



(Incorporated in England and Wales with registered number 2929801)

Annual Report and Financial Statements

for the year ended 31 October 2007

OAK HOLDINGS PLC

C O N T E N T S

	Page
DIRECTORS, ADVISERS AND REGISTERED OFFICE	2
CHAIRMAN'S STATEMENT	3-4
CHIEF EXECUTIVE'S REVIEW	5-6
DIRECTORS' REPORT	7-10
AUDITORS' REPORT	11-12
CONSOLIDATED PROFIT AND LOSS ACCOUNT	13
CONSOLIDATED AND COMPANY BALANCE SHEET	14
CONSOLIDATED CASH FLOW STATEMENT	15
NOTES TO THE FINANCIAL STATEMENTS	16-28
NOTICE OF ANNUAL GENERAL MEETING	29-30

OAK HOLDINGS PLC

DIRECTORS AND ADVISERS

DIRECTORS

M G Savage (Chairman)
S B Lewis
M T A Hill
G Axford
P D Collins

SECRETARY

M T A Hill

REGISTERED OFFICE

35 Vine Street
London
EC3N 2AA

AUDITORS

Hazlewoods LLP
Chartered Accountants
Windsor House
Barnett Way
Barnwood
Gloucester
GL4 3RT

SOLICITORS

Field Fisher Waterhouse LLP
35 Vine Street
London
EC3N 2AA

NOMINATED ADVISER AND BROKER

Arbuthnot Securities Limited
Arbuthnot House
20 Ropemaker Street
London
EC2Y 9AR

REGISTRARS

Computershare Investor Services plc
PO Box 82
The Pavilions
Bridgwater Road
Bristol
BS99 7NH

OAK HOLDINGS PLC

CHAIRMAN'S STATEMENT

I am once again pleased to be able to report that the Company continues to make significant progress in respect of its YES! Project in South Yorkshire. Despite continuing to experience frustrating delays in both the planning process and the negotiation of the Development Agreement with Rotherham Metropolitan Borough Council, the Company has continued to drive the Project forward and I am delighted to confirm that the Directors believe that firm foundations have now been laid for the future of the Project.

On 22 February 2008, we announced that Heads of Terms for a Development Agreement and a 250 year lease had been agreed with Rotherham Metropolitan Borough Council, the owners of the land. This is a significant achievement and we are now making progress towards the next phase of the development process.

Results

I am pleased to report the results for the 12 months to 31 October 2007. Due to the current nature of its business, and in line with the Board's expectations, the Company made a reduced loss on ordinary activities before taxation of £463,642 (2006: £572,347), on a significantly increased turnover of £350,713 (2006: £58,674).

Consultancy income constituted the entire turnover and contributed significantly to the reduced loss which is even more creditable as it includes a first time charge in respect of FRS 20, Share-based payment of £127,176 (2006: £nil). Tight expenditure control continues in relation to the general running costs of the Company and the YES! Project. Regular management meetings are held to monitor expenditure to ensure prudent cost control over all areas of the Company's business. YES! Project costs are not capitalised. In view of the loss for the year, the Company is unable to recommend the payment of a final dividend.

As at 31 October 2007, the Group had audited net assets of £10.09 million (2006: £10.31 million), the major component being intangible assets, as disclosed in the Group's balance sheet, of £10.83 million. This sum represents primarily the value attributed to the YES! Project Preferred Developer Agreement held by Oak Ventures Limited following its acquisition by the Group in 2003. The Directors believe that, given the grant of Outline Planning Consent, agreed Heads of Terms for a Development Agreement and the 250 year lease referred to above, the value attributed to this scheme would, if a formal valuation were to be undertaken, be substantially higher than the £10.5 million currently attributed to the YES! Project. In this respect, the Board is relying on their own experience supported by an indicative 'Opinion of Value' commissioned from independent property advisers.

Strategy

The development of the YES! Project, the £390 million covered, mixed-use leisure scheme located on a 327 acre former coalfield site adjoining the Rother Valley Country Park in South Yorkshire, remains at the core of the Company's future strategy. Despite the current economic difficulties, we remain confident that investment in strategically located high quality leisure and entertainment facilities will prove to be attractive to institutions investing in real estate in future years. We are sure that the YES! Project represents an exceptional opportunity to provide shareholder value and we will continue to concentrate the majority of our resources in this area.

We are heartened by the approval of Heads of Terms for a Development Agreement and 250 year lease achieved in February of this year. This follows on from the outline planning permission and Section 106 Agreement granted in January 2007. In March 2007, the Company also acquired the strategically important freehold of 27 acres of land between the development site and the A57 which secured the main access to the Project. This acquisition demonstrates our determination to ensure that this important regional project goes ahead for the benefit of Oak Holdings plc and its shareholders and gives the Company ownership and total control of this critical acreage.

OAK HOLDINGS PLC

CHAIRMAN'S STATEMENT (Continued)

Having formally secured Heads of Terms for the Development Agreement, discussions with potential anchor tenants, including leading brand name national and international companies, can proceed with confidence. Our recent agreement with Sheffield Steelers, a leading British ice-hockey team, for the provision of a purpose built arena and the announcement of Laing O'Rourke as our design team construction partner, reinforces that confidence.

Funding

The Directors are actively considering sources of funding for the Company and will only conclude such review when satisfied that a particular source is in the best interests of the Company and its shareholders. The Directors envisage that such funding will encompass the immediate requirements of the YES! Project and take the project through to a development loan, but will also include the Company's day-to-day working capital needs.

Preliminary discussions have taken place with bank lenders which have indicated that, subject to normal lending criteria, the Company will be able to secure an appropriate development loan to progress the YES! Project to completion.

It may also be helpful for me to demonstrate the Directors' confidence in the Company's future by referring to two matters. First, two directors, namely Stephen Lewis and Graham Axford, have provided guarantees in respect of the bank loan of £250,000 utilised by the Company to purchase the YES! Project access land, referred to above. Secondly, in October 2007 the Directors subscribed to an issue of new ordinary shares, raising approximately £114,000 for the Company's immediate working capital needs.

