

RNS ANNOUNCEMENT



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30 March 2010

PRELIMINARY RESULTS 2009

Oak Holdings plc ("Oak" or the "Company"), the leisure business operator and YES! Project developer, is pleased to announce its audited results for the year ended 31 October 2009.

Financial Highlights:

- Revenue of £761,784 (2008: £25,073)
- Pre-tax profit of £325,818 (2008: pre-tax loss of £791,515)
- £1.5 million fundraising achieved post year end

Operational Highlights:

- Oak successfully repositioned as leisure business operator with property potential
- Operational lease secured at Rother Valley Country Park
- Ringwood Town & Country Experience acquisition completed
- Application to extend planning permission for the YES! Project submitted
- First pre-let signed for the development
- Ongoing discussions with hotel groups in respect of further pre-lettings

Malcolm Savage, Chairman of Oak, said: "The outlook for Oak is a great deal brighter than it was 12 months ago. The repositioning of the Company as a revenue generating leisure business, creating value through trading and property investment activities, augurs well for shareholders. The directors are confident that this will enable Oak to take advantage of current market opportunities as they arise, whilst continuing to retain the longer term value of its property development potential."

...Ends...

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About Oak

Oak is an asset-based leisure business operator with significant property development potential. The Company's activities comprise:

Rother Valley County Park

The Company leases and manages Rother Valley Country Park, a 1,000 acre country park with four major lakes. The park is positioned just off the M1 on the borders of Sheffield, Rotherham and Derbyshire. It currently attracts over 750,000 visitors per year and is included in the Official 2012 Olympic Training Camp Guide, which recommends high quality sporting facilities for all participating athletes.

Ringwood Town & Country Experience

Ringwood Town & Country Experience is a leisure business located in the New Forest, Hampshire, which attracts around 19,000 visitors per year. Ringwood Town & Country Experience incorporates a Heritage Centre with vintage cars and motorcycles, a replica railway station, tearooms, a restaurant, nostalgic shops and a 100 seat function room.

YES! Project

Oak is the promoter and developer of the exciting £350 million YES! Project, a phased development which will create one of the largest undercover, leisure-based, resort and convention destinations in Europe. The site covers 327 acres and is adjacent to the Rother Valley Country Park in South Yorkshire.

CHAIRMAN'S STATEMENT

It gives me great pleasure to announce the results for the year ended 31 October 2009.

As I am sure everyone is aware, the past year has witnessed a dramatically changed business environment, which adversely impacted all areas of commercial life. The directors realised that positive action was needed not only to ensure the survival of the business, but also to lay firm foundations for its future growth.

I am pleased to report that action taken to reposition Oak as a leisure business operator with significant property development potential has proved successful.

Progress

In May 2009, the Company entered into a seven year lease of the entire Rother Valley Country Park from Rotherham Metropolitan Borough Council, giving the Company operational control of this major leisure attraction. This is an interim measure until such time as a 250 year lease under the provisions of the Development Agreement for The YES! Project is granted. This was followed by the conditional acquisition (completed since the year end) of The Ringwood Town & Country Experience, an asset based leisure business on the edge of the New Forest in Hampshire. This acquisition added a new dimension to Oak's activities, providing additional trading opportunities together with geographic diversification.

Since the year end, a revised and updated planning application for the YES! Project, the Company's leisure destination and convention resort, has been submitted. This application provides for the project to be constructed in phases as pre-letting demand materialises.

A successful, post balance sheet fundraising of £1.5 million was completed in February 2010. This put the Group in a much healthier financial position and provides a springboard to develop the Group's trading and investment opportunities.

Results

Group revenue to 31 October 2009 increased significantly to £761,784 (2008: £25,073). The Company returned to profitability, recording pre-tax profit of £326,536 (2008: loss of £782,929). Earnings per share were 2.0p, compared with a loss per share of 5.2p in the previous year.

