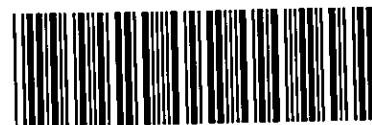


OATHALL PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st DECEMBER 2008

Company Registration Number 1169256

McKellens Limited
Chartered Accountants
11 Riverview
The Embankment Business Park
Vale Road
Heaton Mersey
Stockport.
SK4 3GN

THURSDAY



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OATHALL PLC
FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2008

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OATHALL PLC
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	A Birchall E Birchall
Company secretary	Mrs M Birchall
Registered office	c/o McKellens Limited 11 Riverview, The Embankment Business Park Vale Road Heaton Mersey Stockport SK4 3GN
Auditor	McKellens Limited Chartered Accountants 11 Riverview The Embankment Business Park Vale Road Heaton Mersey Stockport SK4 3GN
Bankers	Barclays Bank plc P.O. Box 62 Lyme Building Westmere Drive Crewe Cheshire.

OATHALL PLC
THE DIRECTORS' REPORT
YEAR ENDED 31st DECEMBER 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of property investment and equity investing.

We continue to look for consultancy work that will give us substantial revenue.

Due to the decline in worldwide equity markets in 2008 we have not been as successful in 2008.

We looked at several commercial and residential property investments, but none came to fruition due to market values declining and the potential profit on these opportunities not justifying the risk. We continue to look for opportunities in these areas.

Due to the very high level of director involvement in all aspects of running the company, the directors do not set individual Key Performance Indicators and therefore such measures are not included in this report.

The directors are of the opinion that the company has sufficient capital and reserves to meet all its foreseeable future requirements.

RESULTS AND DIVIDENDS

The loss for the year amounted to £282,702. The directors have not recommended a dividend.

FINANCIAL INSTRUMENTS

Details of the company's financial risk management objectives and policies are included in note 13 to the accounts.

DIRECTORS

The directors who served the company during the year were as follows:

A Birchall
E Birchall

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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 of the profit or loss of the company for that period. In preparing these 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;

OATHALL PLC

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31st DECEMBER 2008

- state whether applicable UK Accounting Standards have been followed, subject to any material 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 will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

A resolution to re-appoint McKellens Limited as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

by order of the directors

Signed by



MRS M BIRCHALL
Company Secretary

22nd April 2009

OATHALL PLC
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
OATHALL PLC

YEAR ENDED 31st DECEMBER 2008

We have audited the financial statements of Oathall Plc for the year ended 31st December 2008 on pages 6 to 17, which have been prepared on the basis of the accounting policies set out on pages 9 to 10.

This report is made solely to the company's shareholder, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholder those matters we are required to state to them in an auditor's 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the 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 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 information given in 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 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.

OATHALL PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF OATHALL PLC *(continued)*

YEAR ENDED 31st DECEMBER 2008

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 company's affairs as at 31st December 2008 and of its 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.



McKELLENS LIMITED
Chartered Accountants
Registered Auditors

11 Riverview
The Embankment Business Park
Vale Road
Heaton Mersey
Stockport
SK4 3GN

29th April 2009

OATHALL PLC
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31st DECEMBER 2008

	Note	2008 £	2007 £
TURNOVER	2	304,866	539,866
Cost of sales		<u>(498,692)</u>	<u>(317,021)</u>
GROSS (LOSS)/PROFIT		(193,826)	222,845
Administrative expenses		<u>(63,562)</u>	<u>(161)</u>
OPERATING (LOSS)/PROFIT	3	(257,388)	222,684
Interest receivable and similar income		<u>(8,275)</u>	<u>(28,859)</u>
Interest payable and similar charges	6	<u>(38,184)</u>	<u>(59,012)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(303,847)	134,813
Tax on (loss)/profit on ordinary activities	7	<u>21,145</u>	<u>(21,005)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(282,702)	113,808
Balance brought forward		<u>585,667</u>	<u>471,859</u>
Balance carried forward		<u>302,965</u>	<u>585,667</u>

All of the activities of the company are classed as continuing.

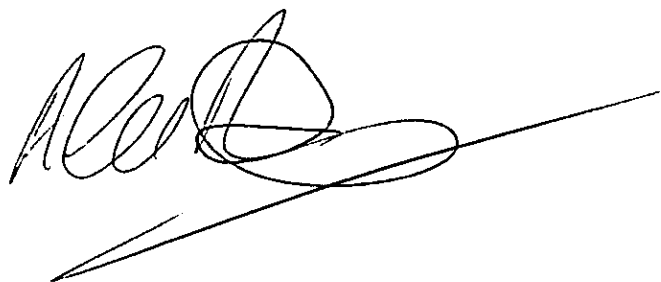
The company has no recognised gains or losses other than the results for the year as set out above.

