RNS Number : 5242W
Oak Holdings PLC
30 July 2009

OAK HOLDINGS PLC

Interim Report
For the six months ended 30 April 2009

Chairman's Statement

Shareholders will be aware that the current recession continues to produce an extremely challenging business environment particularly for property development activity. Having secured the YES! Project Development Agreement in August 2008 which includes the terms of the 250 year lease of the development site, recent efforts have been concentrated on agreeing acceptable terms with Rotherham Metropolitan Borough Council (RMBC) for a 7 year operational lease of the existing Rother Valley Country Park. I am pleased to be able to report that this lease has now been executed and that a wholly owned subsidiary of Oak Holdings plc, Rother Valley Country Park Limited (RVCP), assumed total responsibility for the management of the park on 8 May 2009. This is a significant achievement and revenues generated by the park since its acquisition are already in excess of those for the corresponding period last year. Several new initiatives have already been introduced in the park, including the construction of a miniature steam railway and improved food and drink offers. The operational lease also makes provision for conversion to a 250-year term and control of the park can therefore be seen as a launch pad for the future integrated development of the YES! Project on the adjoining site. Control of RVCP has served to reposition the Company away from pure property development into a cash generative leisure based business with substantial development upside potential. Shareholders who wish to understand further and appreciate this potential would do well to visit RVCP and arrangements can be made for behind the scenes tours through the Chief Executive Steve Lewis.

Results

The Company's results for the 6 months ended 30 April 2009 were a profit on ordinary activities before taxation of £186,791 (2008: a loss of £360,191). The results are in line with the Board's expectations and derive largely from the formal waiver on 12 February 2009 by the directors and other related parties of their entitlement to certain salaries, fees and loans that were owed to them at 31 October 2008 amounting in total to £410,086. The result includes a charge of £93,835 (2008: £94,300) in respect of "Share Based Payments" as determined by IFRS 2.

There was no consultancy turnover in the period as the Company directed the majority of its resources to the securing of the lease and management agreement at the Rother Valley Country Park. The Company continues to exercise tight control over expenditures. YES! costs in the period were not significant.

Net assets at 30 April 2009 were largely unchanged at £9.76m (2008: £9.82m).

Current Strategy and Activity

Whilst prudent management dictates that physical progress on the Yes! Project must await improved national economic conditions, work is continuing on strategic planning and liaison with potential tenants. Within the framework of the outline planning consent, consideration is now being given to Phase 1 of the project that, it is anticipated, will include a purpose built arena for the Sheffield Steelers ice hockey team together with a conference hotel. The Board remains confident that the development of the YES! Project represents an exceptional opportunity to generate shareholder value and will continue to concentrate resources in this area.

Despite the fact that new consultancy commissions are harder to secure in the present economic climate, work continues on a major project in Romania and on the 130 acre mixed use development in the North of England.

As announced in May 2009, conditional terms have been agreed for the acquisition of the Ringwood Town and Country Experience Ltd. (RTCE). Mike Woodcock, the current owner of the business, has many years' experience in the leisure industry and, as announced, he will become Chief Executive of the new wholly owned subsidiary formed to construct and operate the new miniature railway in the Rother Valley Country Park, which is due to open in the first half of August. In addition, much of the memorabilia currently stored at RTCE will form the basis of a new visitor attraction in the park.

The Company has also recently announced that Mike Williams has been appointed as a main Board Director and as Company Secretary with effect from 20 July 2009. He brings a wealth of experience both as an accountant and as founder director of the CDC group, a market leader in data control and intelligent building systems.

Further additions to the Board are planned and will be announced shortly.

Funding

Despite the fact that RVCP is now making a positive contribution to the group's finances, as previously announced, further working capital is needed to take the Company forward and to fund future revenue producing initiatives. Accordingly, a placing of new shares to raise up to £2.5m is now underway with presentations being made to potential institutional investors and with financial support indicated from private sources. The Board is confident that the diversification strategy which has now been adopted, together with the underlying development potential of the YES! Project, will ensure that the placing is successful.

Outlook

'Hands on' control of RVCP has not only strengthened the business financially, but also greatly enhanced the Company's prospects for the successful development of the YES! Project and the associated A57 land. For the first time, potential tenants, shareholders and potential investors can see and touch a tangible part of the Oak plc portfolio. This will increase confidence that, even in these very difficult economic conditions, the business is inexorably moving forward.

