

FOR IMMEDIATE RELEASE  
29 APRIL 2009

**OAK HOLDINGS PLC**  
**PRELIMINARY RESULTS FOR 12 MONTHS TO 31 OCTOBER 2008**

Oak Holdings plc, the AIM-listed property development and consultancy group, that is developing the YES! Project, a 1.2m sq ft covered fully integrated mixed-use leisure and entertainment based resort, activity and convention destination on a 327-acre site in South Yorkshire, announces its preliminary results for the 12 months to 31 October 2008.

**HIGHLIGHTS**

- In line with the Board's expectations operating loss was £0.79m compared to £0.46m last year
- Concentration of resources on the YES! Project reduced consultancy turnover to £25K from £351K last year
- Net assets at £9.48m underpinned by valuation of interests associated with the YES! Project of £21m
- Significant progress maintained at YES! Project
  - Development Agreement and lease of 250 years signed in August 2008
  - Discussions with Sheffield Steelers for purpose-built arena continue
  - Directors' confident in YES! Project's potential to create shareholder value despite economic downturn
- Development agreement signed with North of England land owning partner
- Consultancy contract prospects improved
- Directors expect to conclude negotiations for new funding in the short-term

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**CHAIRMAN'S STATEMENT**

Shareholders will be aware that the Company is now operating in an extremely challenging business environment necessitating a revised strategy and demanding positive action to ensure survival. Despite the economic conditions, I am pleased to be able to report that the Company continues to make significant progress in respect of the YES! Project, destined to be the largest undercover leisure-based resort, activity and convention centre in Europe and which will provide substantial economic regeneration in South Yorkshire.

The Company was pleased to announce in August 2008, following an exhaustive and, at times, frustrating negotiation process, that a Development Agreement and the terms of a 250 year lease had been agreed with Rotherham Metropolitan Borough Council, the owners of the YES! site. This Agreement covers not only the 327 acre development site but also the 1,097 acre Rother Valley Country Park. The execution of the Development Agreement was a significant achievement and ensures that the next phases of the development process are under the control of the Company. This progress will stand the Company in good stead when economic conditions become more favourable and confidence returns to the property market.

In order to take the Company forward the Board recognises the need to urgently raise funds for working capital requirements and as such we have entered negotiation with various investors to subscribe for new shares. We hope to be able to announce progress on this matter in the near future.

**Results**

I am pleased to report the results for the 12 months to 31 October 2008. Due to the current nature of its' business, and in line with the Board's expectations, the Company made a loss on ordinary activities before taxation of £791,515 (2007: £463,642), on a turnover of £25,073 (2007: £350,713).

Consultancy income was limited by the concentration of resources on the YES! Project and as such, tight expenditure control continued in relation to all aspects of the business with total costs at £808,002 (2007: £800,767). Expenditure attributable to the YES! Project in the year was £233,834 (2007: £116,934); in certain circumstances these costs would be capitalised, but the Company currently continues to treat them as Profit and Loss expenses. The result for the year also includes a charge in respect of IFRS 2 share based payments relating to directors' share options of £186,722 (2007: £127,176). In view of the loss for the year, the Company is unable to recommend the payment of a final dividend.

As at 31 October 2008, the Group had audited net assets of £9.48 million (2007: £10.09 million), the major component being intangible assets, as disclosed in the Group's balance sheet, of £10.83 million. This sum has primarily represented 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 view has been that, given the subsequent grant of Outline Planning Consent, the Development Agreement and the 250 year lease referred to above, the value attributed to this scheme is now substantially higher than the £10.5 million currently attributed to the YES! Project. As such HLL Humberts Leisure were commissioned to prepare a formal valuation of the YES! concept and they reported that the value of the various interests, allowing for the qualifying criteria and the uncertain market conditions, including the 27 acres of adjoining freehold access land, was £21 million. However this valuation has not been incorporated into the balance sheet at 31 October 2008.

