	(163)	-	-
<b>Profit/(loss) for the period</b>		182	(31)	(78)
Earnings/(loss) per share				
Basic	5	0.2p	(0.2p)	(0.4p)
Diluted	5	0.2p	(0.2p)	(0.4p)

All amounts relate to continuing activities.

**Clerkenwell Ventures PLC**  
**Unaudited Balance Sheet**  
**as at 31 March 2008**

Notes	As at 31 March 2008 Unaudited £'000	As at 31 March 2007 Unaudited £'000	As at 30 September 2007 Unaudited £'000
<b>Non current Assets</b>			
Property, plant and equipment	4	2	4
	<u>4</u>	<u>2</u>	<u>4</u>
<b>Current Assets</b>			
Trade and other receivables	92	18	59
Cash at bank and in hand	29,680	4,429	29,245
	<u>29,772</u>	<u>4,447</u>	<u>29,304</u>
<b>Total Assets</b>	<u>29,776</u>	<u>4,449</u>	<u>29,308</u>
<b>Current Liabilities</b>			
Trade and other payables	(219)	(197)	(253)
Current taxation liabilities	(163)	-	-
	<u>(382)</u>	<u>(197)</u>	<u>(253)</u>
<b>Net current assets</b>	<u>29,390</u>	<u>4,250</u>	<u>29,051</u>
<b>Net assets</b>	<u>29,394</u>	<u>4,252</u>	<u>29,055</u>
<b>Equity</b>			
Called up share capital	4,122	689	4,122
Share premium account	24,898	3,499	24,894
Retained earnings	374	64	39
<b>Total shareholders' equity</b>	<u>29,394</u>	<u>4,252</u>	<u>29,055</u>

**Clerkenwell Ventures PLC**  
**Unaudited Cash Flow Statement**  
**for the period ended 31 March 2008**

	Notes	Six months ended 31 March 2008 Unaudited £'000	Six months ended 31 March 2007 Unaudited £'000	Year ended 30 September 2007 Unaudited £'000
<b>Net cash from operating activities</b>	6	(396)	(28)	(245)
<b>Investing activities</b>				
Acquisition of property, plant and equipment		(1)	(2)	(4)
Interest received		828	114	321
<b>Net cash generated by investing activities</b>		<u>827</u>	<u>112</u>	<u>317</u>
<b>Financing activities</b>				
Proceeds from issuance of new ordinary shares (net of expenses)		4	-	24,828
<b>Net cash from financing activities</b>		<u>4</u>	<u>-</u>	<u>24,828</u>
Net increase in cash and cash equivalents		435	84	24,900
Cash and cash equivalents at beginning of the period		29,245	4,345	4,345
<b>Cash and cash equivalents at end of period</b>		<u>29,680</u>	<u>4,429</u>	<u>29,245</u>

**Clerkenwell Ventures**  
**Unaudited Statement of Changes in Shareholders' Equity**  
**for the six months ended 31 March 2008**

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
<b>At 1 October 2006</b>	<b>689</b>	<b>3,499</b>	<b>95</b>	<b>4,283</b>
Loss for the period	-	-	(31)	(31)
Total recognised income and expense	-	-	(31)	(31)
<b>At 31 March 2007</b>	<b>689</b>	<b>3,499</b>	<b>64</b>	<b>4,252</b>
Ordinary shares issued (net of expenses)	3,433	21,395	-	24,828
Share based payments	-	-	22	22
Loss for the period	-	-	(47)	(47)
Total recognised income and expense	-	-	(25)	(25)
<b>At 30 September 2007</b>	<b>4,122</b>	<b>24,894</b>	<b>39</b>	<b>29,055</b>
Ordinary shares issued (net of expenses)	-	4	-	4
Share based payments	-	-	153	153
Profit for the period	-	-	182	182
Total recognised income and expense	-	-	335	335
<b>At 31 March 2008</b>	<b>4,122</b>	<b>24,898</b>	<b>374</b>	<b>29,390</b>

**Clerkenwell Ventures PLC**  
**Notes to the Unaudited Interim Results**  
**for the period ended 31 March 2008**

1. General information

Clerkenwell Ventures PLC is a company incorporated in the United Kingdom under the Companies Act 1985. The address of the registered office is 1 Park Row, Leeds, LS1 5AB, United Kingdom. Copies of this Interim Statement may be obtained from the above address or the investor section of the Company's website at <http://www.clerkenwellventures.com>

2. Basis of preparation

The Company has adopted the recognition and measurement principles of International Financial Reporting Standards as adopted by the European Union and IFRIC Interpretations ("IFRS"). The Company will apply IFRS in its consolidated financial statements for the year ending 30 September 2008.