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

Malcolm Savage
Chairman

30 July 2009

UNAUDITED CONSOLIDATED INCOME STATEMENT
For the Six Months Ended 30 April 2009

	Notes	Unaudited 6 months ended 30 April 2009 £	Unaudited 6 months ended 30 April 2008 £	Audited Year ended 31 October 2008 £
REVENUE		-	25,073	25,073
Administrative expenses		(224,164)	(372,010)	(808,002)
Release of liabilities	7	410,086	-	-

	Notes			
OPERATING PROFIT/(LOSS)		185,922	(346,937)	(782,929)
Finance income		-	309	324
Finance (costs)		869	(13,563)	(8,910)
Finance (costs) - net		869	(13,254)	(8,586)
PROFIT/(LOSS) BEFORE TAX		186,791	(360,191)	(791,515)
Tax		-	-	-
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		186,791	(360,191)	(791,515)
EARNINGS/(LOSS) PER SHARE				
Basic earnings/(loss) per share	4	1.2p	(2.4)p	(5.2)p

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 2009

	Notes	Unaudited As at 30 April 2009 £	Unaudited As at 30 April 2008 £	Audited As at 31 October 2008 £
NON-CURRENT ASSETS				
Goodwill		10,828,446	10,828,446	10,828,446
Property		1,240,436	1,074,825	1,190,807
		12,068,882	11,903,271	12,019,253
CURRENT ASSETS				
Trade and other receivables		10,200	4,175	39,653
Cash and		-	35,934	-

cash equivalents		10,200	40,109	39,653
TOTAL ASSETS		12,079,082	11,943,380	12,058,906
EQUITY				
Called up share capital		7,565,067	7,565,067	7,565,067
Share premium account		3,017,818	3,017,818	3,017,818
Retained earnings	5	(6,182,231)	(6,123,955)	(6,462,857)
Capital redemption reserve		164,667	164,667	164,667
Merger reserve		5,197,319	5,197,319	5,197,319
TOTAL EQUITY	5	9,762,640	9,820,916	9,482,014
LIABILITIES				
NON-CURRENT LIABILITIES				
Borrowings		-	180,695	180,695
TOTAL NON-CURRENT LIABILITIES		-	180,695	180,695
CURRENT LIABILITIES				
Borrowings		1,053,756	1,025,000	1,067,290
Trade and other payables		1,262,686	916,769	1,328,907
TOTAL CURRENT LIABILITIES		2,316,442	1,941,769	2,396,197
TOTAL LIABILITIES		2,316,442	2,122,464	2,576,892
TOTAL EQUITY AND LIABILITIES		12,079,082	11,943,380	12,058,906

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
For the Six Months Ended 30 April 2009

	Note	6 months ended 30 April 2009 £ (unaudited)	6 months ended 30 April 2008 £ (unaudited)	Year ended 31 October 2008 £ (audited)
Cash flows from operating activities	6			
Net cash generated/(absorbed) by operations		7,058	(18,658)	(43,085)
Net interest paid		-	(8,755)	(1,170)
Net cash generated/(absorbed) by operating activities		7,058	(27,413)	(44,255)
Cash flows from investing activities				
Payments to acquire tangible fixed assets		(5,524)	-	(16,382)
Net cash used in investing activities		(5,524)	-	(16,382)
Cash flows from financing activities				
Repayment of bank loan		-	-	(250,000)
Net cash from financing activities		-	-	(250,000)
Net increase/(decrease) in cash and bank balances		1,534	(27,413)	(310,637)
Cash and bank and bank overdrafts beginning of period		(247,290)	63,347	63,347
Cash and bank and bank overdrafts at end of period		(245,756)	35,934	(247,290)

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 38 South Molton Street, London, W1K 5RL. The condensed consolidated interim financial statements of the Company for the six months ended 30 April 2009 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 2008 has been extracted from the statutory accounts for that period which were prepared in accordance with International Financial Reporting Standards ("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 financial information for the six months ended 30 April 2008 was also prepared in accordance with IFRS).

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 2009.

2. BASIS OF ACCOUNTING

The condensed consolidated financial statements are unaudited and have been prepared on the historical cost basis in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") using the same accounting policies and methods of computation as were used in the annual financial statements for the year ended 31 October 2008. As permitted, the interim report has been prepared in accordance with the AIM rules for Companies and is not compliant in all respects with IAS 34 Interim Financial Statements. The condensed consolidated interim financial statements do not include all the information required for full annual financial statements and hence cannot be construed as in full compliance with IFRS.

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.