Outlook

The Board remains confident in both the YES! Project and its potential to generate substantial shareholder value and of the inherent worth in the Company. The resolution of planning and lease terms for such a ground breaking project cannot be underestimated. Despite the current economic climate, the Company can approach the future with confidence.

Finally, as always, I would like to thank my colleagues and our shareholders for their continued support.

Malcolm Savage
Chairman

30 April 2008

OAK HOLDINGS PLC

CHIEF EXECUTIVE'S REVIEW

The YES! Project

The Directors are pleased with the progress made during the year. The YES! Project begins to assume better definition as we move towards completion in 2011. The £390 million project in South Yorkshire will be an entertainment-based resort, activity and convention destination that we believe will set new standards for leisure activity in the UK.

Having avoided a public inquiry for the project through our meticulous preparation, the RMBC granted outline planning consent in January 2007. The numerous planning, financial and legal issues surrounding this major project were subsequently incorporated into a Section 106 Agreement.

In March 2007, the Company acquired the freehold of 27 acres of land between the development site and the A57, which will be necessary to accommodate the new access route and entry plaza to the development. The total consideration for this acquisition was £1 million with £250,000 paid on acquisition and the balance payable in May 2008. This key acquisition, which means that Oak now has freehold ownership and control over the approved access land, represented further progress towards the scheme's realisation.

Planning consent and the purchase of the freehold access land augments the Directors' confidence in the scheme, already supported by the signing in 2006 of collaborative Memoranda of Understanding with BT and E.ON, the world's largest investor-owned power and gas company.

Oak and E.ON are initially working together with a view to designing sustainable solutions to the scheme's power, cooling and heating needs. The new buildings will be designed to be environmentally friendly and, in addition, a visitor attraction will entertain and educate the public about sustainable energy production. BT has committed to work with Oak to explore ways in which their extensive array of networked IT services and research and development capabilities can be integrated into, and showcased within, the YES! Project.

The negotiations of the terms of the Development Agreement encompassed statutory 'best value' tests requiring approval by the District Valuer. In February 2008, we were finally able to announce that the RMBC had approved the Heads of Terms for the Development Agreement and terms for a 250 year lease. This is a significant milestone. Solicitors have been instructed and it is expected that the formal Development Agreement will be completed shortly.

Oak will now focus on completing the scheme's tenant profile, on marketing the Project to prospective tenants, and on detailed design. On completion, the YES! Project will be the UK's first multi-use, year round, covered, leisure, entertainment, sports and convention centre. It will have a critical mass of diverse facilities anchored by a number of leading global brands underpinning the scheme's long term investment value.

To underline the potential diversity of the Project's content, we were pleased to announce in March of this year that a Memorandum of Understanding had been signed with Sheffield Steelers, one of Britain's top ice-hockey teams. Oak will develop a purpose-built arena, covering 60,000 sq ft, holding 5,000 spectators and offering its own amenities to their visitors in addition to those in the rest of the Project.

Other potential tenants with whom we have signed Memoranda of Understanding include Baydrive's Top Golf, a provider of high tech driving ranges, and Venture Xtreme, a destination adventure centre provider.

In January 2007, we announced that we had signed a Collaboration Agreement with Skanska Construction UK Plc for them to become Constructor Partner on the YES! Project. For a variety of commercial reasons, the proposed partnership did not fully develop and both parties decided not to proceed further. Accordingly, we were pleased in April to sign a partnership agreement with Laing

OAK HOLDINGS PLC

CHIEF EXECUTIVE'S REVIEW (Continued)

O'Rourke, the UK's largest privately-owned construction company. This ensures that we continue to have a relationship with a major international building contractor for the provision of construction services. We believe that a project of this magnitude requires construction advice and expertise from its inception and we are pleased to have secured such 'best of breed' support.

A Memorandum of Understanding has also been entered into with the Royal Bank of Scotland in respect of the provision of a development loan to progress the project through to completion. The loan will be subject to normal lending criteria and the securing of commitments to lease by anchor tenants.

The Board believes that the calibre of the design team and the partners mentioned above will enable the Company to deliver the YES! Project as a world class development, which will prove extremely attractive to a property investment market currently seeking new opportunities.

Consultancy Division

Given its continued limited resources the Company's consultancy division performed well in the year with revenues well ahead of the previous year. Initial instructions have been received relating to projects in the UK, Russia and Kazakhstan. Whilst these have produced some income, it is anticipated that they will develop further during the coming year.

Stephen Lewis
Chief Executive

30 April 2008

OAK HOLDINGS PLC

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report, together with the financial statements of the Group for the year ended 31 October 2007.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that year. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether any applicable accounting standards have been followed subject to any 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 and the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

A review of activities is given in the Chairman's Statement and Chief Executive's Review. The principal risks and uncertainties affecting the Group relate to the development of the YES! Project and are discussed in Note 8 to the financial statements.

RESULTS AND APPROPRIATIONS

The Group's loss for the year after taxation was £463,642 (2006: £572,347).

The directors are unable to recommend the payment of a dividend, given the deficit on distributable reserves.

CREDITOR PAYMENT POLICY

The Group's policy concerning the payment of creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction,
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts, and
- pay in accordance with the Group's contractual and other legal obligations.

The Group is not currently adhering to its creditor payment policy.

OAK HOLDINGS PLC

REPORT OF THE DIRECTORS (Continued)

The number of days outstanding between receipt of invoices and date of payment, calculated by reference to the amount owed to trade creditors including amounts in accruals at the year end as a proportion of the amounts invoiced by suppliers during the year was 315 days.

SPECIAL BUSINESS AT THE ANNUAL GENERAL MEETING 24 MAY 2007

For reasons outlined in the Report of the directors for the year ended 31 October 2006, four resolutions were proposed and passed at the Annual General Meeting held on 24 May 2007, relating to the Company's shares and authorities to issue shares. The resolutions passed were as follows:

Increase in share capital

A resolution proposing an increase in the Company's authorised shares from £11,000,000 to £15,000,000 to provide flexibility for future share issues was passed.