As at 31 October 2009, the Group's net assets totalled £9.84 million (2008: £9.48 million) - the major component being intangible assets, as disclosed in the Company's balance sheet, of £10.8 million. Whilst the formal valuation undertaken by HLL Humberts in August 2008, in a distressed market, indicated a value of £21 million, this enhanced value still appears only as a note and is not incorporated in the balance sheet.

Costs during the year attributable to the YES! Project were restricted to essential expenditure pursuant to modifying the scheme for the submission of the revised planning application. In accordance with the policy adopted by the Group, all costs were written off in the income statement and not capitalised.

Strategy

The Group's revised strategy to concentrate on income generation and the establishment of a sustainable business is proving successful. Further growth of income generating businesses is expected in the current financial year and thereafter.

The Board believes this strategy will enable the Company to direct resources to its development opportunities when circumstances permit. In the meantime, the focus remains firmly on creating profitable enterprises in the Rother Valley Country Park and at the newly acquired Ringwood Town & Country Experience.

An approach, reflective of the leisure emphasis in the activities of the Company, will be made to the FTSE to reclassify Oak into the leisure sector instead of the current property classification.

Business Review

The Rother Valley Country Park is a major leisure undertaking which currently attracts in excess of 750,000 visitors a year. Trading income since Oak took over management of the Rother Valley Country Park has responded positively to Oak's active approach. This has included investment in new equipment and refurbished facilities, as well as the introduction of a very popular miniature steam railway and Zorbs. The first evening event in the Park took place on Halloween. It was very well attended and proved to be a major success. Oak's active management approach has successfully generated additional income.

The Ringwood Town & Country Experience acquisition further expands Oak's leisure and revenue generating activities. It owns and operates a heritage and education centre with a café/restaurant and banqueting/event space at Ringwood, Hampshire on the fringe of the New Forest. The business also owns a large collection of memorabilia which has extensive potential for either sale, a remodelled exhibition or other revenue generating opportunities, such as film hire. The assets acquired include world class items such as an extremely rare Hispano Suiza car (and sufficient Hispano spare parts to re-build a further three vehicles), an original World War II "Bouncing Bomb" and a Victorian steam driven carousel.

In light of the changed economic environment, the design of the YES! Project has been revised to facilitate a phased development. This revised scheme, which was completed after the year end, incorporates a new multi-purpose sports facility that will become the new home of the Sheffield Steelers, the current UK Elite League Ice Hockey champions. This important pre-let forms the first phase in the development of the YES! Project. The revised planning application, which was submitted in late January 2010, will preserve the existing value and facilitate a more flexible approach to delivering the largest undercover leisure destination and convention resort in Europe.

Work continues on the strategic partnership with a landowner in Bolsover on a project to promote a major scheme for active senior living. Oak has a carried equity interest and continues to work progressively to deliver value for this 50 Ha scheme.

Further consultancy opportunities have arisen in Romania and in the Czech Republic. Modest income was received during the year from the Romanian project and further revenue earning consultancy work is anticipated in 2010 from this appointment. The Czech project could also generate income for the Group in the current year.

OAK Shareholders' Privilege Card

Every Oak shareholder will receive a Privilege Card with the Annual Report, which will entitle the holder to a 10% discount on the comprehensive activities at the Rother Valley Country Park and a 10% discount on the admission fee to the Ringwood Town & Country Experience.

Water borne activities at the Rother Valley Country Park range from advanced sailing tuition in the best laser craft to power boat tuition, pedalos, windsurfing and canoeing. Land based activities cover cycle hire, including the best stock of disabled cycles in the region, racing in four seater go-karts and riding the miniature railway. At the Ringwood Town & Country Experience, entrants can see the diverse range of memorabilia.

The card has been created to encourage shareholders to visit these venues and witness the progress the Company is making.

Funding

Oak successfully completed a Placing and Subscription to raise approximately £1.5 million through the issue of new ordinary shares at 5p per share on 2 March 2010, enabling the repositioning of the business and providing a platform from which to grow. The ability to raise these significant funds in a difficult investment market is testimony to the effort, commitment and determination of the directors. I thank them for their tenacity and drive.