## **Strategy**

Whilst the timetable for the physical commencement of the development of the YES! Project, located on a 327 acre former coalfield site adjoining the Rother Valley Country Park, is now under review, we remain confident that investment in strategically located high quality leisure and entertainment facilities will prove to be very attractive when confidence returns to the property market.

During the coming year the Company will renew its efforts to develop revenue producing consultancy opportunities in the UK and overseas.

## **Business Review**

The signing of the Development Agreement for the YES! Project provides the Company with a legal interest in the 327 acre development site. Having secured the access land and the Development Agreement, the Company now controls the development and although current economic circumstances dictate that progress towards a physical start to the development will take longer than anticipated, discussions with potential tenants remain ongoing.

Phasing of the project is under active consideration and discussions are advancing with Sheffield Steelers, the UK Elite Hockey League champions. The potential construction of a purpose-built arena as a first phase is being pursued.

The Company's consultancy business suffered in the last year as efforts were concentrated on finalising the Development Agreement. Given the immediate prospects for the YES! Project, it is now intended to concentrate on new cash generative activity to defray future YES! costs, together with the general expenditure of the Company.

Accordingly the Company has agreed terms with Rotherham Metropolitan Borough Council for an Interim Management Agreement and seven year lease of the existing Rother Valley Country Park. The lease is expected to be formalised shortly. This should provide a positive income stream and enable the Company to establish a physical presence on site. This will greatly enhance future negotiations concerning income

generating improvements to the Park itself and ongoing discussions with potential tenants of the adjoining YES! Project.

The Company has also agreed the terms of a partnership arrangement with a land owner in the North of England to take a tract of land with substantial development potential through the value-enhancing planning process. The agreement provides the Company with a fixed proportion of the ultimate development gain.

Recent efforts to expand the consultancy business have resulted in the prospect of a commission relating to advice on a major regeneration project in Romania and a further commission for urban development in Kazakhstan.

### **Principal Risks and Uncertainties**

The principal risk facing the Company is the ability to secure pre-let tenants and development funding for the YES! Project in very difficult market conditions. However the board is committed to its conservative approach and remains confident in the project's underlying commercial feasibility and its ability to attract both tenants and funding at the appropriate time. Recent increased demand for UK based leisure and conference business allied to the project's critical mass and positioning at the high end of leisure developments, will, we are confident, secure investment value for shareholders.

### **Funding**

The Directors have during the last year continued to seek fresh sources of funding for the Company, but the severe downturn in the economy generally and the property sector in particular have mitigated against our efforts. Although the board's efforts to raise finance have been frustrated by the protracted delays in securing the Development Agreement, we are able to assure shareholders that numerous avenues have been explored to raise capital, including detailed discussions with several UK and overseas investors. However despite considerable interest these potential funders have ultimately been unable to proceed, due largely to their own internal constraints.

The Company has during this very difficult period continued to operate with the co-operation and support of its creditors, as well as the support from and the efforts of the board. Directors are themselves significant creditors of the Company and have not been paid, in the case of non-executives, fees since February 2006 and in the case of executives, salaries since April 2007. The directors have also made loans to the Company to provide it with working capital. Following the year-end, board members and related parties have agreed to waive fees, salaries and pre-reverse loans due to them in the aggregate sum of £410,000.

Despite our previous inconclusive funding negotiations, the Company is now in the position that we expect to be able to place shares with various investors who have expressed a keen interest in subscribing for shares following the commencement of the Rother Valley Country Park lease. Whilst commitments have not yet been secured, we feel confident that this new necessary investment will be realised. The investment will enable the Company to satisfy its liabilities and provide for future working capital needs.

### **Outlook**

The Board remains confident in both the YES! Project and in the other income generating activities referred to above. Despite the fact that the economy mitigates against immediate development, the potential to generate substantial shareholder value and the inherent worth in the Company remains in place. The securing of the Development Agreement for the YES! Project provides a key foundation for the future and allows the Company to move forward with cautious optimism.