Six months ended 30 April 2009

	Consultancy	YES! Project	Unallocated	Total
	£	£	£	£
Revenue	-	-	-	-
Operating profit/(loss)	-	(7,111)	193,033	185,922
Finance (costs)				869
Profit before taxation				186,791
Taxation				-
Profit for the period				186,791

Six months ended 30 April 2008

	Consultancy	YES! Project	Unallocated	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)

Year ended 31 October 2008

	Consultancy	YES! Project	Unallocated	Total
	£	£	£	£
Revenue	25,073	-	-	25,073
Operating profit/(loss)	6,438	(398,951)	(390,416)	(782,929)
Finance costs				(8,586)
Loss before taxation				(791,515)

Taxation	-
Loss for the period	(791,515)

4. EARNINGS / (LOSS) PER SHARE

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

	6 months ended 30 April 2009 (unaudited) £	6 months ended 30 April 2008 (unaudited) £	Year ended 31 October 2008 (audited) £
Earnings / (loss) on ordinary activities after tax	186,791	(360,191)	(791,515)
Number of shares			
Weighted average number of ordinary shares for the period	15,130,133	15,130,133	15,130,133

At a General Meeting on 6 November 2008, it was resolved that the ordinary shares of 50p each be subdivided into 10 shares of 5p each and that 9 of such shares were reclassified as deferred shares of 5p each with the remaining share reclassified as a new ordinary share of 5p, which is the class of share which would be issued in any funding issue. The new ordinary share of 5p each has the same rights as to dividends, votes and (in all practical terms) participation in any repayment of capital as those of the previously existing issued ordinary shares of 50p each.

The new deferred shares have no voting or dividend rights and will only have rights to a repayment of the nominal value of the shares and then only after a significant capital payment has been made to the holders of ordinary shares. The Company has the right to acquire the entire issued class of deferred shares from time to time for a nominal consideration, which it intends to do when appropriate. The new deferred shares are thus, in practical terms, valueless.

This sub-division and reclassification has had no impact on the number or value of a shareholder's holding of ordinary shares and as such it has not been necessary to recalculate the weighted average number of ordinary shares for any period above in order to calculate the profit or loss on each ordinary share.

The exercise of the outstanding options and warrants at 30 April 2009 would have an anti-dilutive effect. There are potentially 1,139,312 ordinary shares that could be issued under the terms of options, and 2,022,089 warrants, that will potentially reduce future earnings per share.

5. STATEMENT OF CHANGES IN EQUITY

	Share capital	**Share premium**	**Retained earnings**	**Capital redemption reserve**	**Merger reserve**	**Total**
		£	**£**	**£**	**£**	**£**
Balance at 1 November 2007	**7,565,067**	**3,017,818**	**(5,858,064)**	**164,667**	**5,197,319**	**10,086,807**
Loss for the 6 months ended 30 April 2008	-	-	(360,191)	-	-	(360,191)
Cost of share based awards	-	-	94,300	-	--	94,300
At 30 April 2008	**7,565,067**	**3,017,818**	**(6,123,955)**	**164,667**	**5,197,319**	**9,820,916**
Loss for the 6 months ended 31 October 2008	-	-	(431,324)	-	-	(431,324)
Cost of share based awards	-	-	92,422	-	-	92,422
At 31 October 2008	**7,565,067**	**3,017,818**	**(6,462,857)**	**164,667**	**5,197,319**	**9,482,014**
Profit for the 6 months ended 30 April 2009	-	-	186,791	-	-	186,791
Cost of share based awards	**-**	**-**	93,835	-	-	93,835
At 30 April 2009	**7,565,067**	**3,017,818**	**(6,182,231)**	**164,667**	**5,197,319**	**9,762,640**

6. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Cash absorbed by operations	6 months ended 30 April 2009 (unaudited)	6 months ended 30 April 2008 (unaudited)	Year ended 31 October 2008 (audited)
	£	£	£
Operating profit / (loss)	185,922	(346,937)	(782,929)
Share-based payment	93,835	94,300	186,722
Increase) / (decrease) in debtors	29,453	-	(35,478)
(Decrease) / increase in creditors	(302,152)	233,979	588,600
Cash generated / (absorbed) by operations	7,058	(18,658)	(43,085)

7. RELEASE OF LIABILITIES

As disclosed in the 2008 Annual Report, on 12 February 2009 the directors and certain related parties formally waived their entitlement to certain salaries, fees and loans that were owed to them. As a result, the Group was released from total liabilities of £410,086.

8. DISTRIBUTION OF INTERIM REPORT

Copies of the Interim Report for the six months ended 30 April 2009 can be obtained from the Registered Office during normal business hours and are available on the Company's website, www.oakholdings.co.uk. .

Contact details:

Oak Holdings plc Stephen Lewis, Chief Executive Officer Mike Williams, Finance Director	Tel: 020 7493 5522
Arbuthnot Securities Limited Tom Griffiths	Tel: 020 7012 2000

END