Consolidation

A resolution proposing that for every 50 ordinary shares of 1p each to be consolidated into a new ordinary share of 50p each was passed.

The new ordinary shares of 50p each have exactly the same rights as to dividends, as to voting and as to repayment of capital as the existing ordinary shares of 1p each.

The new ordinary shares of 50p each were admitted to trading on Alternative Investment Market of the London Stock Exchange on 25 May 2007.

Existing share certificates continue to be valid although any shareholder who wishes to have a new certificate in respect of the new ordinary shares of 50p each should apply to the Company's registrar.

Authority to allot shares

A resolution proposing that the directors be given authority to allot the whole of the authorised but unissued share capital of the company was passed. This authority confirmed the directors' authority to allot issues already committed to (in respect of warrants and share options). The balance of the authority granted was at a level higher than in previous years specifically to enable the directors to pursue alternative funding options as required.

Power to allot shares for cash

A resolution proposing that the directors be given power to issue the whole of the authorised but unissued share capital of the company for cash consideration without having to offer them to shareholders first was passed. It enables an issue to be undertaken in which the shares are, in practical terms, offered as nearly as possible to a pro rata basis save for technical and legal exclusions and confirms the directors' authority to allot issues already committed (e.g. in respect of warrant and share options). The power sought was again at a level higher than in previous years.

DIRECTORS

The directors who served during the year are listed below:

M G Savage
S B Lewis
M T A Hill
G Axford
P D Collins

OAK HOLDINGS PLC

REPORT OF THE DIRECTORS (Continued)

DIRECTORS' INTERESTS

The directors' beneficial interests in the share capital of the company as at 31 October 2007 were:

	Ordinary shares at 31 October 2007 of 50p each	Ordinary shares at 31 October 2006 upon consolidation of 50p each	Ordinary shares at 31 October 2006 of 1p each
M G Savage	1,581,100	1,536,983	76,849,159
S B Lewis	1,047,148	1,007,443	50,372,229
M T A Hill	79,227	68,933	3,446,652
G Axford	374,557	345,146	17,257,362
P D Collins	1,581,099	1,536,982	76,849,159

On 26 February 2007 the Board granted options over Ordinary shares to the directors of the company. Details are:

	Pre-consolidation at 1p	Restated as new consolidated shares at 50p
M G Savage	5,485,714	109,714
S B Lewis	24,571,429	491,428
M T A Hill	17,142,857	342,857
G Axford	4,571,429	91,428
P D Collins	4,571,429	91,428

These options represent approximately 7.53% of the enlarged share capital and may not be exercised for three years from the date of their issue, or more than ten years from the date of their issue. The issue price equates to the mid-market price on the day prior to issue. Further details of these options can be found in note 14 to the financial statements.

In addition, M T A Hill has been granted options under a previous scheme over 12,457 ordinary shares.

CORPORATE GOVERNANCE

As an AIM listed company, Oak Holdings plc is not required to comply with the provisions of the Combined Code. However, the directors recognise the importance of sound corporate governance, whilst taking into account the size and nature of the company. As such the directors intend to comply with the main provisions of the Combined Code in so far as practicable given the company's size and the constitution of the Board.

The Board meets on a formal basis usually once per month. At those meetings a detailed report from the Finance Director is presented and discussed. The Chief Executive also presents a monthly report on the progress of group operations and in particular the YES! Project. The Board considers risk and strategy at each meeting.

An Audit Committee Meeting is established and comprises Graham Axford (Chairman), Peter Collins and Malcolm Savage. The Committee has met with the auditors and considered the results and the audit process, and has satisfied itself as to the auditor's independence.

The company has a Remuneration Committee which comprises Malcolm Savage (Chairman) and Peter Collins, but the Board presently sees no value to the shareholders by the inclusion of a formal report of the Remuneration Committee in this annual report. Options granted on 26 February 2007, over ordinary

OAK HOLDINGS PLC

REPORT OF THE DIRECTORS (Continued)

1p shares totalling 56,342,858, restated subsequent to consolidation as 1,126,855 50p shares, were awarded in recognition of the significant salary and fee sacrifices made by both Executive and Non-Executive directors since the acquisition of Oak Holdings Limited in 2003 and also in recognition of the fact that significant progress has been made towards implementing the YES! Project. The Board took appropriate advice from the company's solicitors and also its nominated advisor ("Nomad") prior to granting these options. All directors have service contracts, none of which has a duration of longer than 12 months.

An "AIM Committee" has been established in accordance with AIM Rule 31, which requires the Company to have in place sufficient procedures, resources and controls to enable its compliance with the AIM Rules; seek advice from its Nomad regarding its compliance with the AIM Rules whenever appropriate and take that advice into account; provide the Company's Nomad with any information it requests in order for the Nomad to carry out its responsibilities under the AIM Rules for Companies and AIM Rules for Nominated Advisers; ensure that each of the Company's directors accepts full responsibility, collectively and individually, for compliance with the AIM Rules; and ensure that each director discloses without delay all information which the Company needs in order to comply with AIM Rule 17 (Disclosure of Miscellaneous Information) insofar as that information is known to the director or could with reasonable diligence be ascertained by the director. The "AIM Committee" is chaired by Graham Axford, a non-executive director of the Company.

STATEMENT OF DISCLOSURE TO AUDITORS

The directors confirm that:

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

AUDITORS

A resolution for the re-appointment of Hazlewoods LLP as auditors to the company will be proposed at the forthcoming Annual General Meeting.

By order of the Board on 30 April 2008

M T A HILL

Secretary

OAK HOLDINGS PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF OAK HOLDINGS PLC

We have audited the Group and Parent company financial statements (“the financial statements”) for the year ended 31 October 2007 which comprise the Group profit and loss account, the balance sheets, the Group cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the members, as a body, in accordance with 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 auditors’ report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

The directors’ responsibilities for preparing the annual report and the Group financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors’ Responsibilities.

Our responsibility is to audit the financial statements and the part of the Remuneration Committee Report to be audited 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 are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion 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 the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises the Chairman’s Statement, the Chief Executive’s Review and the Directors’ Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group’s and 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.