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

Malcolm Savage  
Chairman  
29 April 2009

**CONSOLIDATED INCOME STATEMENT**

for the year ended 31 October 2008

	Note	2008 £	2007 £
<b>Revenue</b>		25,073	350,713
Administrative expenses		(808,002)	(800,767)
Operating loss		(782,929)	(450,054)
Finance income		324	536
Finance costs		(8,910)	(14,124)
Finance costs - net		(8,586)	(13,588)
<b>Loss before tax</b>		(791,515)	(463,642)
Tax expense		-	-
<b>Loss for the period attributable to equity holders of the Company</b>		(791,515)	(463,642)
<b>Loss per share</b>			
Equity holders	6	(5.2)p	(3.1)p

All activities are continuing.

**STATEMENT OF CHANGES IN EQUITY**

for the year ended 31 October 2008

	Share capital	Share premium £	Retained earnings £	Capital redemption reserve £	Merger reserve £	Total £
<b>Group</b>						
Balance at 1 November 2006	7,480,886	2,987,146	(5,521,598)	164,667	5,197,319	10,308,420
Loss for the year ended 31 October 2007	-	-	(463,642)	-	-	(463,642)
Cost of share based awards	-	-	127,176	-	-	127,176
Issue of shares for cash	84,181	30,672	-	-	-	114,853
<b>At 31 October 2007</b>	<b>7,565,067</b>	<b>3,017,818</b>	<b>(5,858,064)</b>	<b>164,667</b>	<b>5,197,319</b>	<b>10,086,807</b>
Loss for the year ended 31 October 2008	-	-	(791,515)	-	-	(791,515)

Cost of share based awards	-	-	186,722	-	-	186,722
<b>At 31 October 2008</b>	<b>7,565,067</b>	<b>3,017,818</b>	<b>(6,462,857)</b>	<b>164,667</b>	<b>5,197,319</b>	<b>9,482,014</b>

	<b>Share capital</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Capital redemption reserve</b>	<b>Merger reserve</b>	<b>Total</b>
	£	£	£	£	£	£
<b>Company</b>						
Balance at 1 November 2006	7,480,886	2,987,146	(4,259,054)	164,667	5,197,319	11,570,964
Loss for the year ended 31 October 2007	-	-	(236,708)	-	-	(236,708)
Cost of share based awards	-	-	127,176	-	-	127,176
Issue of shares for cash	84,181	30,672	-	-	-	114,853
<b>At 31 October 2007</b>	<b>7,565,067</b>	<b>3,017,818</b>	<b>(4,368,586)</b>	<b>164,667</b>	<b>5,197,319</b>	<b>11,576,285</b>
Loss for the year ended 31 October 2008	-	-	(477,864)	-	-	(477,864)
Cost of share based awards	-	-	186,722	-	-	186,722
<b>At 31 October 2008</b>	<b>7,565,067</b>	<b>3,017,818</b>	<b>(4,659,728)</b>	<b>164,667</b>	<b>5,197,319</b>	<b>11,285,143</b>

## BALANCE SHEETS

at 31 October 2008

	<b>Group 2008</b>	<b>Group 2007</b>	<b>Company 2008</b>	<b>Company 2007</b>
	£	£	£	£
<b>Non-current assets</b>				
Goodwill	10,828,446	10,828,446	-	-
Property, plant and equipment	1,190,807	1,074,825	1,190,807	1,074,825
Investments in subsidiaries	-	-	10,435,959	10,435,959
<b>Total non-current assets</b>	<b>12,019,253</b>	<b>11,903,271</b>	<b>11,626,766</b>	<b>11,510,784</b>
<b>Current assets</b>				
Trade and other receivables	39,653	4,175	2,036,573	1,657,261
Cash at bank	-	63,347	-	63,347
<b>Total current assets</b>	<b>39,653</b>	<b>67,522</b>	<b>2,036,573</b>	<b>1,720,608</b>
<b>Total assets</b>	<b>12,058,906</b>	<b>11,970,793</b>	<b>13,663,339</b>	<b>13,231,392</b>
<b>Equity</b>				
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	(6,462,857)	(5,858,064)	(4,659,728)	(4,368,586)
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
<b>Total equity</b>	<b>9,482,014</b>	<b>10,086,807</b>	<b>11,285,143</b>	<b>11,576,285</b>
<b>Liabilities</b>				
Non-current liabilities				
Borrowings	180,695	180,695	-	-

