

Oak Holdings plc

Interim Report

For the six months ended 30 April 2008

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CHAIRMAN'S STATEMENT

I am once again pleased to be able to report that the Company continues to make progress in respect of its YES! Project in South Yorkshire. 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 and, as such, remains at the core of the Company's business strategy.

In February of this year, 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. We are now, after detailed drafting of terms, able to anticipate the signing of the Development Agreement within a matter of days. This significant achievement will allow us to progress the next phases of the development process.

Results

The Company's results for the 6 months ended 30 April 2008 were a loss on ordinary activities before taxation of £360,191 (2007: £117,495), on a decreased turnover of £25,073 (2007: £350,500). The results are in line with the Board's expectations. Consultancy turnover was limited by the concentration of resources on the YES! Project.

The Company continues to exercise tight control over expenditures. YES! costs are not capitalised and the result includes a charge of £94,300 (2007: £33,000) in respect of 'Share Based Payments as determined by IFRS 2.

Net assets at 30 April 2008 were £9.8M (2007: £10.2M).

Current Strategy and Activity

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.

The Development Agreement, including the terms of the 250 year lease, is scheduled to be considered by the Cabinet of Rotherham Borough Council on 30 July 2008, following extensive negotiations between the parties and their advisers.

Within the Group's net assets, a value of £10.5M is attributed to the YES! Project Preferred Developer Agreement held by Oak Ventures Limited following its acquisition by the Group in 2003. The Board have previously stated that upon securing of a Development Agreement, the value attributed to the project would be higher than £10.5M. As such, in anticipation of the completion of the Development Agreement, the Board have commissioned a formal valuation of the Group's interest, both in the YES! Project and the 27 acres of freehold access land purchased in March 2007, and expect to confirm a substantially higher valuation than that currently carried in the Group's accounts. This valuation is expected shortly.

Funding

As reported at the Annual General Meeting in May of this year, the Directors continue to consider sources of funding for the Company; 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.

Following discussions with lending bankers, the Directors continue to consider that, subject to normal lending criteria, a development loan to progress the YES! Project to completion will be available.

Outlook

Despite the current economic climate, the Board remains confident that the Company can approach the future with confidence. We believe that the fundamental concept of the YES! Project will be attractive to property investors and, as such, the Board will primarily devote its energies and resources to ensuring the successful completion of the project.

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

Malcolm Savage

Chairman

30 July 2008

UNAUDITED CONSOLIDATED INCOME STATEMENT**For the Six Months Ended 30 April 2008**

	Unaudited 6 months ended 30 April 2008 £	Unaudited 6 months ended 30 April 2007 £	Audited Year ended 31 October 2007 £
	<i>Notes</i>		
REVENUE	25,073	350,500	350,713
Cost of Sales	-	-	-
GROSS PROFIT	<u>25,073</u>	<u>350,500</u>	<u>350,713</u>
Administrative expenses	<u>(372,010)</u>	<u>(466,836)</u>	<u>(800,767)</u>
OPERATING LOSS	(346,937)	(116,336)	(450,054)
Finance costs	<u>(13,254)</u>	<u>(1,159)</u>	<u>(13,588)</u>
LOSS BEFORE TAX	(360,191)	(117,495)	(463,642)
Tax	-	-	-
LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	<u>(360,191)</u>	<u>(117,495)</u>	<u>(463,642)</u>
LOSS PER SHARE			
Basic loss per share	4 <u>(2.4)p</u>	<u>(0.8)p</u>	<u>(3.1)p</u>

There are no items of recognised income and expense other than those reflected in the consolidated income statement.