OAK HOLDINGS PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF OAK HOLDINGS PLC (Continued)

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 Group's and the Parent company's affairs as at 31 October 2007 and of the Group's 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.

Emphasis of matter

The balance sheet of the Group at 31 October 2007 includes £10,828,446 in respect of goodwill arising on the acquisition of Oak Ventures Limited, whilst the balance sheet of the company includes £10,435,959 in respect of an investment in that company and a debtor of £1,657,261 owing therefrom. As explained in note 8 to the financial statements, the value of this goodwill and the investment by the company is dependent upon Oak Ventures Limited being granted planning permission on a major property development prior to expiry of its Preferred Developer Status, being able to raise development capital to realise the project and being able to secure commitments from tenants for the scheme. Furthermore the Group will need to secure further funds within the immediate future to provide working capital to enable it to continue to pursue the project and continue as a going concern. In view of the significance of these uncertainties, we consider that they should be drawn to your attention; our opinion is not, however, qualified in this respect.

30 April 2008

HAZLEWOODS LLP
Chartered Accountants
Registered Auditors

Windsor House
Barnett Way
Barnwood
Gloucester
GL4 3RT

OAK HOLDINGS PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 October 2007

	Note	2007 £	2006 £
TURNOVER	2	350,713	58,674
Cost of sales	2	–	–
GROSS PROFIT		350,713	58,674
Operating expenses	2	(800,767)	(641,012)
OPERATING LOSS	3	(450,054)	(582,338)
Net interest (payable)/receivable	4	(13,588)	6,674
Profit on sale of investment		–	3,317
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(463,642)	(572,347)
Taxation	6	–	–
RETAINED LOSS FOR THE FINANCIAL YEAR		(463,642)	(572,347)
BASIC LOSS PER SHARE (IN PENCE)	7	(3.1)	(3.8)

The profit and loss account has been prepared on the basis that all operations are continuing. There were no recognised gains or losses other than the result for the year as shown above.

OAK HOLDINGS PLC

BALANCE SHEETS

31 October 2007

	Note	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
FIXED ASSETS					
Intangible assets	8	10,828,446	10,828,446	–	–
Tangible assets	9	1,074,825	–	1,074,825	–
Investments	10	–	–	10,435,959	10,435,959
		<u>11,903,271</u>	<u>10,828,446</u>	<u>11,510,784</u>	<u>10,435,959</u>
CURRENT ASSETS					
Debtors	11	4,175	27,149	1,657,261	1,453,302
Cash at bank and in hand		63,347	45,069	63,347	45,069
		<u>67,522</u>	<u>72,218</u>	<u>1,720,608</u>	<u>1,498,371</u>
CREDITORS – amounts falling due within on year	12	(1,703,291)	(411,549)	(1,655,107)	(363,366)
NET CURRENT (LIABILITIES)/ASSETS		<u>(1,635,769)</u>	<u>(339,331)</u>	<u>65,501</u>	<u>1,135,005</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,267,502</u>	<u>10,489,115</u>	<u>11,576,285</u>	<u>11,570,964</u>
CREDITORS – amounts falling due after more than one year	13	(180,695)	(180,695)	–	–
		<u>10,086,807</u>	<u>10,308,420</u>	<u>11,576,285</u>	<u>11,570,964</u>
CAPITAL AND RESERVES					
Called up share capital	14	7,565,067	7,480,886	7,565,067	7,480,886
Share premium	15	3,017,818	2,987,146	3,017,818	2,987,146
Capital redemption reserve	15	164,667	164,667	164,667	164,667
Profit and loss account	15	(5,858,064)	(5,521,598)	(4,368,586)	(4,259,054)
Merger reserve	15	5,197,319	5,197,319	5,197,319	5,197,319
SHAREHOLDERS' FUNDS	16	<u>10,086,807</u>	<u>10,308,420</u>	<u>11,576,285</u>	<u>11,570,964</u>

The financial statements were approved by the board of directors on 30 April 2008 and signed authorised for issue by M G SAVAGE

OAK HOLDINGS PLC**CONSOLIDATED CASH FLOW STATEMENT**

for the year ended 31 October 2007

	Note	2007 £	2006 £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	17	(27,962)	(414,969)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Net interest (paid)/received		(13,588)	6,674
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire share in limited companies		–	(2,758)
Sale proceeds of shares in listed companies		–	6,075
Purchase of land		(305,025)	–
		<hr/>	<hr/>
CASH OUTFLOW BEFORE FINANCING		(346,575)	(404,978)
FINANCING			
Proceeds from issue of shares		114,853	245
New bank loan		250,000	–
		<hr/>	<hr/>
NET CASH INFLOW FROM FINANCING		364,853	245
		<hr/>	<hr/>
INCREASE/(DECREASE) IN CASH	18	18,278	(404,733)
		<hr/> <hr/>	<hr/> <hr/>

OAK HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2007

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The principal accounting policies of the Group are set out below.

Turnover

Turnover is stated net of VAT. All sales arise in the United Kingdom.

Stock

The costs of the YES! Project are currently written off to the profit and loss account.

The cost of developing other projects where it is the Group's intention to sell the site on completion, are categorised as current assets and stated at the lower of cost and net realisable value.

Depreciation

Depreciation is calculated to write off the cost of fixed assets to estimated residual value over their expected useful lives by the straight line method at the following rates per annum:

Plant and equipment	33% of cost per annum
Computer equipment	50% of cost per annum

Freehold land is not depreciated.

Investments

Fixed asset investments are stated at cost less provision for permanent diminution.

Deferred taxation

In accordance with Financial Reporting Standard 19 Deferred Tax, full provision is made for deferred tax arising from timing differences between the differing treatment of certain items for taxation and accounting purposes. The provision is calculated at the rates of taxation at which it is estimated the liability will arise and is not discounted. No provision is made in respect of timing differences arising from the sale of fixed assets unless there is a commitment to the disposal of the assets at the balance sheet date. Deferred tax assets are recognised only to the extent that the directors consider there to be suitable taxable profits from which the underlying timing differences can be deducted.