<b>Total non-current liabilities</b>	<u>180,695</u>	<u>180,695</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>				
Borrowings	1,067,290	1,025,000	1,067,290	1,025,000
Trade and other payables	1,328,907	678,291	1,310,906	630,107
<b>Total current liabilities</b>	<u>2,396,197</u>	<u>1,703,291</u>	<u>2,378,196</u>	<u>1,655,107</u>
<b>Total liabilities</b>	<u>2,576,892</u>	<u>1,883,986</u>	<u>2,378,196</u>	<u>1,655,107</u>
<b>Total equity and liabilities</b>	<u>12,058,906</u>	<u>11,970,793</u>	<u>13,663,339</u>	<u>13,231,392</u>

## CASH FLOW STATEMENT

for the year ended 31 October 2008

		GROUP		COMPANY	
	Note	2008	2007	2008	2007
		£	£	£	£
<b>Cash flows from operating activities</b>					
Net cash absorbed by operations	8	(43,085)	(21,453)	(43,085)	(21,453)
Net interest paid		(1,170)	(8,897)	(1,170)	(8,897)
<b>Net cash absorbed by operating activities</b>		<u>(44,255)</u>	<u>(30,350)</u>	<u>(44,255)</u>	<u>(30,350)</u>
<b>Cash flows from investing activities</b>					
Payments to acquire tangible fixed assets		(16,382)	(316,225)	(16,382)	(316,225)
<b>Net cash used in investing activities</b>		<u>(16,382)</u>	<u>(316,225)</u>	<u>(16,382)</u>	<u>(316,225)</u>
<b>Cash flows from financing activities</b>					
Proceeds from issue of shares		-	114,853	-	114,853
Net proceeds from advance of bank loan		-	250,000	-	250,000
Repayment of bank loan		(250,000)	-	(250,000)	-
<b>Net cash from financing activities</b>		<u>(250,000)</u>	<u>364,853</u>	<u>(250,000)</u>	<u>364,853</u>
<b>Net (decrease)/increase in cash and bank balances</b>		(310,637)	18,278	(310,637)	18,278
Cash and bank and bank overdrafts at beginning of year		63,347	45,069	63,347	45,069
<b>Cash and bank and bank overdrafts at end of year</b>		<u>(247,290)</u>	<u>63,347</u>	<u>(247,290)</u>	<u>63,347</u>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 October 2008

### 1. SIGNIFICANT ACCOUNTING POLICIES

### Going concern

During the year, the Group has made significant strides on the YES! Project, in particular the completion of the Development Agreement with Rotherham Metropolitan Borough Council. This Agreement sets out the terms of the leases on the development site and the Rother Valley Country Park ('RVCP'). These leases of 250 years each will commence when various conditions have been satisfied. Since the balance sheet date however, an Interim Management Agreement and seven year lease on the RVCP has been agreed with RMBC, which will allow Oak to assume control of the operational business at the RVCP in the immediate future. The lease is expected to be formalised shortly, allowing Oak to take control of the day to day running of the country park and providing the Group with a new trading income stream.

The Group has accumulated a significant level of creditors over the past 18 months due to the lack of cash resources. The directors have prepared plans to settle these creditors involving a mixture of waivers, equity swaps and cash payments. The directors themselves are significant creditors and since the balance sheet date, they and related parties have agreed to waive indebtedness of £410,000. Outline agreements have been formulated with other significant creditors but have yet to be finalised. To fund the cash payments, and provide working capital going forward, the directors recognise that there is an urgent need to raise additional funds.