The interim financial statements for the six months ended 31 March 2008 do not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. Statutory accounts for the year ended 30 September 2007 were prepared under UK GAAP and have been delivered to the Registrar of Companies. The audit report on these statutory accounts was unqualified and did not contain a statement either under section 237(2) or 237(3) of the Companies Act 1985.

The financial information for the year ended 30 September 2007 has been extracted from the statutory accounts for the Company for the period, amended to conform with the IFRS accounting policies expected to be applied in the consolidated financial statements for the year ending 30 September 2008. Included within note 7 of the Company's interim report is an analysis of how balance sheets, income statements and cash flow statements primarily prepared under UK GAAP have changed under IFRS.

The interim consolidated financial statements are presented in Pounds Sterling because that is the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest thousand Pounds (£'000) except when otherwise indicated.

3. Principal accounting policies of the Company

This interim financial information has been prepared on the basis of the recognition and measurement requirements of IFRS in issue that either are endorsed by the European Union and effective (or available for early adoption) at 31 March 2008 or are expected to be endorsed and effective (or available for early adoption) at 30 September 2008, the Company's first annual report under IFRS. Based on these adopted and unadopted IFRS, the directors have made assumptions about the accounting policies expected to be applied, which are set out below, when the first annual IFRS financial statements are prepared for the year ending 30 September 2008.

The adopted IFRS that will be effective (or available for early adoption) in the annual financial statements for the year ending 30 September 2008 are still subject to change and to additional interpretations and therefore cannot be determined with certainty. Accordingly, the accounting policies for the annual period will be determined finally only when the annual financial statements are prepared for the year ending 30 September 2008.

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

- IAS 1 Amendment Presentation of Financial Statements (revised 2007)
- IAS 23 Amendment Borrowing Costs (revised 2007)
- IAS 27 Amendment Consolidated and Separate Financial Statements (revised 2008)
- IAS 32 Amendment Financial Statements: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
- IFRS 1 Amendment First-time Adoption of International Financial Reporting Standards and IAS27 Consolidated and Separate Financial Statements – Costs of Investment in a Subsidiary, Joint Controlled Entity or Associate
- IFRS 2 Amendment Share-based payments – Vesting conditions and cancellations
- IFRS 3 Business Combinations (revised 2008)
- IFRS 8 Operating Segments
- IFRIC 12 Service Concession Arrangements
- IFRIC 13 Customer Loyalty Programmes
- IFRIC 14/IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

#### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at historical cost less depreciation. The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is provided on property, plant and equipment 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

The assets' residual values, useful lives and methods of depreciation are reviewed and adjusted if appropriate on an annual basis. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

#### FINANCIAL INSTRUMENTS

Financial assets and financial liabilities, in respect of financial instruments, are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. The financial assets of the Company comprise trade receivables and cash and cash equivalents. The financial liabilities of the Company comprise trade payables.

#### TRADE RECEIVABLES

Trade receivables do not carry any interest and are initially recognised at fair value and subsequently stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience. Individual trade receivables are written off when management deems them not to be collectible.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and call deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

#### TRADE PAYABLES

Trade payables are not interest bearing and are initially recognised at fair value and subsequently stated at their amortised cost.

## FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets. Interest bearing loans and overdrafts are initially measured at fair value (which is equal to cost at inception), and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds net of transaction costs and the settlement or redemption of borrowings is recognised over the term of the borrowing. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

## TAXATION

Income tax expense represents the sum of the current tax payable and the deferred tax charge for the period.

Current tax payable or recoverable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because some items of income or expense are taxable or deductible in different years or may not be taxable or deductible. The Company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities calculated using the liability method are recognised for taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they either relate to income taxes levied by the same taxation authority on either the same taxable entity or on different taxable entities which intend to settle the current tax assets and liabilities on a net basis.

Tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the tax is also recognised directly in equity.

