

Chairman's Review

Clipper Round The World Yacht Race

The Clipper 07-08 race, which finished in July 2008, has been the single largest contributor to the profitability of the company in the year under review. Preparations for Clipper 09-10 are well underway with crew recruitment proceeding in line with plan and 2 cities signed for the event (Hull and Humber, and Qingdao) with ongoing negotiations with a number of other cities.

We are satisfied with the progress of the Clipper Race, the core business of the company, as it continues to perform as a profitable, international event attracting the interest of the world's media, cities and businesses.

Velux 5 Oceans Race

We were delighted that Velux has renewed as title sponsor of the Velux 5 Oceans Race. Preparations are now under way for the next event, which will start in 2010. Negotiations are ongoing with a number of cities that will make up the stop-over ports, the team that will run the event has been put in place, and the first of a series of conferences for potential competitors has taken place.

Clipper Corporate Events

The Corporate events division was established to make profitable use of the Company's fleet of Clipper 68's during the year they are not taking part in the Clipper Round The World Yacht Race. This is the first full summer season that the fleet has been available to the division, and the division is growing into a significant and profitable part of the group.

Clipper Training

Building on our world-class training offered to our race crews for the past 12 years, the Clipper Training division was launched last financial year in conjunction with Plymouth University and Falmouth College. This financial year has seen the division growing in strength, offering the general public as well as our race crews the opportunity to study towards a maritime studies degree.

Financial Review

The Board is pleased to report another profitable year, the third in succession, with Group Operating Profits up 8% at £1,166k. Financing costs have reduced by 84% reflecting the strong working capital position of the company, and the Group continues to enjoy the benefits of tax losses from previous financial years.

The Group once again has no net debt; as at the year end the Group had outstanding Borrowing of £240k and a cash balance £1,215k. This position will weaken as the Group approaches its half year (October 2008) before improving again in the spring in the run up to the Clipper 09 – 10 Race.

There has been much media reporting of forecast down turn in the UK and world economy. The Board believes the Group is well positioned to weather such a recession. However the Board also believed it would be wise for the company to retain its cash reserves in such an economic environment and as such it will not be recommending a final dividend.

International Financial Reporting Standards (IFRS)

This is the first year in which the Group have issued annual consolidated financial statements under IFRS.

Clipper Ventures plc

CHAIRMAN'S REVIEW

The financial information has been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union . Comparative information has also been stated on an IFRS basis.

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Sir Robin Knox Johnston
Chairman

Clipper Ventures plc
CONSOLIDATED INCOME STATEMENT
for the year ended 30 April 2008

	Notes	2008 £	2007 £
Revenue	4	7,913,474	6,980,615
Cost of Sales		(3,545,368)	(3,127,378)
Gross Profit		<u>4,368,106</u>	<u>3,853,237</u>
Administrative Expenses		(3,201,918)	(2,773,460)
Operating Profit	5	<u>1,166,188</u>	<u>1,079,777</u>
Finance Income		-	13
Finance Expenses	6	(24,376)	(148,991)
Profit before taxation		<u>1,141,812</u>	<u>930,799</u>
Income tax expense	7	60,914	-
Profit for the Year		<u>1,202,726</u>	<u>930,799</u>
Earnings per ordinary share - basic	9	3.1p	2.8p
Earnings per ordinary share - diluted	9	3.1p	2.8p

Clipper Ventures plc
CONSOLIDATED AND COMPANY BALANCE SHEETS
as at 30 April 2008

	Notes	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
ASSETS					
Non-current assets					
Property, plant and equipment	11	4,136,661	4,363,568	4,119,783	4,332,745
Goodwill	10	210,875	210,875	85,875	85,875
Investments in subsidiaries	12	125	125	150,130	150,130
Trade and other receivables receivable after 1 year	16	863,644	1,401,498	863,644	1,401,498
Deferred income tax asset	13	60,914	-	60,914	-
		<u>5,272,219</u>	<u>5,976,066</u>	<u>5,280,346</u>	<u>5,970,248</u>
Current Assets					
Inventories	15	82,949	147,114	44,038	93,116
Trade and other receivables receivable within 1 year	16	3,065,586	3,713,173	3,098,487	3,689,161
Cash and cash equivalents		1,214,620	319,120	1,220,899	319,120
		<u>4,363,155</u>	<u>4,179,407</u>	<u>4,363,424</u>	<u>4,101,397</u>
Non-current assets held for resale	14	-	214,676	-	214,676
Total Assets		<u>9,635,374</u>	<u>10,370,149</u>	<u>9,643,770</u>	<u>10,286,321</u>
LIABILITIES					
Non-current liabilities					
Interest bearing loans and borrowings	19	-	200,000	-	200,000
Deferred income		1,606,108	1,269,348	1,606,108	1,269,348
Deferred income tax liabilities	13	1,783	1,783	-	-
		<u>1,607,891</u>	<u>1,471,131</u>	<u>1,606,108</u>	<u>1,469,348</u>
Current liabilities					
Interest bearing loans and borrowings	17	239,605	18,172	239,605	133
Trade and other payables	18	982,221	1,372,837	951,679	1,342,833
Deferred Income		2,130,839	3,868,185	2,117,884	3,868,185
Current tax liabilities		49,165	79,311	48,496	77,911
		<u>3,401,830</u>	<u>5,338,505</u>	<u>3,357,664</u>	<u>5,289,062</u>
Total Liabilities		<u>5,009,721</u>	<u>6,809,636</u>	<u>4,963,772</u>	<u>6,758,410</u>
Net Assets		<u>4,625,653</u>	<u>3,560,513</u>	<u>4,679,998</u>	<u>3,527,911</u>
EQUITY					
Issued share capital	23	587,195	587,195	587,195	587,195
Share premium		2,142,728	2,142,728	2,142,728	2,142,728
Retained earnings		1,895,730	830,590	1,950,075	797,988
		<u>4,625,653</u>	<u>3,560,513</u>	<u>4,679,998</u>	<u>3,527,911</u>