Group financial statements

The Group financial statements consolidate the financial statements of Oak Holdings plc and its subsidiary undertakings at 31 October 2007 using the acquisition method.

No company profit and loss account is presented in accordance with the exemptions provided by S.230 of the Companies Act 1985. Of the consolidated loss for the financial year attributable to the shareholders of Oak Holdings plc, a loss of £236,708 (2006: £343,230) has been dealt with in the financial statements of the company.

Leasing

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

OAK HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2007

1 ACCOUNTING POLICIES (Continued)

Goodwill

Goodwill arising in the prior year on the acquisition of Oak Ventures Limited is explained in note 8 to the financial statements. No amortisation of goodwill is provided as the directors consider that the useful life of the acquired goodwill is closely associated with the realisation of the major development project outlined in note 8. The policy of amortisation will therefore be matched to the useful life of the project once completed. The directors have; however, carried out an impairment review as at 31 October 2007 as described in note 8.

Goodwill, being the excess of the costs of interests acquired over the fair value of underlying net tangible assets, was previously fully written off against reserves in the year of acquisition.

Share based awards

The Group has applied the requirements of FRS 20 Share-based payment. In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were unvested at 1 November 2006.

The Group issues equity settled 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 Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Fair value is measured by use of the Black Scholes model. The directors have provided their best estimates for expected share volatility, dividend yield, expected life of the options and the expected risk-free interest rate.

2 TURNOVER, COST OF SALES AND OPERATING EXPENSES

	2007	2006
	£	£
Turnover		
Consultancy and other sales	350,713	58,674
	=====	=====
Operating expenses		
Administrative expenses	683,834	521,894
Project development costs	116,933	119,118
	-----	-----
	800,767	641,012
	=====	=====

Project development costs reflect professional fees incurred in relation to the pursuit of planning permission for the YES! Project by Oak Ventures Limited, as described in Note 8.

Administrative expenses include an FRS 20 charge of £127,176 in respect of share-based payments.

OAK HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2007

3 OPERATING LOSS

	2007	2006
	£	£
Operating loss is stated after charging:		
Auditors' remuneration:		
– audit services (Company £4,250 (2006: £4,300))	5,450	5,500
– non-audit services (Company £2,500 (2006: £3,000))	3,850	3,500
Depreciation of tangible assets	–	889
Operating lease charges – land and buildings	39,930	39,930
	<u> </u>	<u> </u>
Directors' emoluments were:		
Emoluments for qualifying services	207,031	199,217
	<u> </u>	<u> </u>

Auditors' remuneration for non-audit services comprises financial reporting advice of £2,250 (2006: £2,000) and tax advice of £1,600 (2006: £1,500).

Remuneration paid to the highest paid director amounted to £100,031; no contributions in respect of pension schemes were made on his behalf.

Details of directors' share options are given on note 14 to these financial statements.

Directors' remuneration includes fees of £32,000 payable to M G Savage, G Axford and P Collins as non-executive directors.

4 INTEREST

	2007	2006
	£	£
Interest payable and similar charges:		
On bank overdraft and loans	(14,124)	(1)
Interest receivable:		
Bank deposit interest	536	6,675
	<u> </u>	<u> </u>
	(13,588)	6,674
	<u> </u>	<u> </u>

5 STAFF NUMBERS AND COSTS

	2007	2006
	No.	No.
Number of employees		
The average number of employees (including executive directors) of the Group during the year was:		
Administration	4	4
	<u> </u>	<u> </u>

OAK HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2007

5 STAFF NUMBERS AND COSTS (Continued)

	2007	2006
	£	£
Employment costs		
Wages and salaries	235,566	196,932
Social security costs	28,864	23,162
Share-based payments	127,176	–
	<u>391,606</u>	<u>220,094</u>

6 TAXATION

	2007	2006
	£	£
No taxation charge arises based on the loss for the year.		
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(463,642)	(572,347)
	<u>(463,642)</u>	<u>(572,347)</u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30% (2006: 30%)	(139,093)	(171,704)
Effects of:		
Non deductible expenses	22,697	32,370
Depreciation in excess of capital allowances	–	267
Tax losses arising in the year not utilised	78,244	139,067
Share-based payment charge not tax deductible	38,152	–
	<u>–</u>	<u>–</u>
Current tax charge	<u>–</u>	<u>–</u>

The Group has estimated tax losses of £1,830,000 (2006: £1,570,000) available to carry forward against future periods.

7 LOSS PER SHARE

The basic loss per ordinary share has been restated upon consolidation of 1p shares into 50p shares.

Basic loss per ordinary share of 3.1 pence (2006: 3.8 pence) is calculated using the net basis on the Group loss for the year after tax of £463,642 (2006: £572,347) and on the weighted average number of shares in issue of 14,976,400 (2006: 14,961,739).

	2007	2006
	pence	pence
Basic loss per share	<u>(3.1)</u>	<u>(3.8)</u>

OAK HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2007

8 INTANGIBLE FIXED ASSETS

	Goodwill
	£
Cost and net book value	
As at 1 November 2006 & 31 October 2007	10,828,446
	<u><u> </u></u>

Goodwill represents 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.

In co-operation with Rotherham Metropolitan Borough Council a planning application was submitted on 31 January 2005. Following initial consultations, the scheme was amended and re-submitted in September 2005. Again, following exhaustive consultations, a Resolution to Grant planning consent was received at the RMBC Planning Committee on 11 May 2006. The scheme was then referred under statute to the Government Office for their consideration and on 14 July 2006 the Government Office decided not to intervene in the planning process and referred the project back to RMBC. On 30 January 2007 RMBC formally granted Outline Planning Consent and resolved a number of technical issues on the project by incorporation into a Section 106 Agreement.

As previously noted, upon receipt of planning permission the Company is entitled, under the Preferred Developer Agreement, to acquire a 250 year lease on the development site and on the established Rother Valley Country Park. The Preferred Development Agreement will be superseded by a Development Agreement. On 22 February 2008 the Company announced that it had agreed with RMBC Heads of Terms for a Development Agreement and terms for a 250 year lease. It is expected that the drafting of the formal Development Agreement will be completed shortly.