OATHALL PLC
BALANCE SHEET
31st DECEMBER 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Tangible assets	8	759	1,996
Investments	9	850,000	1,099,750
		<u>850,759</u>	<u>1,101,746</u>
CURRENT ASSETS			
Debtors	10	246,169	297,016
Cash at bank		40,530	204,017
		<u>286,699</u>	<u>501,033</u>
CREDITORS: Amounts falling due within one year	12	802,493	985,112
NET CURRENT LIABILITIES		<u>(515,794)</u>	<u>(484,079)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>334,965</u>	<u>617,667</u>
CAPITAL AND RESERVES			
Called-up equity share capital	15	32,000	32,000
Profit and loss account		302,965	585,667
SHAREHOLDER'S FUNDS	16	<u>334,965</u>	<u>617,667</u>

These financial statements were approved by the directors on 22nd April 2009 and are signed on their behalf by:

A BIRCHALL



OATHALL PLC
CASH FLOW STATEMENT
YEAR ENDED 31st DECEMBER 2008

	Note	2008 £	2007 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	17	(290,758)	295,220
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		(8,275)	(28,859)
Interest paid		(38,184)	(59,012)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(46,459)	(87,871)
TAXATION		(21,101)	(4,480)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets		–	(2,474)
Receipts from sale of fixed assets		(54,919)	–
Disposal of investment own shares		249,750	–
NET CASH INFLOW/(OUTFLOW) FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		194,831	(2,474)
CASH (OUTFLOW)/INFLOW BEFORE USE OF LIQUID RESOURCES		(163,487)	200,395
MANAGEMENT OF LIQUID RESOURCES			
Cash placed in short term deposits		163,487	(200,395)
NET CASH INFLOW/(OUTFLOW) FROM MANAGEMENT OF LIQUID RESOURCES		163,487	(200,395)
INCREASE IN CASH		–	–

YEAR ENDED 31st DECEMBER 2008

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment. All purchases and sales of investments are recognised using trade date accounting.

OATHALL PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2008

1. ACCOUNTING POLICIES *(continued)*

Investments are fair valued using quoted market prices, independent appraisals, discounted cash flow analysis or other appropriate valuation models at the balance sheet date.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoices amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2008 £	2007 £
United Kingdom	<u>304,866</u>	<u>539,866</u>

3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	2008 £	2007 £
Depreciation of owned fixed assets	1,237	478
Loss on disposal of fixed assets	54,919	–
Operating lease costs:		
Other	–	2,199
Auditor's remuneration	<u>3,600</u>	<u>3,500</u>
	<u>2008</u> £	<u>2007</u> £
Auditor's remuneration - audit of the financial statements	<u>3,600</u>	<u>3,500</u>

OATHALL PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2008

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2008	2007
	No	No
Number of management staff	<u>2</u>	<u>2</u>

The aggregate payroll costs of the above were:

	2008	2007
	£	£
Wages and salaries	1,500	1,500
Social security costs	<u>-</u>	<u>-</u>
	<u>1,500</u>	<u>1,500</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2008	2007
	£	£
Emoluments receivable	<u>1,500</u>	<u>1,500</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Other similar charges payable	<u>38,184</u>	<u>59,012</u>

7. TAXATION ON ORDINARY ACTIVITIES**(a) Analysis of charge in the year**

	2008	2007
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 20.75% (2007 - 19.75%)	(21,100)	21,100
Over/under provision in prior year	<u>-</u>	<u>(95)</u>
Total current tax	(21,100)	21,005
Deferred tax:		
Origination and reversal of timing differences (note 11)		
Capital allowances	<u>(45)</u>	<u>-</u>
Tax on (loss)/profit on ordinary activities	<u>(21,145)</u>	<u>21,005</u>

OATHALL PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2008

7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20.75% (2007 - 19.75%).

	2008 £	2007 £
(Loss)/profit on ordinary activities before taxation	<u>(303,847)</u>	<u>134,813</u>
(Loss)/profit on ordinary activities by rate of tax	(63,048)	26,626
Corporation tax losses brought forward utilised	47,909	-
Prior period adjustments	-	(95)
Change in rate of tax	1,068	-
Rounding on tax charge	(4)	2
Permanent disallowables	216	63
Franked investment income	(7,443)	(5,442)
Fixed asset timing differences	<u>202</u>	<u>(149)</u>
Total current tax (note 7(a))	<u>(21,100)</u>	<u>21,005</u>

8. TANGIBLE FIXED ASSETS

	Equipment £
COST	
At 1st January 2008 and 31st December 2008	<u>2,474</u>
DEPRECIATION	
At 1st January 2008	478
Charge for the year	<u>1,237</u>
At 31st December 2008	<u>1,715</u>
NET BOOK VALUE	
At 31st December 2008	<u>759</u>
At 31st December 2007	<u>1,996</u>

OATHALL PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2008

9. INVESTMENTS

	Listed £	Other £	Total £
COST			
At 1st January 2008	249,750	850,000	1,099,750
Disposals	(249,750)	-	(249,750)
At 31st December 2008	<u>-</u>	<u>850,000</u>	<u>850,000</u>
NET BOOK VALUE			
At 31st December 2008	<u>-</u>	<u>850,000</u>	<u>850,000</u>
At 31st December 2007	<u>249,750</u>	<u>850,000</u>	<u>1,099,750</u>

Other investments comprise of the cost of investments in the following:

The Portal Restaurant and Bar Limited (30% of the issued share capital), a company incorporated in England and Wales. The latest accounts for this company are for the year ended 30 June 2007 and show retained losses of £283,767 (2006: £254,566) and net assets of £286,801 (2006: £25,434).