Clipper Ventures plc
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 April 2008

Statement of Changes in Equity

	Notes	Share Capital £	Share Premium Account £	Retained Earnings £	Equity Shareholder's Funds £	Total Equity £
At 1 May 2006 as previously stated		503,862	4,365,951	(3,341,796)	1,528,017	1,528,017
Prior period effect of adoption of IFRS		-	-	(110,603)	(110,603)	(110,603)
At 1 May 2006 as restated		503,862	4,365,951	(3,452,399)	1,417,414	1,417,414
Total recognised income and expenses for the period		-	-	930,799	930,799	930,799
Issue of shares		83,333	1,128,967	-	1,212,300	1,212,300
Reserve transfer		-	(3,352,190)	3,352,190	-	-
At 1 May 2007		587,195	2,142,728	830,590	3,560,513	3,560,513
Total recognised income and expenses for the period		-	-	1,202,726	1,202,726	1,202,726
Dividends paid	8	-	-	(97,983)	(97,983)	(97,983)
Treasury shares purchased	23	-	-	(39,603)	(39,603)	(39,603)
At 30th April 2008		587,195	2,142,728	1,895,730	4,625,653	4,625,653

Total recognised income and expenses for the period consisted solely of profit for the period.

During the previous year the company obtained approval from the High Court to write off retained losses made in previous years against the share premium account in order to create distributable reserves.

Clipper Ventures plc
CONSOLIDATED CASHFLOW
for the year ended 30 April 2007

Notes	Group 2008 £	2007 £	Company 2008 £	2007 £
Cash flows from operating activities				
Profit before taxation	1,141,812	930,799	1,228,759	797,988
Adjustments for:				
Depreciation	355,485	333,708	338,712	315,755
(Profit)/loss on disposal	20,334	(35,893)	20,334	(35,893)
Finance income	-	(13)	-	-
Finance expenses	24,376	148,991	24,376	147,997
(Increase) / decrease in inventories	64,165	(23,057)	49,078	(38,225)
Increase / (decrease) in trade and other receivables	1,185,441	(1,012,795)	1,128,528	(995,585)
Increase / (decrease) in trade and other payables	(1,821,348)	(154,199)	(1,834,110)	(3,832)
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Net cash inflow from operating activities	970,265	187,541	955,677	188,205
Cash flows from investing activities				
Acquisition of property, plant and equipment	(21,240)	(21,426)	(18,412)	(20,076)
Proceeds from sale of property, plant and equipment	-	-	-	-
Proceeds from sale of assets held for re-sale	87,004	250,585	87,004	250,585
Interest received	-	13	-	-
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Net cash inflow from investing activities	65,764	229,172	68,592	230,509
Cash flows from financing activities				
Issue of ordinary share capital	-	70,000	-	70,000
Share premium on issue of equity share capital	-	942,300	-	942,300
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Issue of shares	-	1,012,300	-	1,012,300
Purchase of treasury shares	(39,603)	-	(39,603)	-
Repayment of loans	(200,000)	(400,000)	(200,000)	(400,000)
New loans	239,472	50,000	239,472	50,000
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(Decrease)/increase in debt	39,472	(350,000)	39,472	(350,000)
Dividends paid	(97,983)	-	(97,983)	-
Interest paid	(24,376)	(148,991)	(24,376)	(147,997)
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Net cash (outflow)/inflow from financing activities	(122,490)	513,309	(122,490)	514,303
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Increase in cash and cash equivalents	913,539	930,022	901,779	933,017
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Cash and cash equivalents at beginning of year	300,948	(629,074)	318,987	(614,030)
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Cash and cash equivalents at end of year	<u>1,214,487</u>	<u>300,948</u>	<u>1,220,766</u>	<u>318,987</u>

Clipper Ventures plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2007

1) Status of Financial Information

The financial information set out in this announcement does not comprise the Group's statutory accounts for the years ended 30 April 2008 or 30 April 2007.

The financial information for the year ended 30 April 2007 is derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified with an emphasis of matter paragraph relating to going concern and did not contain a statement under either Section 237 (2) or Section 237 (3) of the Companies Act 1985.

The statutory accounts for the year ended 30 April 2008 will be finalised on the basis of the financial information presented by the Directors in this preliminary announcement and will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

2) Earnings per Ordinary Share

Basic earnings per ordinary share has been calculated on the net basis on the profit on ordinary activities after taxation of £1,202,726 (2007: £930,799) using the weighted average number of ordinary shares in issue of 39,069,991 (2007: 32,891,572).