In March 2007 the Company completed the key acquisition of the freehold of 27 acres adjacent to the development site, which provides the control to access to the site.

The directors estimate that the cost of the development of the YES! Project for which planning permission has been given will be in the region of £290million. Delivery of the project and confirmation of the economic value of the acquired goodwill is therefore dependent on the Group being able to raise sufficient development capital or, if this is not possible, being able to assign the rights to the project to a third party for in excess of the carrying value of the goodwill. The directors believe that with a valid planning consent and the agreement of Heads of Terms for a Development Agreement, they will be able to raise the necessary development finance and they confirm that the principles of such finance have been established.

The directors have carried out an impairment review in respect of the carrying value of goodwill. In their opinion, having now obtained outline planning permission and agreed Heads of Terms for a Development Agreement, which includes the terms for a 250 year lease, and assuming that development funding is available by virtue of lenders criteria being met, no impairment in the carrying value of goodwill has arisen based on current forecast costs and rental streams estimated from the completed project. Whilst costs and the completed financial value of the YES! Project may change from the Company’s preliminary assessments, the directors are confident that the current goodwill carrying value will not be impaired.

OAK HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2007

Given the achievement of the Development Agreement Heads of Terms, a marketing campaign can be re-invigorated to secure interest and subsequent commitment from major potential tenants. No development activity will take place until this objective is achieved.

Having obtained Heads of Terms for a Development Agreement the Group now seeks to confirm its funding options for the development of the YES! Project prior to the satisfaction of Development Loan criteria; the precise nature of such interim funding is currently under active consideration. Further working capital funding may be required should the project encounter unforeseen delays and the Board has considered fully its options in this report.

The Board have considered expenditure commitments and anticipated fees from the consultancy business. The Board are aware of the Group's ability to operate as a going concern, and appreciate the need to draw attention to the fact that the appropriateness of the going concern basis of accounting is dependent upon the Group's ability to negotiate and confirm receipt of additional funds to progress the YES! Project. However the Board remains confident that funds will be secured to develop the YES! Project and to meet the Group's other working capital requirements.

9 TANGIBLE FIXED ASSETS

GROUP AND COMPANY

	Freehold Land £	Plant & equipment £	Total £
Cost			
At 1 November 2006	–	7,757	7,757
Additions	1,074,825	–	1,074,825
	<hr/>	<hr/>	<hr/>
At 31 October 2007	1,074,825	7,757	1,082,582
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 November 2006	–	7,757	7,757
Charge for the year	–	–	–
	<hr/>	<hr/>	<hr/>
At 31 October 2007	–	7,757	7,757
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 October 2007	1,074,825	–	1,074,825
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 October 2006	–	–	–
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

OAK HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2007

10 FIXED ASSET INVESTMENTS

COMPANY

Investment in subsidiary undertakings

£

Cost

At 1 November 2006 and 31 October 2007

10,435,961

Provision for diminution in value

At 1 November 2006 and 31 October 2007

(2)

Net book value

At 1 November 2006 and 31 October 2007

10,435,959

The company holds 100% of the ordinary share capital of Oak Ventures Limited (incorporated in England and Wales). Oak Ventures Limited is engaged in the pursuit of the development of a major investment property as more fully described in Note 8. Oak Ventures Limited holds shares in Yorkshire Entertainment Sensation Limited, a dormant company also registered in England and Wales. The carrying value of the investment in Oak Ventures Limited is subject to the same uncertainties as the value of goodwill, as described in note 8 above.

The company also owns 100% of the ordinary share capital of Time Afloat Limited and Docklands Restaurant Boat Company Limited, dormant companies registered in England and Wales.

11 DEBTORS

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Prepayments and accrued income	4,175	27,149	–	27,149
Amount due from subsidiary undertaking	–	–	1,657,261	1,426,153
	<u>4,175</u>	<u>27,149</u>	<u>1,657,261</u>	<u>1,453,302</u>

The amount due from subsidiary undertaking at 31 October 2007 relates to Oak Ventures Limited. Recoverability is dependent upon the successful outcome of the YES! Project, described in note 8.

12 CREDITORS – amounts falling due within one year

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Bank loan	250,000	–	250,000	–
Trade creditors	27,754	27,754	27,754	27,754
Other taxes and social security	96,803	18,198	79,151	547
Accruals and deferred income	1,303,734	365,597	1,273,202	335,065
Directors' loans	25,000	–	25,000	–
	<u>1,703,291</u>	<u>411,549</u>	<u>1,655,107</u>	<u>363,366</u>

OAK HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2007

13 CREDITORS – amounts falling due after more than one year

	Group 2007	Group 2006	Company 2007	Company 2006
	£	£	£	£
Other creditors	180,695	180,695	–	–

Other creditors comprise loans from current and former directors as follows:

	Group 2007	Group 2006
	£	£
St. J Hartnell	29,930	29,930
M Savage	34,337	34,337
P Collins	17,700	17,700
S Lewis	71,318	71,318
G Axford	11,230	11,230
R Brown	16,180	16,180
	<u>180,695</u>	<u>180,695</u>

All loans from directors are interest free and nominally repayable on 30 June 2007 or such later date as agreed by the Board. The Board do not anticipate repayment prior to 31 October 2008.

14 CALLED UP SHARE CAPITAL

	£
Authorised:	
1,100,000,000 ordinary shares of 1 pence each pre-consolidation at 31 October 2006	11,000,000
	<u>11,000,000</u>
22,000,000 ordinary shares of 50 pence each after consolidation at 31 October 2006	11,000,000
	<u>15,000,000</u>
30,000,000 ordinary shares of 50p each at 31 October 2007	15,000,000
	<u>7,480,886</u>
Allotted issued and fully paid:	
748,088,547 ordinary shares of 1 pence each pre-consolidation at 31 October 2006	7,480,886
	<u>7,480,886</u>
14,961,771 ordinary shares of 50 pence each after consolidation at 31 October 2006	7,480,886
	<u>7,565,067</u>
15,130,133 ordinary shares of 50 pence each at 31 October 2007	7,565,067

OAK HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2007

14 CALLED UP SHARE CAPITAL (Continued)

On 4 December 2006, 35,936 shares of 1p each were issued at price of 2.38p per share as a result of the exercise of a warrant instrument dated 24 October 2003. On a consolidated basis the 35,936 ordinary shares of 1p each represented 718 ordinary shares of 50p each.