To this end, the directors have been in negotiations with various investors who have expressed an interest in subscribing for new shares in the Company following the commencement of the RVCP lease as described above. At the date of signing the financial statements, no commitments have been secured from these investors. However, the directors are confident that the necessary new investment will be secured, and that the level will be sufficient to satisfy the requirements of satisfying creditors and providing working capital as described above.

On this basis, the directors consider it appropriate to continue to prepare the financial statements on a going concern basis. The financial statements do not therefore contain any adjustments that would be required should the going concern basis not be deemed appropriate.

### 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.

The Group has adopted IFRS for the first time during the year ended 31 October 2008. The date of transition to IFRS is therefore 1 November 2006. The Group financial statements to 31 October 2007 were presented under United Kingdom Generally Accepted Accounting Practices (United Kingdom Accounting standards and law).

As permitted by section 230 of the Companies Act 1985 the Company has elected not to present its own profit and loss account for the year. Oak Holdings Plc reported a loss for the financial year of £477,864 (2007 : £236,708).

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 2008, 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 Group's 2008 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.

The comparative figures for the financial year ended 31 October 2007 have been extracted from the statutory financial statements for that year which have already been filed with the Registrar of Companies, but as amended by IFRS reporting requirements and on which the auditor gave an unqualified report.

### 3. SEGMENTAL ANALYSIS

Segmental information with regards to activity of each segment is presented below. All turnover and profits are generated in, and assets are located in, the UK.

2008			2007		
Consulting	YES! Project	Total	Consulting	YES! Project	Total
£	£	£	£	£	£

### RESULT

Revenue	25,073	-	25,073	350,713	-	350,713
Segment operating profit/(loss)	6,438	(398,951)	(392,513)	293,332	(284,783)	8,549
Unallocated corporate costs			(390,416)			(458,603)
Operating loss			(782,929)			(450,054)
Net finance costs			(8,586)			(13,588)
Loss before tax			(791,515)			(463,642)
Tax expense			-			-
<b>Loss for the year</b>			<b>(791,515)</b>			<b>(463,642)</b>

## BALANCE SHEET

Goodwill	-	10,828,446	10,828,446	-	10,828,446	10,828,446
Other segment assets	-	1,194,982	1,194,982	-	1,079,000	1,079,000
Segment assets	-	12,023,428	12,023,428	-	11,907,446	11,907,446
Unallocated corporate assets			35,478			63,347
<b>Consolidated assets</b>			<b>12,058,906</b>			<b>11,970,793</b>
Segment liabilities	-	(1,609,985)	(1,609,985)	-	(1,314,694)	(1,314,694)
Unallocated corporate liabilities			(966,907)			(569,292)
<b>Consolidated liabilities</b>			<b>(2,576,892)</b>			<b>(1,883,986)</b>

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 loss per share is based on a loss for the year of £791,515 (2007: £463,642) and the weighted average of ordinary shares in issue for the year of 15,130,133 (2007: 15,130,133). The exercise of the outstanding options and warrants at 31 October 2008 would reduce the loss per share and hence have an anti-dilutive effect. There are potentially 1,139,312 shares that could be issued under the terms of options and were also 2,022,089 warrants that will potentially reduce future earnings per share.

7. 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 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 provides evidence that no impairment charge is required.

8. Cash absorbed by operations

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Operating loss</b>	(782,929)	(450,054)	(469,278)	(223,120)
Share based awards	186,722	127,176	186,722	127,176
Increase/(decrease) in debtors	(35,478)	22,974	(379,312)	(203,960)
Increase in creditors	588,600	278,451	618,783	278,451
Cash absorbed by operations	<u>(43,085)</u>	<u>(21,453)</u>	<u>(43,085)</u>	<u>(21,453)</u>

9. The Annual General Meeting of the Company will be held at 11.00 a.m. on 22 May 2009 at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2AA.

10. The Annual Report and Accounts will be mailed to registered shareholders today 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, 35 Vine Street, London EC3N 2AA and from the Company's website, [www.oakholdings.co.uk](http://www.oakholdings.co.uk).