**UNAUDITED CONSOLIDATED BALANCE SHEET
AS AT 30 APRIL 2008**

	Unaudited As at 30 April 2008 £	Unaudited As at 30 April 2007 £	Audited As at 31 October 2007 £
	<i>Note</i>		
	<i>s</i>		
NON-CURRENT ASSETS			
Goodwill	10,828,446	10,828,446	10,828,446
Property	1,074,825	250,000	1,074,825
	<u>11,903,271</u>	<u>11,078,446</u>	<u>11,903,271</u>
CURRENT ASSETS			
Trade and other receivables	4,175	112,797	4,175
Cash and cash equivalents	35,934	15,613	63,347
	<u>40,109</u>	<u>128,410</u>	<u>67,522</u>
TOTAL ASSETS	<u>11,943,380</u>	<u>11,206,856</u>	<u>11,970,793</u>
CURRENT LIABILITIES			
Trade and other payables	1,596,415	419,463	1,356,488
Current tax liabilities	95,354	131,918	96,803
Bank loan	250,000	250,000	250,000
	<u>1,941,769</u>	<u>801,381</u>	<u>1,703,291</u>
NON-CURRENT LIABILITIES			
Trade and other payables	180,695	180,695	180,695
TOTAL LIABILITIES	<u>2,122,464</u>	<u>982,076</u>	<u>1,883,986</u>
NET ASSETS	<u>9,820,916</u>	<u>10,224,780</u>	<u>10,086,807</u>
EQUITY			
Called up share capital	7,565,067	7,481,245	7,565,067
Share premium account	3,017,818	2,987,642	3,017,818
Merger reserve	5,197,319	5,197,319	5,197,319
Other reserves	164,667	164,667	164,667
Retained earnings	5 (6,123,955)	(5,606,093)	(5,858,064)
TOTAL EQUITY	<u>9,820,916</u>	<u>10,224,780</u>	<u>10,086,807</u>

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
For the Six Months Ended 30 April 2008

	Notes	6 months ended 30 April 2008 £ (unaudited)	6 months ended 30 April 2007 £ (unaudited)	Year ended 31 October 2007 £ (audited)
Net cash flow from operating activities	6	(27,722)	(30,709)	(30,886)
Investing activities				
Interest received		309	398	536
Capital expenditure on property		-	(250,000)	(316,225)
Net cash from/(used in) investing activities		309	(249,602)	(315,689)
Financing activities				
Proceeds on issue of shares		-	855	114,853
Net proceeds from loans advanced		-	250,000	250,000
Net cash from financing activities		-	250,855	364,853
Net (decrease)/increase in cash and cash equivalents		(27,413)	(29,456)	18,278
Cash and cash equivalents at beginning of period		63,347	45,069	45,069
Cash and cash equivalents at end of period		35,934	15,613	63,347

NOTES TO THE UNAUDITED INTERIM REPORT

1. GENERAL INFORMATION

OAK HOLDINGS PLC (the "Company") is a company domiciled in England whose registered office address is 35 Vine Street, London, EC3N 2AA. The condensed consolidated interim financial statements of the Company for the six months ended 30 April 2008 comprise the Company and its subsidiaries (together referred to as "the Group").

The condensed consolidated interim financial statements do not constitute statutory accounts as defined in Section 240 of the Companies Act 1985.

The financial information for the year ended 31 October 2007 has been extracted from the statutory accounts (which were prepared under UK GAAP) for that period and adjusted as shown in note 7 below to restate in accordance with International Financial Reporting Standards ("IFRS"). This note includes reconciliations of equity and the loss for comparative periods reported under UK GAAP to those reported for those periods under IFRS. The auditors' report on the statutory accounts was unqualified and did not contain a statement under Section 237 of the Companies Act 1985. A copy of those financial statements has been filed with the Registrar of Companies.

The Group's date of transition to IFRS was 1 November 2006 and condensed consolidated interim financial statements have been prepared in accordance with the first time adoption provisions set out in IFRS 1 First-time Adoption of International Financial Reporting Standards. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

The condensed consolidated interim financial statements were authorised for issue on 30 July 2008.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The condensed consolidated financial statements are unaudited and have been prepared in accordance with IFRS adopted by the EU.

The condensed consolidated financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

Basis of consolidation

The condensed consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 April 2008. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired during the period are included in the consolidated income statement from the effective date of acquisition.

Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, at the date of acquisition.

The Group's goodwill is attributable primarily to the fact that, on acquisition, 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.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. In order to determine the extent of the impairment loss (if any), the recoverable amount of the goodwill is estimated. Any impairment is recognised immediately in profit or loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

An impairment loss recognised for goodwill is not reversed in a subsequent period.

Goodwill arising on acquisitions before 1 November 2006 has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date.

Property

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost less estimated residual value of tangible fixed assets over their expected useful lives at the following rates:-

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

Freehold land is included at its historical cost and is not depreciated.