On 5 October 2007, 167,644 ordinary shares of 50p each were issued to directors at a price of 68p each.

Share options

At 31 October 2007 the following current directors held the following options to acquire Company shares:

Approved share option scheme:

Director	Number of Shares	First date of exercise	Last date of exercise	Exercise price per share
M T A Hill	12,457	28 July 2003	28 July 2010	£2.325

Unapproved share option scheme:

Director	Number of Shares	First date of exercise	Last date of exercise	Exercise price per share
S B Lewis	491,428	26 February 2010	26 February 2017	£0.875
M T A Hill	342,857	26 February 2010	26 February 2017	£0.875
M G Savage	109,714	26 February 2010	26 February 2017	£0.875
G Axford	91,428	26 February 2010	26 February 2017	£0.875
P D Collins	91,428	26 February 2010	26 February 2017	£0.875

No options have been exercised during the year.

Share-based payments

The Company has a share option scheme for all employees of the Group. Options are exercisable at a price equal to the average quoted market price of the Company's shares on the date of grant. The vesting period is 3 years. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group before options vest.

OAK HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2007

14 CALLED UP SHARE CAPITAL (Continued)

Details of the share options that had not vested at the start of the year are as follows:

	Number of Shares	Exercise price
Outstanding at the beginning of the period	6,400	–
Granted 1 January 2007	3,429	87.5p
Granted 26 February 2007	1,126,855	87.5p
Lapsed during the period	(3,200)	–
	<hr/>	
Outstanding at the end of the period	1,133,484	
	<hr/> <hr/>	

None of these options are exercisable at the end of the period.

£127,176 has been recognised in the year in respect of share based payments in the form of the options referred to above. The directors have used the Black Scholes model to value options granted. Expected volatility is based on historical movements in the Company's share price.

Details of the assumptions applied in valuing the options are as follows:

Exercise price (mid market price at date of grant)	87.5p
Share bid price at date of grant	87.5p
Contractual and expected life of options	3.5 years
Expected volatility	77.699%
Risk free interest rate	4.8%
Expected dividend yield	Nil
Fair value of one option	50p

Warrants

The company issued warrants on 24 October 2003 entitling warrant holders to subscribe in cash at a price of 2.38p per Ordinary share for up to 101,419,687 Ordinary shares. At 31 October 2007 warrants had been exercised on 315,226 shares leaving 101,104,461 unexercised. On a restated consolidated basis the number of warrants outstanding are 2,022,089 exercisable at a price of £1.19 each. The warrants can be exercised on 1 December in any year up to and including 2013.

15 RESERVES

GROUP	Share premium account £	Capital redemption reserve £	Profit & loss account £	Merger reserve £
At 1 November 2006	2,987,146	164,667	(5,521,598)	5,197,319
Retained loss for the year	–	–	(463,642)	–
Premium on shares issued in year	30,672	–	–	–
Share based payments	–	–	127,176	–
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2007	3,017,818	164,667	(5,858,064)	5,197,319
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

OAK HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2007

15 RESERVES (Continued)

COMPANY	Share premium account £	Capital redemption reserve £	Profit & loss account £	Merger reserve £
At 1 November 2006	2,987,146	164,667	(4,259,054)	5,197,319
Retained loss for the year	–	–	(236,708)	–
Premium on shares issued in year	30,672	–	–	–
Share based payments	–	–	127,176	–
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2007	3,017,818	164,667	(4,368,586)	5,197,319
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

GROUP	2007 £	2006 £
Loss for the financial year	(463,642)	(572,347)
Share based payments	127,176	–
Shares issued	114,853	245
Opening shareholders' funds	10,308,420	10,880,522
	<hr/>	<hr/>
Closing shareholders' funds	10,086,807	10,308,420
	<hr/> <hr/>	<hr/> <hr/>

17 RECONCILIATION OF OPERATING LOSS TO OPERATING CASH FLOWS

	2007 £	2006 £
Operating loss	(450,054)	(582,338)
Depreciation	–	889
Decrease/(increase) in debtors	22,974	(6,764)
Increase in creditors	271,942	173,244
Share based payments	127,176	–
	<hr/>	<hr/>
Net cash outflow from operating activities	(27,962)	(414,969)
	<hr/> <hr/>	<hr/> <hr/>

OAK HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2007

18 RECONCILIATION OF CASH FLOW TO MOVEMENT IN NET (DEBT)/FUNDS

	2007	2006
	£	£
Increase/(decrease) in cash in the year	18,278	(404,733)
Change in net funds	18,278	(404,733)
Cash inflow from increase in debt	(250,000)	–
Net funds at beginning of year	45,069	449,802
Net (debt)/funds at end of year	(186,653)	45,069

19 ANALYSIS OF CHANGES IN CASH AND NET DEBT

	At 1		At 31
	November	Cash	October
	2006	flow	2007
	£	£	£
Cash at bank and in hand	45,069	18,278	63,347
Bank loan	–	(250,000)	(250,000)
Net funds/(debt)	45,069	(231,722)	(186,653)

20 FINANCIAL COMMITMENTS

At 31 October 2007 the Group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2007	2006
	£	£
Expiry date:		
Within one year	–	–
Between two and five years	–	–
In over five years	–	39,930
	–	39,930

OAK HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2007

21 FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash, liquid resources and various items, such as debtors and creditors that arise directly from its operations. It is, and has been throughout the year of review, the Group's policy that financial derivatives shall not be used. As a result, the Group has not used interest rate hedges and currency swaps during the year. The main risk arising from the Group's financial instruments is interest rate risk. The Group monitors its interest rate risk primarily through monthly cash flow forecasting.