Four Capital Partners Limited (9.74% of the equity share capital and 29.5% of the preference share capital), a company incorporated in England and Wales. This company has an accounting reference date of 30 September and this company's last set of accounts are for the year ended 30 September 2008. Accounts for this year show retained losses of £1,557,171 (2007: £724,872) and net liabilities of £1,178,391 (2007: £346,002).

10. DEBTORS

	2008 £	2007 £
Trade debtors	183,711	257,398
Corporation tax repayable	21,101	-
VAT recoverable	82	118
Other debtors	39,500	39,500
Prepayments and accrued income	1,730	-
Deferred taxation (note 11)	45	-
	<u>246,169</u>	<u>297,016</u>

OATHALL PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2008

11. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

	2008 £	2007 £
Included in debtors (note 10)	<u>45</u>	<u>-</u>

The movement in the deferred taxation account during the year was:

	2008 £	2007 £
Profit and loss account movement arising during the year	<u>45</u>	<u>-</u>
Balance carried forward	<u>45</u>	<u>-</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2008		2007	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of depreciation over taxation allowances	45	-	-	-
Tax losses available	<u>-</u>	<u>48,506</u>	<u>-</u>	<u>-</u>
	<u>45</u>	<u>48,506</u>	<u>-</u>	<u>-</u>

There are potential deferred tax assets of £11,533 relating to capital losses carried forward and £36,953 relating to trading losses carried forward. These assets have not been provided for in the accounts as given the current economic climate, the directors are unsure that the assets will be realised in the foreseeable future.

12. CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Corporation tax	-	21,100
Dividends payable	200,000	200,000
Other creditors	500,000	500,000
Accruals and deferred income	<u>102,493</u>	<u>264,012</u>
	<u>802,493</u>	<u>985,112</u>

OATHALL PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2008

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company holds or issues financial instruments in order to achieve three main objectives, being:

- (a) to finance its operations;
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and
- (c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

14. RELATED PARTY TRANSACTIONS**Oathall (UK) Limited**

The director Mr A. Birchall is also a director of Oathall (UK) Limited. During a prior year the company provided a loan to Oathall (UK) Limited of £39,500 and this amount was still outstanding at the balance sheet date.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

15. SHARE CAPITAL**Authorised share capital:**

	2008	2007
	£	£
32,000 Ordinary shares of £1 each	<u>32,000</u>	<u>32,000</u>

Allotted, called up and fully paid:

	2008		2007
	No	£	No
Ordinary shares of £1 each	<u>32,000</u>	<u>32,000</u>	<u>32,000</u>
			<u>£</u>
			<u>32,000</u>

OATHALL PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2008

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2008	2007
	£	£
(Loss)/Profit for the financial year	(282,702)	113,808
Opening shareholder's funds	<u>617,667</u>	<u>503,859</u>
Closing shareholder's funds	<u>334,965</u>	<u>617,667</u>

17. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2008	2007
	£	£
Operating (loss)/profit	(257,388)	222,684
Depreciation	1,237	478
Loss on disposal of fixed assets	54,919	—
Decrease in debtors	71,993	44,931
(Decrease)/increase in creditors	<u>(161,519)</u>	<u>27,127</u>
Net cash (outflow)/inflow from operating activities	<u>(290,758)</u>	<u>295,220</u>

18. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2008	2007
	£	£
Increase in cash in the period	—	—
Cash used to decrease/increase liquid resources	(163,487)	200,395
	<u>(163,487)</u>	<u>200,395</u>
Change in net funds	(163,487)	200,395
Net funds at 1 January 2008	<u>204,017</u>	<u>3,622</u>
Net funds at 31 December 2008	<u>40,530</u>	<u>204,017</u>

19. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2008 £	Cash flows £	At 31 Dec 2008 £
Net cash:			
Cash in hand and at bank	204,017	(163,487)	40,530
Less: deposits treated as liquid resources	<u>(203,517)</u>	<u>163,487</u>	<u>(40,030)</u>
	<u>500</u>	<u>—</u>	<u>500</u>
Liquid resources:			
Deposits included in cash	<u>203,517</u>	<u>(163,487)</u>	<u>40,030</u>
Net funds	<u>204,017</u>	<u>(163,487)</u>	<u>40,530</u>

OATHALL PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2008

20. PENSIONS

The company has not operated, or contributed to any pension scheme on behalf of its employees.

21. CONTINGENCIES

The directors have confirmed that there were no contingent liabilities which should be disclosed at 31st December 2008.

22. CAPITAL COMMITMENTS

The directors have confirmed that there were no capital commitments at 31st December 2008.

23. ULTIMATE PARENT COMPANY

The directors regard Bittium Limited, a company incorporated in the Isle of Man, as the company's immediate and ultimate parent undertaking.