Outlook

The outlook for Oak is a great deal brighter than it was 12 months ago. The repositioning of the Company as a revenue generating leisure business, creating value through trading and property investment activities, augurs well for shareholders. The directors are confident that this will enable Oak to take advantage of current market opportunities as they arise, whilst continuing to retain the longer term value of its property development potential. The operational team inherited at the Rother Valley Country Park has provided a valuable and enthusiastic additional resource, which is being carefully expanded to facilitate enhanced net revenue generation. A carefully enhanced skill base will enable the directors to optimise the potential of the existing businesses and to consider further acquisitions. The reputation being established by the Company in the leisure business-operating sector will be nurtured to secure additional profitable, revenue generating commissions.

The new agreement with the Sheffield Steelers after the year end will enable the Company to embark on the first phase of the YES! Project. Although protracted difficulties in the property market have, in certain sectors, subdued demand, I am pleased to report a recent increased level of tenant interest in the YES! Project. The commercial viability of the YES! Project and the Group's leisure based projects remain sound and the directors believe that the repositioned Group is well placed to take advantage of increasing market opportunities.

Finally, I would like to thank my colleagues and the shareholders for their continued support in this challenging but successful transitional year and to welcome new shareholders to the Company.

Malcolm Savage
Chairman
29 March 2010

CONSOLIDATED INCOME STATEMENT
for the year ended 31 October 2009

	2009	2008
	£	£
Revenue	761,784	25,073
Administrative expenses	(845,334)	(808,002)
Release of liabilities	410,086	-
Operating profit/(loss)	326,536	(782,929)
Finance income	14	324
Finance costs	(732)	(8,910)
Finance costs – net	(718)	(8,586)
Profit/(loss) before tax	325,818	(791,515)
Tax expense	-	-
Profit(loss) for the period attributable to equity holders of the Company	325,818	(791,515)
Earnings/(loss per share)		
Equity holders	2.2p	(5.2)p

All activities are continuing.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 October 2009

	Share capital £	Share premium £	Retained earnings £	Capital Redemption reserve £	Merger reserve £	Total £
Group						
Balance at 1 November 2007	7,545,067	3,017,818	(5,858,064)	164,667	5,197,319	10,086,807
Loss for the year ended 31 October 2008	-	-	(791,515)	-	-	(791,515)
Cost of share based awards	-	-	186,722	-	-	186,722
At 31 October 2008	7,565,067	3,017,818	(6,462,857)	164,667	5,197,319	9,482,014
Profit for the year ended 31 October 2009	-	-	325,818	-	-	325,818
Cost of share based awards	-	-	35,063	-	-	35,063
At 31 October 2009	7,565,067	3,017,818	(6,101,976)	164,667	5,197,319	9,842,895
Company						
Balance at 1 November 2007	7,565,067	3,017,818	(4,368,586)	164,667	5,197,319	11,576,285
Loss for the year ended 31 October 2008	-	-	(477,864)	-	-	(477,864)
Cost of share based awards	-	-	186,722	-	-	186,722
At 31 October 2008	7,565,067	3,017,818	(4,659,728)	164,667	5,197,319	11,285,143
Profit for the year ended 31 October 2009	-	-	235,368	-	-	235,368
Cost of share based awards	-	-	35,063	-	-	35,063
At 31 October 2009	7,565,067	3,017,818	(4,389,297)	164,667	5,197,319	11,555,574