Impairment of tangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an

expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Income recognition

Turnover represents the fair value of services provided during the period.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that assets net carrying amount.

Deferred taxation

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below).

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease.

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

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

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Share based awards

The Group has applied the requirements of IFRS 2 *Share-based Payment*. In accordance with the transitional provisions, IFRS 2 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 share based payments to certain employees. Equity settled share based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital and, where appropriate, share premium. No adjustment is made to any expense recognised in prior periods if share options that have vested are not exercised.

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

3. SEGMENTAL ANALYSIS

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structures. The Group has two principal activities (segments) :

- i) the development of a property known as the YES! Project in South Yorkshire and associated properties; and
- ii) property consultancy services

Unallocated items comprise mainly corporate overheads and financing related items.

**Six months ended
31 March 2008**

	Consultancy £	YES! Project £	Unallocate d £	Total £
Revenue	25,073	-	-	25,073
Operating profit/(loss)	12,259	(83,892)	(275,304)	(346,937)
Finance costs				(13,254)
Loss before taxation				(360,191)
Taxation				-
Loss for the period				(360,191)

4. LOSS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	6 months ended	6 months ended	Year ended
	30 April 2008	30 April 2007	31 October 2007
	(unaudited)	(unaudited)	(audited)
	£	£	£
Loss on ordinary activities after tax	360,191	117,495	463,642
Number of shares			
Weighted average number of ordinary shares for the period	15,130,133	14,962,336	14,976,400

At the Company's Annual General Meeting on 24 May 2007, it was resolved that the ordinary shares of 1p each be consolidated into 50p shares on the basis of 50 ordinary shares of 1p becoming a 50p share. The weighted average number of ordinary shares at 30 April 2007 has been restated to reflect this consolidation resolution

5. CHANGES IN EQUITY AND DEBT

Changes in equity

The only movement in Equity during the period related to movements in retained earnings

Changes in debt

There were no changes in debt during the period.

6. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Net cash flow from operating activities	6 months ended	6 months ended	Year ended
	30 April 2008	30 April 2007	31 October 2007
	(unaudited)	(unaudited)	(audited)
	£	£	£
Operating loss	(346,937)	(116,336)	(450,054)
Share-based payment	94,300	33,000	127,176
Operating cash flows before movements in working capital	(252,637)	(83,336)	(322,878)
(Increase) / decrease in receivables	-	(85,648)	22,974
Increase in payables	233,979	139,832	278,451
Cash absorbed by operations	(18,658)	(29,152)	(21,453)
Interest paid	(9,064)	(1,557)	(9,433)
Net cash flow from operating activities	(27,722)	(30,709)	(30,886)

7. EXPLANATION OF TRANSITION TO IFRS

As stated in note 1, these are the Group's first condensed consolidated interim financial statements for part of the period covered by the first IFRS annual consolidated financial statements prepared in accordance with IFRS.

The accounting policies in note 2 have been applied in preparing the consolidated condensed interim financial statements for the six months ended 30 April 2008, the financial information for the six months ended 30 April 2007 and the year ended 31 October 2007.

In preparing its opening IFRS balance sheet, comparative information for the six months ended 30 April 2007, and financial statements for the year ended 31 October 2007, the Group has considered the impact of IFRS and whether any adjustments are required on transition and concluded that none are required.

8. AIM COMPLIANCE COMMITTEE

In accordance with AIM Rule 31 the Company is required to have in place sufficient procedures, resources and controls to enable its compliance with the AIM Rules; seek advice from its nominated adviser ("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.

In order to ensure that these obligations are being discharged, the Board has established a committee of the Board (the "AIM Committee"), chaired by Graham Axford, a non-executive director of the Company.

Having reviewed relevant Board papers, and discussed with the Company's Executive Board and the Nomad to ensure that such is the case, the AIM Committee is satisfied that the Company's obligations under AIM Rule 31 have been satisfied during the period under review.

9. DISTRIBUTION OF INTERIM REPORT

Copies of the Interim Report for the six months ended 30 April 2008 can be obtained from the Registered Office during normal business hours and are available on the Company's website, <http://www.oakholdings.co.uk>.

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