## PROVISIONS

Provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that the Company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

## OPERATING PROFIT

Operating profit is defined as profits from operations after share based payments but before finance income, finance costs and taxation.

## SHARE BASED PAYMENTS

The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured using a Black-Scholes valuation model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as additional paid-in-capital.

4. Taxation

	<b>Six months ended 31 March 2008 Unaudited £'000</b>	<b>Six months ended 31 March 2007 Unaudited £'000</b>	<b>Year ended 30 September 2007 Unaudited £'000</b>
Based on the result for the period:			
UK Corporation tax at 30%	150	-	-
Under provision in earlier periods	13	-	-
Total current tax	<u>163</u>	<u>-</u>	<u>-</u>
Deferred taxation:			
Origination and reversal of timing differences	-	-	-
Taxation payable	<u><u>163</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

## 5. Earnings per share

	<b>Six months ended 31 March 2008 Unaudited £'000</b>	<b>Six months ended 31 March 2007 Unaudited £'000</b>	<b>Year ended 30 September 2007 Unaudited £'000</b>
Earnings for the purposes of basic and diluted earnings per share:			
- Profit/(loss) for the period	182	(31)	(78)
Share based payments	153	-	22
	<hr/>	<hr/>	<hr/>
Adjusted profit for the period for the purposes of headline basic and diluted earnings per share	335	(31)	(56)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	Weighted Average number of shares '000	Weighted Average number of shares '000	Weighted Average number of shares '000
Weighted average number of shares in issue for the purposes of basic earnings per share	82,447	13,782	18,597
Effect of dilutive potential ordinary shares:			
- Share options	526	-	-
	<hr/>	<hr/>	<hr/>
Weighted average number of shares for the purposes of diluted earnings per share	82,973	13,782	18,597
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Earnings per share:			
Basic	0.2p	(0.2p)	(0.4p)
Diluted	0.2p	(0.2p)	(0.4p)
Adjusted basic	0.4p	(0.2p)	(0.3p)
Adjusted diluted	0.4p	(0.2p)	(0.3p)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

For the period ended 31 March 2007 and 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 and the Company made a loss.

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 period ended 31 March 2007 has therefore been restated assuming the consolidation had taken place.

6. Notes to the cash flow statement

Reconciliation of net cash flow from operating activities

	<b>Six months ended 31 March 2008 Unaudited £'000</b>	<b>Six months ended 31 March 2007 Unaudited £'000</b>	<b>Year ended 30 September 2007 Unaudited £'000</b>
Profit/(loss) before taxation	345	(31)	(78)
Adjustments:			
Investment revenues	(828)	(114)	(321)
Depreciation and amortisation	1	-	-
Share based payments expense	153	-	22
	<hr/>	<hr/>	<hr/>
Operating cash flows before movements in working capital	(329)	(145)	(377)
Increase in trade and other receivables	(33)	-	(41)
(Decrease)/increase in payables	(34)	117	184
	<hr/>	<hr/>	<hr/>
Cash generated from operating activities	(396)	(28)	(234)
Taxation received/(paid)	-	-	(11)
	<hr/>	<hr/>	<hr/>
Net cash from operating activities	(396)	(28)	(245)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

7. Transition to IFRS

**BASIS OF PREPARATION OF IFRS FINANCIAL INFORMATION**

The Company's Annual Report for the year ending 30 September 2008 will be the first annual consolidated financial statements that will comply with IFRS. These interim results have been prepared in accordance with the significant accounting policies described in note 3 above. The Company has applied IFRS 1 (First time adoption of International Reporting Standards) in preparing these interim results.

The Company's Annual Report for the year ending 30 September 2008 will provide one year of comparative financial information and the opening balance sheet date for adoption of IFRS at 1 October 2006.

**IFRS 1 EXEMPTIONS**

IFRS 1 sets out the procedures that the Company must follow when adopting IFRS for the first time as the basis for preparing its consolidated financial statements. The Company is required to establish its IFRS accounting policies as at 30 September 2008 and, in general, apply these retrospectively to determine the IFRS opening balance sheet at the date of transition which is 1 October 2006. The standard provides a number of optional exemptions to this general principle.

**IMPACT OF TRANSITION TO IFRS**

There were no material differences between IFRS and UK GAAP on the Company's total equity shareholders' funds and profit for the period for the periods previously reported under UK GAAP following the date of transition to IFRS.