Short term and debtors and creditors

Short term debtors and creditors (other than those stated) have been excluded from the following disclosures.

Interest rate risk

The Group finances its operations through shareholder equity, working capital and a short term bank loan set up specifically to deal with the purchase of freehold land. Throughout the year the Group's exposure to interest rate fluctuations was on its cash deposits and short term bank loan which are held at variable rates of interest.

Foreign currency risk

The Group enters into certain transactions with customers in Euros. The risk of currency fluctuations was not considered sufficiently significant to take specific steps to mitigate the risk.

Interest rate risk profile of financial assets and liabilities

The interest rate profile of the Group's financial assets and liabilities were:

	Floating rate financial assets (liabilities) 2007 £	Floating rate financial assets (liabilities) 2006 £
Sterling cash balances	63,347	45,069
Sterling short term bank loan	(250,000)	–
	<hr/>	<hr/>
	(186,653)	45,069
	<hr/> <hr/>	<hr/> <hr/>

The cash balances and bank loan above attract interest rates linked to LIBOR. The short term bank loan is guaranteed by two Directors, G Axford and S B Lewis.

Fair value of financial instruments

The Group's financial instruments, which comprise cash and short term deposits, are carried at cost, which is also considered to be equivalent to their fair value.

22 RELATED PARTY TRANSACTIONS

During the year the Group incurred fees of £24,500 (2006: £24,000) with Corporate Finance Partners Limited for financial advisory services. Graham Axford, a director of the company, has a material financial interest in Corporate Finance Partners Limited.

OAK HOLDINGS PLC

(Incorporated in England and Wales with registered number 2929801)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2AA on 23 May 2008 at 11.00 am for the following purposes:

Ordinary business

1. To receive and adopt the directors' report and audited accounts for the year ended 31 October 2007.
2. To re-appoint, as a director of the Company, Stephen Lewis, who retires in accordance with the Company's Articles of Association and offers himself for re-appointment.
3. To re-appoint, as a director of the Company, Peter Collins, who retires in accordance with the Company's Articles of Association and offers himself for re-appointment.
4. To re-appoint Hazlewoods LLP the auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the directors to fix their remuneration.

Special business

To consider and, if thought fit, pass the the following resolutions of which resolution number 5 will be proposed as an ordinary resolution and resolution number 6 will be proposed as a special resolution:

Ordinary Resolution

5. THAT in substitution for any existing authority subsisting at the date of this resolution (save for such powers granted by statute), the directors be and they are hereby authorised, generally and unconditionally for the purposes of section 80 of the Companies Act 1985 ("the Act"), to allot relevant securities (as defined in section 80(2) of the Act) up to a maximum aggregate nominal amount of £5,786,358 (or if less the total amount of the authorised share capital not then in issue) provided that:
 - (a) this authority shall expire at the commencement of the Annual General Meeting next held after the date of the passing of this resolution or, if earlier, fifteen months from the date of the passing of this resolution; and
 - (b) the Company may before such expiry make an offer, agreement or other arrangement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities pursuant to any such offer, agreement or other arrangement as if the authority hereby conferred had not so expired.

Special Resolution

6. THAT subject to the passing of the resolution numbered 5 in the notice of this meeting and in substitution for any existing authority subsisting at the date of this resolution (save for any such powers granted by statute), the directors be and they are hereby empowered, pursuant to Section 95 of the act to allot equity securities (as defined in Section 94(2) of the Act) out of any relevant securities (as defined in section 80(2) of the Act) which they are from time to time authorised to allot as if section 89(1) of the Act did not apply to such allotment:
 - (a) in connection with an issue by way of rights (including, without limitation, under a rights issue, open offer or similar arrangement) to holders of securities (as so defined) in proportion as nearly as may be to their respective holdings of such securities or in accordance with the rights attaching thereto, but with such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements, record dates or other legal practical problems under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory or as regards shares held by an approved depository or an issue in uncertificated form; and

OAK HOLDINGS PLC

NOTICE OF ANNUAL GENERAL MEETING (Continued)

- (b) up to a maximum nominal amount of £5,786,358 (or if less the total amount of the authorised share capital not then in issue);

provided that:

- (i) this authority shall expire at the commencement of the Annual General Meeting next held after the date of the passing of this resolution or, if earlier, fifteen months from the date of the passing of this resolution; and
- (ii) the Company may before such expiry make an offer, agreement or other arrangement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities pursuant to any such offer, agreement or other arrangement as if the authority hereby conferred had not so expired.

By order of the Board

M T A Hill

Secretary

30 April 2008

Registered Office
35 Vine Street
London
EC3N 2AA

NOTES:

- (a) A member who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company. Only shareholders, proxies and authorised representatives of corporations which are shareholders are entitled to attend the meeting.

(b) In the case of joint holders the signature of one holder on the form of proxy will be accepted by the vote of the senior who tenders a vote whether in person or by proxy to the exclusion of the votes of any other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of such joint holding.

(c) In the case of a corporation the form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or a duly authorised officer of the corporation.

(d) To be effective the form of proxy together with any power of attorney or other authority under which it is executed or a copy thereof certified notarially or in accordance with the Power of Attorney Act 1971 or as the directors shall accept must be sent to the company secretary, M.T.A. Hill, c/o Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY so as to arrive not later than 48 hours before the start of the meeting.

(e) Any alteration made to the form of proxy should be initialled.

(f) Completion of the form of proxy will not affect the right of a member to attend and vote at the meeting.

(g) Pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, the Company specifies that only those shareholders registered on the Register of Members as at 11.00 am on 21 May 2008 shall be entitled to attend or vote at the above Annual General Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the relevant Register of Members after that time will be disregarded in determining the rights of the person to attend and vote at the meeting.
- The register of directors' share interests will be available for inspection at the Registered Office of the Company during normal business hours on any week day from the date of this notice until the date of the meeting convened by this notice and also on the day of the meeting at Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2AA from 9.30 am on 23 May 2008 until the conclusion of the meeting. No director has a service contract of greater than 12 months' duration.