BALANCE SHEETS
at 31 October 2009

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Non-current assets				
Goodwill	10,828,446	10,828,446	-	-
Property, plant and equipment	1,409,417	1,190,807	1,279,071	1,190,807
Investments in subsidiaries	-	-	10,436,059	10,435,959
Total non-current assets	12,237,863	12,019,253	11,715,130	11,626,766
Current assets				
Inventories	56,230	-	-	-
Trade and other receivables	131,305	39,653	2,254,265	2,036,573
Cash at bank	32,050	-	-	-
Total current assets	219,585	39,653	2,254,265	2,036,573
Total assets	12,457,448	12,058,906	13,969,395	13,663,339
Equity				
Issued share capital	7,565,067	7,565,067	7,565,067	7,565,067
Share premium	3,017,818	3,017,818	3,017,818	3,017,818
Retained earnings	(6,101,976)	(6,462,857)	(4,389,297)	(4,659,728)
Capital redemption reserve	164,667	164,667	164,667	164,667
Merger reserve	5,197,319	5,197,319	5,197,319	5,197,319
Total equity	9,842,895	9,482,014	11,555,574	11,285,143
Liabilities				
Non-current liabilities				
Borrowings	534,267	180,695	503,212	-
Total non-current liabilities	534,267	180,695	503,212	-
Current liabilities				
Borrowings	1,011,103	1,067,290	1,001,935	1,067,290
Trade and other payables	1,069,183	1,328,907	908,574	1,310,906
Total current liabilities	2,080,286	2,396,197	1,910,509	2,378,196
Total liabilities	2,614,553	2,576,892	2,413,721	2,378,196
Total equity and liabilities	12,457,448	12,058,906	13,969,295	13,663,339

These financial statements were approved and authorised for issue by the Board of directors on 29 March 2010 and were signed on its behalf by:

M G Savage
Chairman

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 October 2009

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Cash flows from operating activities				
Net cash absorbed by operations	(312,221)	(43,085)	(437,126)	(43,085)
Net interest paid	(718)	(1,170)	(731)	(1,170)
Net cash absorbed by operating activities	(312,939)	(44,255)	(437,857)	(44,255)
Cash flows from investing activities				
Payments to acquire tangible fixed assets	(105,618)	(16,382)	-	(16,382)
Net cash used in investing activities	(105,618)	(16,382)	-	(16,382)
Cash flows from financing activities				
Net advances on directors' loans and loans from related parties	446,712	-	433,212	-
Net proceeds from advance of bank loan	251,935	-	251,935	-
Repayment of bank loan	-	(250,000)	-	(250,000)
Repayments of obligations under hire purchase contracts	(750)	-	-	-
Net cash from financing activities	697,897	(250,000)	685,147	(250,000)
Net increase/(decrease) in cash and bank balances	279,340	(310,637)	247,290	(310,637)
Cash and bank overdrafts at beginning of year	(247,290)	63,347	(247,290)	63,347
Cash and bank and bank overdrafts at end of year	32,050	(247,290)	-	(247,290)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2009

1. Basis of accounting

The consolidated financial statements have been prepared under the historical cost convention and in accordance with applicable International Financial Reporting Standards (IFRS) as adopted by the European Union.

As permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own profit and loss account for the year. Oak Holdings Plc reported a profit for the financial year of £235,368 (2008: loss of £477,864).

2. The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The balance sheet at 31 October 2009, the Consolidated Income Statement, the Statement of changes in Equity and the Consolidated Cash Flow Statement and associated notes for the year then ended have been extracted from the Groups 2009 statutory financial statements on which the auditors will give an unqualified report, without any statement under section 237(2) or (3) of the Companies Act 1985.

3. Segmental Analysis

RESULT	2009				2008		
	Consulting £	Yes! Project £	Rother Valley Country Park £	Consolidated £	Consulting £	YES! Project £	Consolidated £
Revenue	5,000	-	756,784	761,784	25,073	-	25,073
Segment operating profit/(loss)	-	70,150	142,494	212,644	6,438	(398,951)	(392,513)
Unallocated corporate costs				(296,194)			(390,416)
Release of liabilities				410,086			-
Operating profit/(loss)				326,536			(782,929)
Net finance costs				(718)			(8,586)
Profit/(loss) before tax				325,818			(791,515)
Tax expense				-			-
Profit/(loss) for the year				325,818			(791,515)

BALANCE SHEET

Goodwill	-	10,828,446	-	10,828,446	-	10,828,446	10,828,446
Other segment assets	5,000	1,298,271	325,731	1,629,002	-	1,194,982	1,194,982
Segment assets	5,000	12,126,717	325,731	12,457,448	-	12,023,428	12,023,428
Unallocated corporate assets				-			35,478
Consolidated assets				12,457,448			12,058,906
Segment liabilities	-	(1,504,002)	(188,032)	(1,692,034)	-	(1,609,985)	(1,609,985)
Unallocated corporate liabilities				(935,489)			(966,907)
Consolidated liabilities				(2,627,523)			(2,576,892)

Unallocated assets include Group cash and VAT balances. Goodwill and other assets are allocated to the appropriate segment.

Unallocated liabilities include tax balances and trade and other payables attributable to corporate overhead costs.

4. There is no provision for corporation tax on the basis that no liability arose in the year.
5. The Directors are not able to recommend the payment of a dividend.
6. The earnings/(loss) per share is based on a profit for the year of £325,818 (2008: loss of £791,515) and the weighted average of ordinary shares in issue for the year of 15,130,133 (2008: 15,130,133).

The exercise of the outstanding options and warrants at 31 October 2009 would have an anti-dilutive effect.

There are potentially 783,998 shares that could be issued under the terms of options and are also 1,990,839 warrants, as described in notes 21 and 15, that will potentially reduce future earnings per share.

7. Goodwill

Group	£
Cost and net book value	
At 1 November 2007, 31 October 2008 and 31 October 2009	<u>10,828,446</u>

Goodwill arose on the acquisition of Oak Ventures Limited on 1 December 2003 and the issue by the Group of 490,313,015 Ordinary shares of the then nominal value of 1p each at a value of 2.06p per share in exchange for the whole of the issued share capital of Oak Ventures Limited.

The goodwill arising on the acquisition was attributable primarily to the fact that Oak Ventures Limited had been granted preferred developer status by Rotherham Metropolitan Borough Council ("RMBC") to develop a major entertainment and leisure complex (the "YES! Project"). Furthermore, the Company was, and continues to be, managed by an experienced board with considerable expertise in delivering major commercial property development projects. Since that date, the Group has signed a Development Agreement with RMBC that has given the Group the right to the land once certain conditions have been met.

During the previous year, the directors received a professional valuation of £21,000,000 of the Group's interest in the YES! Project. Specifically, this valued the legal interest in the YES! Project development site, the Rother Valley Country Park and the A57 access land on the assumption that a Development Agreement was in place.

This valuation contained some conditions and assumptions, but the directors consider that, given the excess of the valuation over the value of goodwill and freehold land on the balance sheet, this valuation remains appropriate for the year ended 31 October 2009 and provides sufficient evidence that no impairment charge is required.

8. Cash absorbed by operations

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Operating profit/(loss)	326,536	(782,929)	236,099	(469,278)
Depreciation	2,745	-	-	-
Share based awards	35,063	186,722	35,063	186,722
Increase in inventories	(56,230)	-	-	-
Increase in receivables	(91,652)	(35,478)	(217,692)	(379,312)
(Decrease)/increase in payables	(347,988)	588,600	(490,596)	618,783
Adjustment for waiver of loans	(180,695)	-	-	-
Cash absorbed by operations	<u>(312,221)</u>	<u>(43,085)</u>	<u>(437,126)</u>	<u>(43,085)</u>

9. The Annual General Meeting of the Company will be held at 11.30 am on 21 April 2010 at Rother Valley Country Park, Mansfield Road, Wales Bar, Sheffield S26 5PQ.

10. The Annual Report and Accounts is being mailed to registered shareholders at their registered address and copies of the Annual Report will be made available to the public free of charge for one month at the Company's registered office, 38 South Molton Street, London W1K 5RL and from the Company's website: www.oakholdings.co.uk.